



WAIMAKARIRI  
DISTRICT COUNCIL

# Audit and Risk Committee

## Agenda

Tuesday 19 July 2022

9.30am

*Council Chamber  
215 High Street  
Rangiora*

*Members:*

Councillor Joan Ward (Chairperson)  
Deputy Mayor Neville Atkinson  
Councillor Kirstyn Barnett  
Councillor Paul Williams  
Councillor Sandra Stewart  
Mayor Dan Gordon (ex officio)

**A MEETING OF THE AUDIT AND RISK COMMITTEE WILL BE HELD IN THE COUNCIL CHAMBER, 215 HIGH STREET, RANGIORA ON TUESDAY 19 JULY AT 9.30AM**

Recommendations in reports are not to be construed as Council policy until adopted by the Council

**BUSINESS**

Page No

1 **APOLOGIES**

2 **CONFLICTS OF INTEREST**

*Conflicts of interest (if any) to be reported for minuting.*

3 **CONFIRMATION OF MINUTES**

3.1 **Minutes of a meeting of the Audit and Risk Committee held on Tuesday 17 May 2022**

*RECOMMENDATION* 6-14

**THAT** the Audit and Risk Committee:

- (a) **Confirms** the circulated Minutes of a meeting of the Audit and Risk Committee, held on 17 May 2022, as a true and accurate record.

3.2 **Matters Arising**

4 **PRESENTATION/DEPUTATION**

4.1 **Rangiora Promotions Association – Ross Ditmer**

4.2 **Oxford promotions Association – Dani Reilly and Peter Reilly**

5 **REPORTS**

5.1 **Enterprise North Canterbury Approved Statement of Intent beginning 1 July 2022; Updated Enterprise North Canterbury Business Plan and Budget 2022/23; and Promotion of Waimakariri District Plan – Jeff Millward (General Manager Finance and Business Support)**

*RECOMMENDATION* 15-40

**THAT** the Audit and Risk Committee:

- (a) **Receives** report No 220629110229.
- (b) **Approves** Enterprise North Canterbury's Statement of Intent 2022/23, Enterprise North Canterbury's Approved Business Plan and Budget 2022/23, and Enterprise North Canterbury's Promotion of Waimakariri Plan.

- (c) **Circulates** the report to the Community Boards for information.
- (d) **Thanks** Enterprise North Canterbury Trustees and staff for their efforts.

**5.2 Annual Report and audited accounts for Enterprise North Canterbury for the year end 30 June 2021 – Jeff Millward (General Manager Finance and Business Support)**

*RECOMMENDATION* 41-73

**THAT** the Audit and Risk Committee:

- (a) **Receives** Report No. 220603094494.
- (b) **Receives** the Annual Report to 30 June 2021 and related audited accounts.
- (c) **Circulates** this report to all Community Boards.

**5.3 Annual Report for Te Kōhaka o Tūhaitara Trust for the year ended 30 June 2021 – Jeff Millward (General Manager Finance and Business Support)**

*RECOMMENDATION* 74-123

**THAT** the Audit and Risk Committee:

- (a) **Receives** report N° 220622107161
- (b) **Receives** the Audited Annual Report for Te Kōhaka o Tūhaitara Trust for the year ended 30 June 2021;
- (c) **Acknowledges** the work carried out by the Trust and thanks the Trustees, General Manager and staff for their efforts;
- (d) **Circulates** the report to the Boards.

**5.4 Audit New Zealand Audit Plan for the year ended 30 June 2022 – Jeff Millward (General Manager Finance and Business Support)**

*RECOMMENDATION* 124-154

**THAT** the Audit and Risk Committee:

- (a) **Receives** report N° 220705114105.
- (b) **Agrees** to the audit plan for the year ended 30 June 2022, as provided by Audit New Zealand.

**5.5 Reporting on LGOIMA Requests for the period 1 May to 30 June 2021 – Thea Kunkel (Governance Team Leader)**

*RECOMMENDATION* 155-159

**THAT** the Audit and Risk Committee:

- (a) **Receives** Report No. 220706115023 for information.
- (b) **Notes** that the Council responded to 19 official requests of information from 1 May to 30 June 2022, which was two less than the 21 official requests responded to in the same period in 2021.

## 6 PORTFOLIO UPDATES

### 6.1 Audit, Risk, Long Term Plan and Excellence Programme – Councillor Joan Ward

### 6.2 Customer Service – Councillor Kirstyn Barnett

### 6.3 Communications – Councillor Neville Atkinson

## 7 QUESTIONS

## 8 URGENT GENERAL BUSINESS

## 9 MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED

*Section 48, Local Government Official Information and Meetings Act 1987.*

### *RECOMMENDATION*

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

The general subject 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(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

| Item No | Minutes/Report of   | General subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Ground(s) under section 48(1) for the passing of this resolution |
|---------|---|---|---|--|
| 9.1     | Minutes of public excluded portion of Audit and Risk Committee meeting of 17 May 2022.      | Confirmation of minutes                         | Good reason to withhold exists under Section 7                | Section 48(1)(a)   |
| 9.2     | Report of A Keiller (Chief Information Officer) and A Ismail (Cyber Security Administrator) | Cyber Security – Status Report                  | Good reason to withhold exists under Section 7                | Section 48(1)(a)   |

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

| Item N°     | Reason for protection of interests   | LGOIMA Part 1, Section 7 |
|-------------|--|--------------------------|
| 9.1 and 9.2 | Protection of privacy of natural persons<br>To carry out commercial activities without prejudice | A2(a)<br>A2(b)(ii)       |

**CLOSED MEETING**

*See Public Excluded Agenda.*

**OPEN MEETING**

## WAIMAKARIRI DISTRICT COUNCIL

### MINUTES OF A MEETING OF THE AUDIT AND RISK COMMITTEE HELD IN THE COUNCIL CHAMBERS, CIVIC BUILDINGS, HIGH STREET, RANGIORA ON TUESDAY 17 MAY 2022 AT 10.00AM.

#### PRESENT

Councillors J Ward (Chairperson), N Atkinson, K Barnett, S Stewart, P Williams and Mayor D Gordon.

#### IN ATTENDANCE

Councillors W Doody and P Redmond.

J Millward (Manager Finance and Business), P Christensen (Finance Manager), G Cleary (Manager Utilities and Roading), D Young (Senior Engineer), S Nichols (Governance Manager), H Street (Corporate Planner) and K Rabe (Governance Advisor).

#### 1 APOLOGIES

There were no apologies.

#### 2 CONFLICTS OF INTEREST

No conflicts of interest were declared.

#### 3 CONFIRMATION OF MINUTES

##### 3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 15 March 2022

Moved: Mayor Gordon                      Councillor Williams

**THAT** the Audit and Risk Committee:

- (a) **Confirms** the circulated Minutes of a meeting of the Audit and Risk Committee, held on 15 March 2022, as a true and accurate record.

**CARRIED**

##### 3.2 Matters Arising

At a previous meeting Councillor Stewart requested detailed data on businesses that had closed and/or relocated from the district, and a breakdown of employment opportunities for each of the main centres. She noted that none of the Committee had yet to received the requested information and therefore requested that staff follow up on this request.

#### 4 PRESENTATION/DEPUTATION

Nil.

## 5 REPORTS

### 5.1 Non-Financial Performance Measures Third Quarter Results as at 31 March 2022 – H Street (Corporate Planner)

H Street spoke to the report which updated the Committee on the results of the Long Term Plan 2021-2031 non-financial performance measures, for the third quarter of the 2021/22 financial year, noting that performance was down from the previous quarter. She also noted that the proposed amendments and improvements to the reporting structure had not been accomplished due to the impact of Covid on staff resourcing.

Councillor Barnett enquired if priority had been given to public safety during the Covid pandemic. J Millward replied that public facing staff had all been wearing personal protective equipment, and the work force had been working under a Business Continuity Plan approach, for instance some teams were divided into two teams to mitigate the spread of Covid. However Libraries and Aquatic Facilities were, on occasion, forced to close due to a lack of staff resources.

Councillor Barnett further queried how the Council contractors had coped with completing projects. J Millward advised that most contractors and businesses were in a similar position with resourcing and staffing shortages and everyone was doing the best they could to keep to deadlines and keep business as usual going.

Moved: Councillor Barnett

Seconded: Councillor Atkinson

**THAT** the Audit and Risk Committee:

- (a) **Receives** Report No 220505070789.
- (b) **Notes** that 61% of performance measures were achieved, 32% were not achieved and 7% were not yet due.
- (c) **Notes** that 10 of the 36 measures that had not meet target were within 5% of being achieved.
- (d) **Notes** that COVID restrictions, staff resourcing issues and a flooding event in February 2022 contributed to several measures not meeting target.
- (e) **Notes that** all measures had been reviewed and incorporated in the 2021-2031 Long Term Plan.

**CARRIED**

Councillor Barnett commended the staff on keeping business as usual going under very trying circumstances. However, believed that more could be done in communicating with the general public when deadlines would not be met, especially when dealing with service requests. Also, staff needed to ensure that follow-ups were conducted to let people know why the matter was yet to be dealt with an approximate time line for resolution.

A general discussion was held regarding the Council's response to service requests received via 'Snap Send, Solve' and how they could be improved. J Millward undertook to forward the feedback to the relevant staff.

Councillor Stewart commented on the section in reports that dealt with 'Sustainability and Climate Change Impacts' noting that sufficient information was not being provided in this regard. She therefore requested that more effort be made to ensure that relevant information be included. Councillor

Atkinson agreed and noted that the same should be applied to if the section dealing with Mana whenua.

**5.2 Capital Works Programme Quarterly Report March 2022 – G Cleary (Manager Utilities and Roading), C Brown (Manager, Community and Recreation), D Young (Senior Engineering Advisor)**

G Cleary and D Young presented the report which updated the Committee on the progress of the 2021/22 Capital Works Programme. D Young acknowledged that the results were disappointing, however, not unexpected given the difficulties with supply shortages, staff unavailability and the other impacts of Covid. G Cleary advised that a further report on the carry overs and possible solutions would be presented to the Council prior to the Annual Plan deliberations so that the Council would have as much information as possible prior to making any decisions.

Councillor Ward questioned if the Shovel Ready funding would be at risk and was assured that as the timelines for Shovel Ready projects did not follow the Councils financial year, staff were confident that these projects would be completed on time to enable full Government funding.

Councillor Atkinson requested that the full Council be briefed on these matters prior to the Annual Plan deliberation meeting as not all Councillors were aware of the information being provided to the Audit and Risk Committee. G Cleary assured the Committee that all pertinent information for making informed decisions would be circulated to the full Council. The Council would also be provided with an in-depth overview at the start of the Annual Plan deliberation meeting. He therefore believed it was not necessary to have a separate briefing on this matter. Mayor Gordon also assured the Committee that the necessary information would be provided in sufficient time for members to digest and ask questions prior to the meeting.

Councillor Stewart suggested pro-active media coverage on the significant changes to the budgets prior to the deliberation meeting to ensure that the public understood the difficulties facing the Council, thus pre-empting any negative assumptions after decisions had been made regarding the 2022/23 Annual Plan. J Millward noted that this was not the process followed and that any information would be shared after the open meeting and decisions made rather than before.

Councillor Williams requested clarification on the wording regarding the drainage budget, and D Young acknowledged that the wording could have been clearer, however, further information on drainage would be included in the report to be presented at a later date.

Moved: Councillor Atkinson

Seconded: Mayor Gordon

**THAT** the Audit and Risk Committee:

- (a) **Receives** Report No. 220505070553.
- (b) **Notes** the predicted achievement across all tracked Capital expenditure.
- (c) **Notes** that of the \$77.95 million total Capital spend, \$49.98 million (64%) was predicted for completion, however, \$2.21 million (4%) of this was at risk of not being delivered.
- (d) **Notes** that staff would report to the Council at the 2022/23 Annual Plan deliberation meeting on next year's Capital Works Programme that took into account the carry overs from the 2021/22 financial year and the



resourcing, inflation and supply chain issues currently facing the Council and industry.

**CARRIED**

Councillor Atkinson acknowledged that he was disappointed in the progress of the Capital Programme, however, noted that the whole world was experiencing similar problems due to the continued impact of the pandemic on supplies, staffing and costs on projects' deadlines. He believed that the Council would have a robust discussion at the Annual Plan deliberation meeting which would result in sensible, practical solutions without impacting on rates during the coming year.

Mayor Gordon noted that the Capital Works Programme was reasonably ambitious, especially when taking into account the stimulus projects that were added. He thanked G Cleary and his team for the ongoing scrutiny and review of the programme and on coming-up with viable, realistic options.

Councillor Stewart agreed, however noted that due to the foresight of the Management Team the programme was not overly ambitious for the 2021/22 financial year. She felt that the public needed to be informed of the financial impact that Covid had on the budgets and projects, with a warning that the Council would need to achieve realistic outcomes when making decisions on the Annual Plan.

Councillor Williams questioned if the Council had sufficient capability during emergency situations and wondered if the pool of contractors should be enlarged. G Cleary confirmed that the Council had sufficient resources, noting the success during the earthquakes as well as during the recent weather events.

Councillor Ward thanked staff for the work carried out during a very difficult period and hoped that a more consistent workforce in the near future would alleviate some of the issues being faced.

**5.3 Financial Report for the period ended 31 March 2022 – P Christensen (Finance Manager)**

P Christensen spoke to this report which advised the Committee on the financial result for the period ended 31 March 2022, which noted the surplus, the capital expenditure and the impact of inflationary movement.

Councillor Barnett asked if the Consumers Price Index (CPI) increases of 6.9% per quarter would place pressure on the proposed rates increase of 4.3%. P Christensen explained that all modelling was based on the Berl Index, which was released in time for councils to prepare their Draft Annual Plans. However the unforeseen increases in cost of living would impact on figures going forward, and further information would therefore be presented to mitigate the large changes to the economic indicators.

Councillor Barnett questioned if Council would be briefed on the impact that the possible delay of the Capital Works Programme and the expected increases in living costs would have on the Council's finances going forward and the risks involved. J Millward explained that the questions raised at the meeting would be considered and included in the information to be brought to the Annual Plan deliberation meeting. The information would not only show the impact of the increase to inflation, consideration of salary increases taking into account the cost of living increase, but also the impacts to the changes to the Capital Works Programme as to provide a holistic view prior to decisions being made.

Councillor Redmond sought clarity what the Local Government Cost Index (LGCI) was because it was generally higher than the CPI rate. J Millward

noted that for the first time ever the CPI had been higher than the LGCI which was at 2.9%. However CPI indicated the increase in food prices and general cost of living, housing etc, whereas the LGCI dealt more with project costs of infrastructure. The CPI impacted the Council to the extent that staffing and salaries costs were some of factors that affect both the Council and contractors alike. Councils seemed to be in catch-up mode, however had to work with the economic forecasts to enable them to predict for the following financial year.

Councillor Redmond noted that Berl's figures were used for tender prices, which also appear to be increasing and questioned how this would affect costs. J Millward stated that tendering was under pressure and pricing was tight as was reflected in the number of contractors tendering for work. Costs of supplies were unpredictable, however, the Council would need to adjust the Capital Works Programme for the following year to what it did know of pricing movements.

Moved: Mayor Gordon

Seconded: Councillor Barnett

**THAT** the Audit and Risk Committee:

- (a) **Receives** Report No.220430066378.
- (b) **Notes** the surplus for the period ended 31 March 2022 was \$10.3 million. This was \$1.1 million under budget and reflected both lower Operating revenue and Operating expenditure.
- (c) **Notes** that Capital expenditure was currently \$33 million less than budget.
- (d) **Notes** that given the inflationary movements, there had been significant movements to the values of a number of asset classes. Under accounting standards this would require a number of asset classes to be revalued in 2022 and outside the usual three yearly cycle required under the accounting policy.

**CARRIED**

Mayor Gordon noted that the questions raised were pertinent and relevant to ensure that the information did not negatively impact on the following financial year. Another aspect was the impact of the growth in the district, however, the Council's financial status was reviewed regularly which contributed to the Waimakariri district's reputation for financial stability and strength.

Councillor Barnett expressed a concern about the increasing inflation and the Council having to play catch up. While the Council had committed to a 4.3% rate increase for the next year, they needed to caution the residents that there would likely be a hike in rates in the following financial year to accommodate the ongoing increases to costs.

Councillor Atkinson commented that the Council had always had a policy of being up front and honest with the public which had stood them in good stead, especially during emergencies. The residents trusted the Council to manage risks responsibly. Mayor Gordon agreed and noted that people respected being told how it was rather than sugar coating issues.

Councillor Ward thanked the Finance Team for the work they did and for the prudent management of the district's finances.

#### **5.4 Reporting on LGOIMA Requests - S Nichols (Governance Manager)**

S Nichols spoke to the report which presented information of all the requests for information made under the Local Government Official Information and Meetings Act 1987 (LGOIMA). She took the report as read.

Councillor Atkinson asked what the benefit this report had for members of the Audit and Risk Committee. S Nichols stated that it was for information and to give a flavour of what sort of questions the public were interested in and what issues seemed to be prevalent in the district.

Councillor Redmond noted that the Hurunui District Council had recently received a similar report and queried if this information would be made available on the Council website. S Nichols confirmed that as all reports were available on the Council website. She noted that some councils only shared the information with elected members while others made the information available to the public. Currently there was discussions on the best way to making LGOIMA requests public.

Councillor Barnett queried that if the information was made more easily available, would it not stop duplicate request being made as people would already have the information. S Nichols responded that there were very few duplicate queries.

Councillor Doody questioned the staff time required to answer queries especially ones that were complex and covered several areas such as the recent queries from the Department of Internal Affairs on the Three Waters Reform and whether the Council had the ability to recover some of the costs. S Nichol acknowledged that complex queries could be extremely time consuming, however, there were rules regarding what cost could be recovered.

Councillor Atkinson enquired if the reason the report was presented was to show that the Council had met the required statutory timeframes. S Nichols noted that compliance was reflected on the Council's Key Performance Indicators, the report was to provide members an idea of what the public considered were important issues.

Moved: Councillor Williams

Seconded: Mayor Gordon

**THAT** the Audit and Risk Committee:

- (a) **Receives** Report No. 220509072394.
- (b) **Notes** that on-going regular reporting will be provided at future Audit and Risk Committee meetings.

Councillor Williams believed that the information contained in the report was important and interesting and supported it being made public.

Mayor Gordon noted that he had no problem with this information being made public, however was surprised that there was no requirement to ensure that the requests came from reliable sources. He believed that there should be some way to ensure that the questions originated from actual people as there was a risk of the Council being targeted with fictitious requests which could impact on staff time and resources.

Councillor Redmond was in support of the disclosure of the information as it gave elected members insight into what the community found interesting. He agreed with the Mayor and felt that more work could be done on tightening up on security procedures and consideration of relevant fees for this service.

Councillor Barnett questioned if S Nichols was in favour of charging for information. S Nichols explained that it was not the Council's standard

practice to charge for information requested by the public, however, the Ombudsman permitted such activity in line with the Ministry of Justice rates. She noted that charging was only considered if the request required substantive time and resources. Councillor Barnett suggested that the matter be reviewed by all councils to get a consistent fee structure and tighten up on security procedures.

Councillor Stewart did not support charging for information stating it was a democratic right to have access to public information and it was part of staff's core role to provide information on request.

Councillor Williams noted that the Council needed to be transparent in providing information requested, however there should be an expectation that the person requesting the information was transparent as well by supplying relevant information on themselves.

## **6 PORTFOLIO UPDATES**

### **6.1 Audit, Risk, Long Term Plan and Excellence Programme – Councillor Joan Ward**

- Annual Plan Deliberation meeting to be held on the 24 and 25 May 2022.
- Council would be adopting the Annual Plan on 14 June 2022.

### **6.2 Customer Service – Councillor Kirstyn Barnett**

- New Customers Service staff was training at the Kaiapoi Library and Service Centre.
- Encouraging people to do dog registration on line.
- New online booking system for appointments for rate rebates.
- LIMs numbers the lowest April numbers since 2008.
- Update on training being done with Property Team regarding the District Plan and changes to property values. Public would be notified on valuations in early October 2022.

Councillor Williams enquired if all purchasers requested LIMs and Councillor Barnett noted that most did but not all.

### **6.3 Communications – Councillor Neville Atkinson**

- Public engagement would now proceed by doing face to face consultation.
- Update on Annual Plan submissions and meetings.
- 'Lets Talk' programme was gaining in popularity
- One of the two vacant positions in the Communications Team had been filled.
- Update on Huria Reserve and the Mahinga Kai project
- Update on current consultations and those coming up.

## **7 QUESTIONS**

Nil.

## **8 URGENT GENERAL BUSINESS**

Nil.

Unconfirmed

## 9 MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED

Section 48, Local Government Official Information and Meetings Act 1987

Moved: Councillor Atkinson

Seconded: Mayor Gordon

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

The general subject of each matter to be considered while the public was excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, were as follows:

| Item N° | Minutes/Report of:  | General subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Ground(s) under section 48(1) for the passing of this resolution |
|---------|---|---|---|--|
| 9.1     | Ashleigh Radford (Asset Information Management Team Leader), Paul Christensen (Finance Manager) | Plant Replacement 2022                          | Good reason to withhold exists under Section 7                | Section 48(1)(a)   |
| 9.2     | Sarah Nichols (Governance Manager)  | Insurance Update                                | Good reason to withhold exists under Section 7                | Section 48(1)(a)   |

This resolution was made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public were as follows:

| Item N°   | Reason for protection of interests   | Ref NZS 9202:2003 Appendix A |
|-----------|--|------------------------------|
| 9.1 – 9.2 | Protection of privacy of natural persons<br>To carry out commercial activities without prejudice | A2(a)<br>A2(b)ii             |

### CLOSED MEETING

The public excluded portion of the meeting commenced at 11.26am and concluded at 11.59am

### Resolution to resume in open meeting

Moved: Councillor Atkinson

Seconded: Councillor Williams

#### 9.1 Plant Replacement 2022 – A Radford (Asset Information Management Team Leader), P Christensen (Finance Manager)

**Resolves** that the resolutions be made public and that the contents of the report and discussion remain public excluded due to commercial sensitivities.

**9.2 Update on Insurance Matters– S Nichols (Governance Manager)**

**Resolves** that the report, resolution and discussion remain public excluded for reasons of privacy of natural persons, commercial sensitivities and negotiations under LGOIMA.

**NEXT MEETING**

The next meeting of the Audit and Risk Committee is scheduled for 9am, Tuesday 19 July 2022.

THERE BEING NO FURTHER BUSINESS THE MEETING CONCLUDED AT 12PM.

**CONFIRMED**

\_\_\_\_\_  
J Ward  
Chairperson

\_\_\_\_\_  
Date

**WAIMAKARIRI DISTRICT COUNCIL****REPORT FOR DECISION**

**FILE NO and TRIM NO:** EXC-17 / 220629110229

**REPORT TO:** AUDIT & RISK COMMITTEE

**DATE OF MEETING:** 19 July 2022

**AUTHOR(S):** Jeff Millward, General Manager, Business and Finance Support

**SUBJECT:** Enterprise North Canterbury Approved Statement of Intent beginning 1 July 2022; Updated Enterprise North Canterbury Business Plan and Budget 2022/23; and Promotion of Waimakariri District Plan.

**ENDORSED BY:**  
(for Reports to Council,  
Committees or Boards)




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Department Manager

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acting Chief Executive

**1. SUMMARY**

- 1.1. The purpose of this report is for the Council to:
- i. Approve the Statement of Intent. This was presented to Council in February 2022. No changes were requested following the meeting.
  - ii. Approve the Business Plan 2022/23. At its Board meeting on 18 May 2022, the Enterprise North Canterbury Board unanimously approved its Statement of Intent beginning 1 July 2022 for the 2022/23 year. The 2022/23 Enterprise North Canterbury Annual Business Plan and Budget was approved by the Board on 27 June 2022, taking into consideration their changes requested at the May meeting, as well as incorporating additional funding received after the Board meeting in May. This funding includes the MBIE Digital Boost Programme; Cycle Trail funding from DIA Community Facilities Fund and a new talent attraction programme.
  - iii. Approve the Promotion of Waimakariri District Plan, which outlines initiatives for the coming year and provides a framework that maximises the impact of the visitor sector on the local economy and guides WDC's and ENC's efforts and activities.
- 1.2. The Chief Executive from ENC, Heather Warwick, will be attending to present the information.

**Attachments:**

- i. Enterprise North Canterbury's Approved Statement of Intent 2022/23 (TRIM 220629110073)
- ii. Enterprise North Canterbury's Approved Business Plan 2022/23 (TRIM 220629110076) and Budget 2022/23 (TRIM 220629110060)
- iii. Enterprise North Canterbury's Promotion of Waimakariri Plan (TRIM 220701112305)

**2. RECOMMENDATION**

**THAT** the Audit and Risk Committee recommend that Council:



- (a) **Receives** report No 220629110229.
- (b) **Approves** Enterprise North Canterbury's Statement of Intent 2022/23, Enterprise North Canterbury's Approved Business Plan and Budget 2022/23, and Enterprise North Canterbury's Promotion of Waimakariri Plan.
- (c) **Circulates** the report to the Community Boards for information.
- (d) **Thanks** Enterprise North Canterbury Trustees and staff for their efforts.

### 3. **BACKGROUND**

- 3.1. Enterprise North Canterbury is a Council Controlled Organisation (CCO), where the Trustees are appointed by the Waimakariri and Hurunui District Councils.
- 3.2. The Trust was registered in August 2002 to provide promotional and economic development services on behalf of the Waimakariri and Hurunui District councils and promote the region as a visitor destination.
- 3.3. The Trust is a not-for-profit organisation. A significant amount of funding comes from grants and sponsorship to fund the activities undertaken.
- 3.4. As an economic development agency, ENC seeks to improve the region's investment and business-enabling environment so enhancing the region's competitiveness, retaining and increasing jobs, improving incomes and enhancing economic wellbeing, thus improving the quality of life of residents.

### 4. **ISSUES AND OPTIONS**

- 4.1. **Statement of Intent.** Under the Act, Enterprise North Canterbury are required to present their Statement of Intent for comment. This comment has been taken back to the Trustees and Council accepted the original Statement of Intent without change, therefore, the Statement of Intent, under the Act, is presented back to council for approval.
- 4.2. **Business Plan and Budget 2022/23**  
The business plan outlines initiatives for the coming year. These are outlined within the Business Plan and will be presented by the Trust. Council could accept the business plan in its entirety or it could request the Trust to make changes.
- 4.3. **Promotion of Waimakariri Plan 2022/23**  
The Promotions Plan outlines initiatives for the coming year and also aligns with the new Waimakariri Visitor Marketing Strategy developed for 2020-25 in partnership with the Waimakariri District Council and Enterprise North Canterbury. It aims to provide a framework that maximises the impact of the visitor sector on the local economy, as well as guide WDC and ENC's efforts and activities.
- 4.4. The Management Team has reviewed these reports and supports the recommendations.

#### **Implications for Community Wellbeing**

There are not implications on community wellbeing by the issues and options that are the subject matter of this report.

### 5. **COMMUNITY VIEWS**

- 5.1. **Mana whenua**  
Te Ngāi Tūāhuriri hapū are not likely to be affected by, or have an interest in the subject matter of this report.
- 5.2. **Groups and Organisations**  
There are groups and organisations likely to be affected by, or to have an interest in the subject matter of this report. Ongoing dialogue that ENC has with the local business sector

and visitor industry assisted with the preparation of the Statement of Intent, the Business Plan and the Promotion of Waimakariri District Plan has been reported on.

5.3. **Wider Community**

5.4. The wider community would have an interest in the three areas identified for approval.

6. **OTHER IMPLICATIONS AND RISK MANAGEMENT**

6.1. **Financial Implications**

There are not financial implications of the decisions sought by this report. Under section 65 of the Local Government Act, the Council must regularly undertake performance monitoring of council organisations to evaluate their contributions to the:

- council's objectives for the organisation;
- desired results set out in the organisation's statement of intent; and
- overall aims and outcomes of the local authority.

Delegation S-DM 1022 provides that the Audit & Risk Committee has the jurisdiction to "Monitor performance of the Council-Controlled organisations on a six-monthly basis".

6.2. **Sustainability and Climate Change Impacts**

The recommendations in this report do not have sustainability and/or climate change impacts.

6.3 **Risk Management**

There are not risks arising from the adoption/implementation of the recommendations in this report. The ENC Board meets regularly to oversee implementation of agreed plans and programmes in accordance with the accountability requirements of ENC being a CCO. ENC formally reports to the Council at six-monthly intervals, and meets regularly with WDC staff to monitor progress and address any issues that arise.

**Health and Safety**

There are not health and safety risks arising from the adoption/implementation of the recommendations in this report. ENC operates at arm's length from the WDC and manages its own health and safety programme.

7. **CONTEXT**

7.1. **Consistency with Policy**

This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy.

7.2. **Authorising Legislation**

Local Government Act S.10 Purpose of Local Government and Part 5 Council- controlled organisations and council organisations.

7.3. **Consistency with Community Outcomes**

The Council's community outcomes are relevant to the actions arising from recommendations in this report.

***Businesses in the District are diverse, adaptable and growing***

- There are growing numbers of businesses and employment opportunities in our district.

- There are sufficient and appropriate places where businesses are able to set up in our district.

***The distinctive character of our takiwā - towns, villages and rural areas is maintained***

- The centres of our towns are safe, convenient and attractive places to visit and do business.
- Our rural areas retain their amenity and character.

**7.4. Authorising Delegations**

Delegation S-DM 1022 provides for delegated authority to the Audit and Risk Committee to monitor the performance of Council Controlled organisations and to review and provide comments on draft Statements of Intent.

# Statement of Intent

## Financial Year Beginning 1 July 2022

### Introduction

North Canterbury Economic Development Trust trading as Enterprise North Canterbury (ENC) is a Council Controlled Organisation (CCO) established by the Waimakariri District & Hurunui District Councils. This Statement of Intent sets out the overall intentions and objectives for the period of 1 July 2022 to 30 June 2025.

### Nature & Scope of Activities

ENC is an Economic Development Agency with a vision:

**‘To inspire, attract and retain individuals, businesses and social enterprises to invest in our region’**

### The Objectives of the Trust

The objects of the Trust as set out in clause 3.1 of the Deed of Trust are to:

- Cultivate economic initiatives and foster growth for the benefit of the North Canterbury Community
- Promote the economic, environmental, cultural and social well-being of the North Canterbury Community
- Foster, develop and assist in the management of best practices and effective use of the resources of North Canterbury
- Promote and nurture community-based, sustainable economic growth through projects to benefit the people of North Canterbury Community”

In pursuing these objects ENC will:

- Operate with the utmost integrity
- Be innovative, proactive and professional
- Work collaboratively in all activities it facilitates
- Respect the democratic processes of the sponsoring Councils.

ENC’s *modus operandi* is to “stimulate/facilitate/liberate” new projects, as initiatives will only lead the regional economy to a higher level if a project is self-sustaining in the hands of the private sector. ENC does not see itself as “owning” projects in the long term. Accordingly when assessing new initiatives ENC will:

- Promote the sustainability of business
- Have an awareness of the needs of the community within which business operates
- Be a leader and facilitator but not an investor in development projects

### The Performance Measures

In pursuit of its vision ENC has adopted three strategic objectives against which its performance will be monitored

## ENC Strategic Objectives Performance Measures 2022/23

ENC Vision: 'To inspire, attract and retain individuals, businesses and social enterprises to invest in our region'

### STRATEGIC OBJECTIVE ONE: SUPPORTING EXISTING BUSINESSES TO GROW & PROSPER

|  | Performance Measure  | Target   |
|--|--|--|
| <b>Objective 1.1<br/>Support existing businesses to survive and thrive</b>   | Deliver the Regional Business Partner Programme for NZTE<br><br>Support new and expanding businesses<br><br>Maintain and grow ENC's website and social media | Undertake 48 Capability Assessments and issue a minimum of \$80,000 NZTE Vouchers<br>A minimum of 24 businesses referred to Business Mentors NZ<br><br>Provide business support 50 new startup businesses and 50 existing businesses to grow/expand<br><br>Grow social media channels by 10% |
| <b>Objective 1.2<br/>Celebrate and Recognise Business Leaders in the region</b>  | Launch the 2023 Business Awards  | Category and Major Sponsors sign up<br>Launch event held<br>Achieve at least 60 businesses entering  |
| <b>Objective 1.3 To assist Hurunui Council establish economic projects in the district, improving the wellbeing and viability of Hurunui communities</b> | Programme of initiatives agreed and implemented  | ENC assists and supports initiatives as agreed   |

### STRATEGIC OBJECTIVE TWO: ATTRACT & INSPIRE BUSINESSES, MANA WHENUA (Te Ngāi Tūāhuriri Rūnanga and Ngāti Kuri) & GOVERNANCE TO INVEST IN OUR REGION

|  | Performance Measure | Target |
|--|---------------------|--------|
|--|---------------------|--------|

|   |   |   |
|---|---|---|
| <b>2.1 Develop a North Canterbury Cycle Trail</b>   | Continue to seek and apply for funds for the development of a North Canterbury Cycle Trail from Christchurch to Waipara | Staff prepare and submit applications in conjunction with the Councils<br>Draft a project plan with budget to deliver the funding from DIA  |
| <b>2.2 Deliver the MADE NORTH CANTERBURY Food and Beverage project to achieve greater collaboration</b> | Local food and beverage producers and manufacturers are provided opportunities to collaborate and connect               | Grow MADE NORTH CANTERBURY Website, Facebook and Instagram platforms by 10% that promote detail of business and product, increasing awareness and sales of NCF&B<br>New marketing and promotional initiatives and resources for NCF&B businesses created<br>Opportunities identified to attend and profile MADE NORTH CANTERBURY members at event and trade shows<br>Track referrals, engagements and type of support given |
| <b>2.3 Collaborate with Te Ngāi Tūāhuriri Rūnanga and Ngāti Kuri</b>                                    | Activate relationships with the business entities through various projects involving ENC and both Councils              | Identify and promote investment opportunities that benefit the North Canterbury community   |

### STRATEGIC OBJECTIVE THREE: PROMOTE THE WAIMAKARIRI DISTRICT

|   | <b>Performance Measure</b>   | <b>Target</b>  |
|---|--|--|
| <b>Produce an annual business promotion plan for board and Council approval</b> | Deliver on Business Promotion objectives, as contracted to Council | Contract delivered<br><br>Performance reported six monthly to Waimakariri District Council |

## The Board's Approach to Governance

The Board of Trustees is responsible for the overall corporate governance of ENC. The Trust Deed sets out the governance responsibilities of the Trustees. The Board guides and monitors management of the business and affairs of the Trust on behalf of the Councils to whom they are accountable. The Mayors of each of the Councils are Trustees, and the two CEO's are Advisory Trustees. The Board meets two monthly.

## The Accounting Policies

The Trust is a not-for-profit organisation. The Trust has adopted accounting policies that are consistent with the Financial Reporting Act 1993 and Financial Reporting Standards issued by the Institute of Chartered Accountants of New Zealand. The Trust has elected to apply the PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability and has total annual expenses of less than \$2m.

## The Ratio of Consolidated Shareholders Funds to Total Assets

As at 30<sup>th</sup> June 2021 the Trust's Equity comprised 49% of total assets and 100% of net assets. Equity is defined as the sum of the amount of retained earnings and accumulated losses. Total assets are defined as the sum of the net book values of current assets and non-current assets as disclosed in the Trust's annual report.

## Distribution to Shareholders

The Trust's Equity is not distributed, but is held in reserve to fund the Trust's future economic development activities and Waimakariri District promotion activities as appropriate.

## Information to be Provided to Shareholders

Annually the Trust reports to the Councils, with the following matters being covered:

- Trust Directory
- Review of the Year's Activities
- Report against the Year's Performance Measures
- Statement of Financial Position
- Statement of Cashflows
- Statement of Financial Performance
- Statement of Movements in Equity
- Notes to the Accounts
- Auditor's Opinion

Half yearly reports are provided to Councils including a statement of income and expenditure for the period, and a report of achievements against the Trust's objectives.

The two Mayors and CEO attend Board meetings and receive bi-monthly management and financial reports. The Trust's Strategic Plan and the Annual Business Plan and Budget are made available to the two Councils following its approval by the ENC Board

## Procedures for Members to Acquire Shares

There is no means for Trustees to acquire shares.

## Compensation from Local Authorities

The Trust receives seed capital from the two District Councils to enable it to initiate its economic development activities. In addition ENC has a service contact with Waimakariri District for the provision of District Promotion services. The following table sets out the current level of funding and that projected for the next three years (excl. GST).

| Local Authority                          | 2022/23   | 2023/24   | 2023/24  | Activity             |
|--|-----------|-----------|----------|----------------------|
| Waimakariri District Council (confirmed) | \$219,530 | \$225,020 | \$TBA    | Economic Development |
| Waimakariri District Council (confirmed) | \$461,680 | \$473,210 | \$TBA    | District Promotion   |
| Hurunui District Council                 | \$51,250  | \$51,250  | \$51,250 | Economic Development |

As advised by Council funding through their Annual Plan processes.

If any other contracts are entered into between the Trust and any territorial or regional authority, payment of the contract price will be required from such contracting authority.

## Commercial Value of the Shareholders Investment

The commercial value of the shareholders' investment is the Trust's equity is \$529,015 at 30 June 2021 as stated in the annual report.

The Trust Deed requires that *"the capital and income of the Trust fund shall be applied only within New Zealand to meet the Objects of the Trust"*. On winding up all surplus assets are to be applied by the Councils to similar purposes as the Objects of the Trust. No reassessment of the Trust's commercial value is therefore proposed.

## Other Matters

The Trust has a contract with Waimakariri District Council for the provision of promotion services until 30 June 2024. The contract has a right for the trust to call for renewal of the contract for a further three years. The contract has a minimum annual level of funding specified (\$200,000) but provides for the Council to confirm a final level of funding each year as it approves the annual Promotion Business Plan, prior to the commencement of each year.





# 2022/23 Business Plan

'To inspire, attract and retain individuals, businesses and social enterprises to invest in our region'

## 1.0 Introduction

The ENC Strategic Plan vision is:

**‘To inspire, attract and retain individuals, businesses and social enterprises to invest in our region’**

This Annual Business Plan generally takes the Objectives from the Statement of Intent, then prescribes the initiatives ENC will take, and the means and resources required, to progress the Strategic Objectives in 2022/23.

Our projected operating surplus of \$96,005 for 2022/23 is up from the projected operating surplus of \$33,622 surplus for the 2021/22 year. Total income budgeted this financial year is up \$135,965. This is due to ENC being contracted to facilitate the Digital Boost programme (income up \$36k), reduced income for MADE NORTH CANTERBURY (down \$68k), no business awards income (down \$144k); decrease in i-SITE sales (down \$85.5k). REF funding (up \$15k), and new projects Talent attraction programme (up \$45k), Cycle Trail Development (up \$296k)

## 2.0 Financial Resources

Annually the Waimakariri (WDC) and Hurunui District Councils (HDC) provide seed funding for ENC. This year we will receive \$219k (\$213k last year) from WDC and \$51k from HDC as capacity funding for economic development activities.

This base level of funding is used to undertake specific projects and is also used as a catalyst with Government departments and agencies, and the business sector, to leverage additional funds. The contracts ENC has with Government agencies this year is \$554k and include Digital Boost Training \$80k (\$0 last year); \$55k (\$55k last year) from NZTE for the Regional Partner Programme; \$37k from MBIE for the North Canterbury Food and Beverage Project carried over from last financial year; and \$87k from MBIE for Major Event funding and \$295k from DIA for cycle trail development.

We are grateful to our corporate sponsor MainPower who continues to provide \$30k as capacity funding (same as last year). Other private sector funding for specific projects is VIC sales of \$60k; training and events (\$18k), MADE NORTH CANTERBURY (\$15k), Business Service Partners (\$10k), Visit Waimakariri projects (\$6k) Business Centre Sponsors (\$42k).

ENC has a service contract with WDC through to June 2024 for the delivery of promotion activities specific to that District, with confirmed funding of \$461k (\$448k last year) which includes Event Funding and administration. WDC and the ENC Board jointly approve the annual Promotion Business Plan setting out the services to be provided and appropriate performance measures.

ENC operates a project-based accounting system. To the greatest extent possible, staff and related overhead costs are charged to individual projects, so such costs are funded by the project sponsors, and the budget is prepared with this objective in mind. Where individual projects span more than one financial year any pre-payments received are recorded as “Grants Subject to Conditions”– a total of \$506,645 (excl GST). This has all been tagged for 5 specific projects and 11 events funded in the 2022/23 year with WDC and Govt agencies.

To the greatest extent possible we secure funding before incurring Project expenses (thus minimising financial risk) and anticipate earning \$22k in interest as a result.

*The 2022/23 budget is attached as an Appendix.* It sets out the funding to be attached to each of the programmes. It shows a surplus of \$96,005 which provides for retaining all of ENC's current staff, a small team of committed individuals delivering ENC's objectives.

## **3.0 Strategic Objectives**

It is the District's capacity that drives economies – the twenty-first century infrastructure; the business culture; the regional leadership; the connected, active networks of innovation and the spirit of collaboration. Waimakariri and Hurunui District Council's investment through ENC enables and facilitates economic and business development initiatives outlined in this business plan.

The draft Statement of Intent that was submitted to Councils in February 2022 following a strategy session with the Board. The 2022/23 Statement of Intent sets out THREE Objectives for the year and relevant Performance Measures but is necessarily high-level.

To more fully describe the wide range of activities to be undertaken by ENC some additional detail on objectives and performance measures and targets are included ensuring the business environment supports successful and sustainable enterprises.

### **OBJECTIVE ONE: SUPPORTING EXISTING BUSINESSES TO GROW AND PROSPER**

North Canterbury has around 9,156 businesses (6,639 Waimakariri and 2,517 Hurunui), most of which could be defined as small businesses, that collectively contribute significantly to the region's economy. ENC's role is to assist these businesses and to ensure their ongoing access to key business support services and business mentoring. In addition, micro-economic programmes that support employment, innovation and growth opportunities will help productivity and economic recovery. ENC will also be required to leverage Government Programmes and resources to benefit local economies.

#### **Objective 1.1 Support existing businesses to survive and thrive**

Performance Measures – ENC will:

- Deliver the Regional Business Partner (RBP) Programme for NZTE and issue vouchers where appropriate
- Attract Talent to the region
- Support new and expanding businesses (non RBP programme)
- Provide upskilling opportunities for local businesses
- Provide networking opportunities for local businesses
- Maintain and grow ENC's website and social media

Targets:

- *Regional Business Partner contracted targets include:*
  - *Undertake at least 48 Capability Assessments for NZTE and issue \$80,000 NZTE Vouchers*
  - *Refer a minimum of 24 businesses to Business Mentors NZ*
- *New employee attraction initiative, including brand, will be developed and implemented in conjunction with relevant organisations and agencies*
- *Support 50 new start up businesses and 50 existing businesses (non RBP) are supported*
- *Run 4 Digital Boost Courses held with 60 attendees*
- *Host two networking functions (fully sponsored) per year*
- *Grow Social media channels by 10%*

*Funded by NZTE \$55,799; Talent Attraction \$30,000 (Split ENC,HDC,WDC); ENC training courses \$93,760, Businesses on networking \$5,000, Council Capacity Grants \$16,789*

### **Objective 1.2 Celebrate and recognise business leaders in the region**

The recognition and celebration of business achievements within the region is an important stimulus for entrepreneurs and will be leveraged to increase the involvement and overall reputation of North Canterbury businesses.

Performance Measure – ENC will:

- Launch the 2023 North Canterbury Business Awards

*Targets:*

- *Category and major sponsors sign up*
- *Launch event held*
- *Achieve at least 60 businesses entering*

*Funded by Council Capacity Grants of \$12,799*

### **Objective 1.3 To Assist Hurunui Council to establish economic projects in the district improving the wellbeing and viability of Hurunui communities**

ENC can provide support services to further economic development initiatives in Hurunui. Waimakariri District's requirements are accommodated in the Promotion Contract.

Performance Measures – ENC will:

- Programme of initiatives agreed and implemented

*Targets:*

- *ENC assists and supports initiatives as agreed*

*Funded by Hurunui Council Capacity Grant of \$10,540*

### **Objective 1.4 Manage the ENC Business Centre**

The Business Centre is an excellent way of partnering with the private sector to offer a space for meetings, learning and networking. It also allows businesses to access the many services that ENC offers North Canterbury based businesses, in one professional location.

Performance Measures – ENC will:

- Maintain engagement with Corporate Sponsor MainPower, Silver and bronze sponsors
- Generate bookings for room hire by securing repeat business and new business as a result of marketing the Business Centre through various channels

*Targets*

- *Achieve sponsorship to the value of \$69,000 and \$12,500 for Business Centre hire*

## **OBJECTIVE TWO: ATTRACT AND INSPIRE BUSINESSES, MANA WHENUA (TE RŪNANGA O NGĀI TAHU AND NGĀTI KURI) AND GOVERNMENT TO INVEST IN OUR REGION**

ENC has and can continue to play a role in attracting businesses and government investment in North Canterbury.

### **Objective 2.1            Develop a North Canterbury Cycle Trail**

ENC remains committed to developing a multi-day cycle trail that commences in Christchurch City and finishes in Waipara spanning three districts. This will be facilitated by ENC and will be completed stages over the next two-three years.

Performance Measures – ENC will:

- Continue to seek and apply for funds for the development of a North Canterbury Cycle Trail from Christchurch to Waipara

*Targets:*

- *Staff prepare and submit applications in conjunction with Councils*
- *Draft a project plan with budget to deliver the funding from DIA*

*Funded by DIA Grant, \$296,240*

### **Objective 2.2            Deliver the MADE NORTH CANTERBURY food and beverage project to achieve greater collaboration**

ENC will activate and stimulate the food and beverage sector of North Canterbury

Performance Measures – ENC will:

- Local food and beverage producers and manufacturers are provided opportunities to collaborate and connect

*Targets:*

- *Grow MADE NORTH CANTERBURY Website, Facebook and Instagram platforms by 10% that promote detail of business and product, increasing awareness and sales of NCF&B*
- *New marketing and promotional initiatives and resources for NCF&B businesses created*
- *Opportunities identified to attend and profile MADE NORTH CANTERBURY members at event and trade shows*
- *Track referrals, engagements and type of support given*

*Funded by MBIE (\$37k) and Sponsors/members (\$15k)*

### **Objective 2.3    Collaborate with Te Ngāi Tūāhuriri Rūnanga and Ngāti Kuri**

Performance Measures – ENC will::

- Activate relationships with the business entities of both Runanga's through various projects involving ENC and both Councils

*Targets:*

- *Identify and promote investment opportunities that benefit the North Canterbury community*

*Funded by Council Capacity Grants*

## **OBJECTIVE THREE:            PROMOTE THE WAIMAKARIRI DISTRICT**

ENC will promote Waimakariri District in accordance with the Promotion Business Plan. There are two key goals in the plan: one is focussed on the business sector, and the other focused on the visitor industry sector. The specifics targets and budget are set out in the separate 2022/23 Promotion Business Plan approved annually by WDC/ENC.

### **GOAL ONE: Business Promotion (Business Sector)**

The role of ENC is to understand and **promote** the desirable features of setting up in the Waimakariri District, encouraging more businesses to establish that will create more jobs and provide greater benefits to the local economy. ENC works closely with multiple parties including private (local and prospective) business interests, developers, government departments, non-government organisations, social enterprises and WDC staff. There are six key objectives to achieve this goal:

Performance Measures - ENC will:

- Assist business start-ups – big and small
- Assist or drive catalyst projects that meet the needs of the Waimakariri community and will enhance the business eco-system
- Identify commercial projects that will enhance each major town in the Waimakariri
- Assist investors and developers interested in potential Waimakariri projects
- Promote the district as a diverse and dynamic business community
- Attract talent to the Region

*Targets are included in the Promotions Annual Business Plan*

### **GOAL TWO: Visitor Marketing Programme (Visitor Industry)**

This visitor marketing programme outlines the initiatives for the coming year that maximises, through destination marketing, the positive outcomes of a growing visitor market on the districts economy and aligns ENC's efforts and activities to achieve the goals of the Waimakariri District Council's Visitor Marketing Strategy.

Performance Measure – ENC will:

- Maintain and grow cost-effective collaborations and communication channels within the district
- Generate and grow District Promotional Material
- Administer Waimakariri Event Fund Contestable Fund and the Regional Event Fund
- Encourage locals to try new things and improve their awareness of things to do in the district
- Refocus activities of Kaiapoi i-SITE to promote to locals and visitors
- Create and deliver an annual marketing plan
- Work with others to promote the district

*Targets are included in the Promotions Annual Business Plan*

*Funded by Waimakariri District Council \$461k (\$448k last year) plus \$113k (\$84k last year) income in advance from WDC and \$6k (\$16k last year) from operators plus VIC sales of \$60k (\$144k last year)*

## **4.0 Economic Success Measures for the Region**

ENC's work supports the measure of success of the region. There is only a limited linkage between ENC's strategic objectives and the available data provided below, and furthermore, ENC does not operate in isolation in the pursuit of economic development with North Canterbury. The following statistics are monitored to assess absolute and relative changes in economic activity in the region:

- Changes in the region's real value-added (GDP) growth relative to that of Canterbury and New Zealand (Source: BERL or Infometrics)

- From September 2020 – September 2021 Waimakariri GDP grew by 5.3% (compared with -1.2 in 2019/20) and Hurunui grew by 2.7%; compared with -2% in 2019/22). This is compared to a growth of 3.7% for New Zealand.
- In the year to September 2021 the Waimakariri GDP was \$2,364m (\$2,264m last year) – Source Infometrics
- In the year to March 2019 (most recent data available) the Hurunui GDP was \$662m. – Source Regional Economic Activity Web Tool
- Changes in the number of businesses in the region by size category and the number of their employees (Source: Statistics NZ & NZ Business Frame)
  - In Hurunui (as of 2021) there are 2,517 businesses with 4,700 employees. This is a slight drop in business numbers ( - 0.4%) but a large drop in employee numbers (- 10%).
  - In Waimakariri (as of 2021) there are 6,639 businesses with 16,800 employees. This is an increase in business numbers (+1.2%) and a large increase in employee numbers (+7%)
  - For Canterbury an increase in business numbers of 0.2% and a decrease in employees of 1.1%
  - For New Zealand an increase in business numbers of 0.4% and a decrease in employees of 0.3%
- Changes in North Canterbury population growth rate (Source: Statistics NZ)
  - Hurunui population increased an estimated 100 from 13,350 to 13,450 – an increase of 0.7% in the year ended 2021
  - Waimakariri population increased an estimated 1,500 from 64,800 to 66,300 – an increase of 2.3% for the year ended 2021
- Between 2018 and 2019 (latest data) changes in residents' mean income levels relative to that of Canterbury and New Zealand. No updated numbers available.
  - Waimakariri mean household income level has INCREASED 3.7% to \$108,100
  - Hurunui mean household income level has INCREASED 3.7% to \$92,600
  - Canterbury mean household income level has INCREASED 3.8% to \$104,700
  - New Zealand mean household income level has increased 2.1% to \$106,600

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**Summary by Project 2022/2023****Retain and Support SME businesses**

|             |             | Biz Training | Reg Bus Part | Food and Beverage | Bus. Awards |
|-------------|-------------|--------------|--------------|-------------------|-------------|
| Income      |             | \$ 98,160    | \$ 55,799    | \$ 52,500         | \$ -        |
| Expenditure | Staff       | \$ 23,077    | \$ 72,175    | \$ 59,074         | \$ 7,738    |
|             | Consultants | \$ 31,800    | \$ -         | \$ -              | \$ 2,500    |
|             | Other       | \$ 19,191    | \$ 24,506    | -\$ 4,000         | \$ 2,561    |
| Net         |             | \$ 24,092    | -\$ 40,881   | -\$ 2,574         | -\$ 12,799  |

**WD Promotion**

|             |             |      |      |      | WDC Proms  |
|-------------|-------------|------|------|------|------------|
| Income      |             |      |      |      | \$ 646,563 |
| Expenditure | Staff       |      |      |      | \$ 326,776 |
|             | Consultants |      |      |      | \$ -       |
|             | Other       |      |      |      | \$ 320,156 |
| Net         |             | \$ - | \$ - | \$ - | -\$ 369    |

**ENC Business Centre**

|             |             | Mainpower | Other     |      | Business Centre |
|-------------|-------------|-----------|-----------|------|-----------------|
| Income      |             | 30000     | \$ 39,000 |      | \$ 12,500       |
| Expenditure | Staff       |           |           |      |                 |
|             | Consultants |           |           |      |                 |
|             | Other       |           |           |      |                 |
| Net         |             | \$ 30,000 | \$ 39,000 | \$ - | \$ 12,500       |

**Management**

|             |             | WDC        | HDC       | MainPower | Other     |
|-------------|-------------|------------|-----------|-----------|-----------|
| Income      |             | \$ 219,530 | \$ 51,250 |           | \$ 40,500 |
| Expenditure | Staff       |            |           |           |           |
|             | Consultants |            |           |           |           |
|             | Other       |            |           |           |           |
| Net         |             | \$ 219,530 | \$ 51,250 | \$ -      | \$ 40,500 |



| irunui Town Suppr | Cycle      | Trail Dev | REF Funding  | Talent Attraction | Total |
|-------------------|------------|-----------|--------------|-------------------|-------|
| \$ -              | \$ 296,240 | \$ 85,726 | \$ 30,000    | \$ 588,425        |       |
| \$ 8,166          | \$ 7,826   | \$ 7,826  | \$ 6,317     | \$ 185,881        |       |
| \$ -              | \$ 15,000  | \$ -      | \$ 10,000    | \$ 49,300         |       |
| \$ 2,398          | \$ 273,414 | \$ 77,900 | \$ 13,683    | \$ 395,970        |       |
| <b>-\$ 10,564</b> | \$ 0       | \$ 0      | <b>-\$ 0</b> | <b>-\$ 42,726</b> |       |

|      | Total          |
|------|----------------|
|      | \$ 646,563     |
|      | \$ 326,776     |
|      | \$ -           |
|      | \$ 320,156     |
| \$ - | <b>-\$ 369</b> |

| Expenses          | Total     |
|-------------------|-----------|
|                   | \$ 81,500 |
| \$ 26,525         | \$ 26,525 |
| \$ -              | \$ -      |
| \$ 45,241         | \$ 45,241 |
| <b>-\$ 71,766</b> | \$ 9,734  |

| Expenses           | Total      |
|--------------------|------------|
|                    | \$ 311,280 |
| \$ 123,426         | \$ 123,426 |
| \$ 10,000          | \$ 10,000  |
| \$ 48,490          | \$ 48,490  |
| <b>-\$ 181,915</b> | \$ 129,365 |

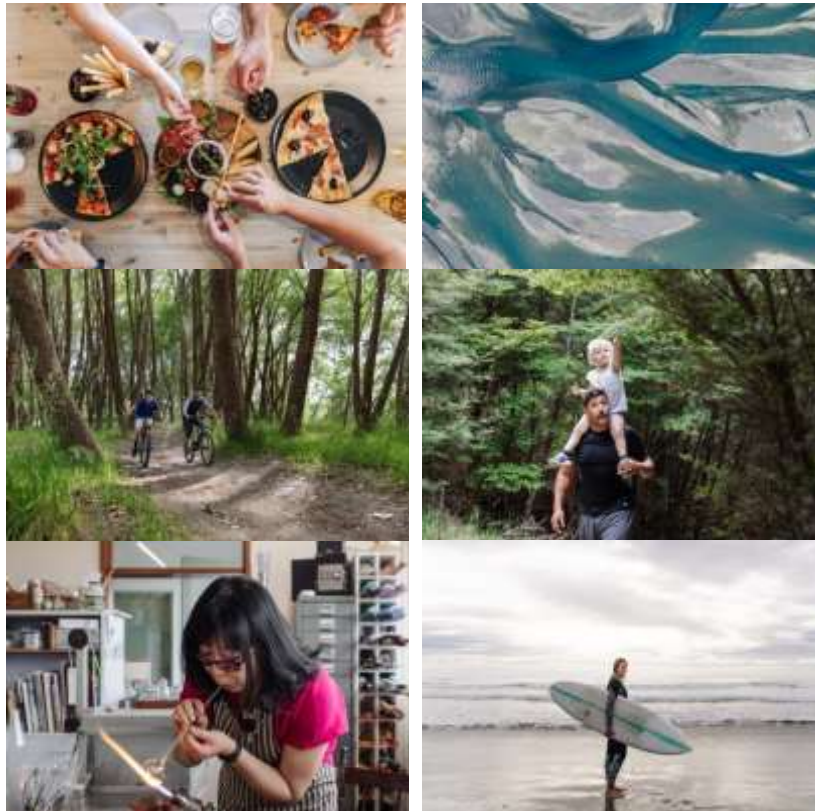


## Promotion of Waimakariri District

### 2022/23 Business Plan

Incorporating

Business Promotion  
Waimakariri Visitor Marketing  
Kaiapoi i-SITE  
Event funding and promotion





## EXECUTIVE SUMMARY

Enterprise North Canterbury (ENC) has been contracted since 2005 by Waimakariri District Council to promote the Waimakariri District as an innovative and progressive place to visit and play and since 2012 ENC has been working closely with local developers and Council to promote the Waimakariri District as a destination for business relocation, expansion and start-ups.

This business plan outlines initiatives for the coming year and also aligns with the new Waimakariri Visitor Marketing Strategy developed for 2020-2025 in partnership with WDC and ENC. It aims to provide a framework that maximises the impact of the visitor sector on the local economy as well as guide WDC and ENC's efforts and activities.

As part of TNZ's plans regarding the future of i-SITENZ, if successful in their bid to government to set up a new two tier system with Tier 1 being funded by Govt. Kaiapoi i-SITE would become a Tier 2 i-SITE, funded solely by local council and any commissions. The new system would mean a re-brand, new uniforms, door counter, software and more. With the borders reopening we are unsure of the market outlook as to when internationals will return to the numbers pre-pandemic. Economists are predicting at least three years for that to happen. ENC will continue to operate the i-SITE however the volume of visitors and sales does not occupy a full time i-SITE person. Therefore the position will be co-funded by 20% from ENC's business centre budget to provide information to both visitors to the i-SITE and the business centre.

ChristchurchNZ is developing a new Destination Management Plan (DMP) on behalf of Christchurch City, Banks Peninsula, Selwyn, Waimakariri and Ashburton District. This is expected to happen this financial year with the outcome being a place based DMP for these districts.

We are grateful to Council for the resourcing of four full time people to implement this annual business plan within the budget provided. Miles (business promotion), Janine (district marketing), new digital person (social media and web) and Anna (i-SITE) along with oversight management from Heather (CE of ENC). However there is no resourcing to give effect to the Visitor Strategy Objective Five – 'Protecting our nature, heritage, culture and town character'. ENC will collaborate with Council, when required to support elements of place based and town centre strategies developed by Council and ChristchurchNZ (when developing the Destination Management Plan).

## WAIMAKARIRI DISTRICT PROMOTION OBJECTIVES

### GOALS

To achieve the Promotion Objectives, the 2022/23 Promotion Plan has two key objectives, one of which is focussed on the business sector, and the other focused on the visitor sector and local residents (community):

1. Business promotion - receives 26% Council Grant
2. Visitor Activation Programme - receives 74% of Council Grant (made up of 16% Kaiapoi i-SITE; 17% Event grant and promotion and 41% district promotion)

### **GOAL ONE: BUSINESS PROMOTION**

The role of ENC is to understand and promote the desirable features of setting up in the Waimakariri District, encouraging more businesses to establish that will create more jobs and provide greater benefits to the local economy. ENC works closely with multiple parties including private (local and prospective) business interests,

developers, government departments, non-government organisations, social enterprises and WDC staff. There are six key objectives to achieve this goal:

- Assisting business startups – big and small
- Assisting or driving catalyst projects that meet the needs of the Waimakariri community and will enhance the business eco-system
- Identifying commercial projects that will enhance each major town in the Waimakariri – Rangiora, Kaiapoi, Oxford, Woodend/Pegasus and assisting their establishment
- Assisting investors and developers interested in potential Waimakariri projects
- Promoting the district as a diverse and dynamic business community
- Attracting talent to the region

### **1.1 Assisting business startups – big and small**

ENC's will:

- Provide valuable statistics and resources to assist prospective businesses in their decision to establish or relocate their business in Waimakariri
- Give business planning and modelling support to new and expanding businesses
- Make introductions and connections with local community, businesses and developers
- Assist in identifying appropriate locations suitable to the new business
- Provide an online business start up resource on ENC's website

### **1.2 Assisting or driving catalyst projects that meet the needs of the Waimakariri community and will enhance the business eco-system**

It is ENC's role, in partnership with WDC to provide pipeline certainty and identify transformational projects that will aim to have intergenerational wellbeing, be globally competitive, business and investor ready, economic equality, development of the Māori economy, focus on innovation, productive industry cluster activation, low-carbon economy.

ENC will:

- Identify potential catalyst projects that will stimulate the local economy and work alongside other parties to drive these projects forward
- Provide data and data analysis to prospective investors
- Support development of new major attractions and facilities in the district where these will have a positive impact on our community.
- Assist with establishing a major tourism attraction in Waimakariri – specifically but not limited to:
  - Pegasus Bay Cycle Trail
  - WHoW – Waterpark for Kaiapoi
  - Oxford Observatory

### **1.3 Identifying commercial projects that will enhance each major town in the Waimakariri – Rangiora, Kaiapoi, Oxford, Woodend/Pegasus and assisting their establishment**

This objective involves understanding the differing needs of the communities of each town and using economic tools to enhance each town accordingly. This will be aimed primarily at making each town better for the people who live there and growing the existing business eco-system.

ENC will seek out and support projects that:

- provide services or facilities not currently available
- enhance the strengths of a town or of the district
- grow the unique aspects of a town
- support the local business eco-system

#### 1.4 Assisting investors and developers interested in potential Waimakariri projects

This objective involves supporting potential investors and developers in identifying opportunities, assisting with assessing feasibility, and finding funding or investors to assist when needed. This means that a project may take years from the first contact until the project becomes public knowledge if it turns out to be viable.

Investors and developers are often canny and knowledgeable business people who understand exactly what they need to proceed. ENC can help them to make good decisions by:

- Providing relevant statistics and information about the district
- Introductions to relevant parties
- Providing an overview about what other opportunities exist that are relevant to their proposal
- Co-ordinating with other nearby EDAs or government to help investors and developers get information and connections for the region or for New Zealand
- Identifying suitable land or facilities when needed
- Acting as an honest broker in all interactions

#### 1.5 Promoting the district as a diverse and dynamic business community

To raise the awareness of the District as a business destination by profiling the benefits and opportunities of the region, ENC will:

- Host a significant section on ENC's website on the business ecosystem in Waimakariri District
- Provide case studies of local businesses as part of the marketing profile
- Improve social media business promotion channels

#### 1.6 Attracting Talent to the Region

Raise awareness of Waimakariri as a progressive and innovative place to live and find employment. ENC will:

- New employee attraction initiative, including brand, will be developed and implemented in conjunction with relevant organisations and agencies

*Targets:*

- *At least 40 new businesses are supported with investigating setting up or expanding their business in the district*
- *At least 20 new businesses to the District will be profiled on ENC's Facebook*
- *Track and grow registrations to the online business startup course*
- *At least five new businesses set up as a result of ENC's level of influence and assistance*
- *At least 1 new major tourism project investigated and supported by ENC*
- *Track and grow online visitations to the Invest Section of ENC website*
- *Administer, update and improve the invest section of the ENC website*
- *New talent attraction brand produced and picked up by North Canterbury businesses and organisations*

## GOAL TWO

### VISITOR MARKETING PROGRAMME

This visitor marketing programme section of this business plan outlines the initiatives for the coming year that maximises, through destination marketing, the positive outcomes of a growing visitor market on the districts economy and aligns ENC's efforts and activities to achieve the goals of the Waimakariri District Council's Visitor Marketing Strategy (2020-25). Waimakariri District is benefitting from significant investment in major roads and cycle trails, river marina areas and the new MainPower Stadium which will generate appeal for the district as a visitor destination.

#### 2.1 OBJECTIVE ONE - COLLABORATION

Create new collaborations locally and beyond the district to support greater promotion of the district. This will be achieved by:

- 2.1.1 Maintain and grow cost-effective collaborations and communication channels within the district
- Coordinate networking functions for visitor facing businesses
  - Meet with Town Centre Promotions Association for regular updates and encourage them to use their communication channels to promote to visitor sector businesses
  - Provide monthly events/activities calendar and quarterly visitor industry newsletters to local media to pick up stories
  - Facilitate a six monthly tourism sector group meeting

*Targets*

- *Two networking functions held for visitor facing businesses*
- *Four meeting with Town Centre Promotions Association held and good push out of Visit Waimakariri activities*
- *10 events/activity calendars and quarterly newsletters sent to media*
- *Two Tourism Sector Group meetings held*

- 2.1.2 Formalise arrangements with neighbouring agencies able to promote and develop Waimakariri's visitor offering

- Establish MOU with ChristchurchNZ for collaboration opportunities
- Collaborate with Hurunui and Selwyn and other Canterbury districts
- Collaborate with TKoT, ECan and WDC to advocate for better track surfaces, signage and wayfinding for cycle trails

*Targets*

- *MOU's signed with ChristchurchNZ outlining collaboration opportunities*
- *Better track surfaces, new signs and wayfinding for cycle trails continuously advocated*

## 2.2 OBJECTIVE TWO - NEW DESTINATION APPEAL

Generate new destination appeal by building on what we have and leveraging new investment. This will be achieved by:

- 2.2.1 Generate and grow District Promotional Material

- Distribute Official Visitor Guide (25,000 to distribute)
- Build on photo library and share with other organisations
- Create new themed journey maps, print and digital, in consultation with Promotion Associations, and appropriate Community Groups and Boards

*Targets*

- *10,000 copies of Visitor Guide distributed*
- *Photo library produced and shared*
- *Two new themed journey maps created for print and download*

- 2.2.2 Support development of, and leverage, new major attractions and facilities that open in the district

- Promote the development of a connected network of cycleways (on-road) and cycle trails (off-road).
- Promote the new visitor attractions and venues.

*Targets*

- *Connected cycleways promoted via social media and maps*
- *New Visitor attractions and venues promoted*

2.2.3 Support event activity that will fill venues off peak, help define the district and that can be anchored permanently

- Produce and grow the electronic distribution of a monthly Waimakariri Event/Activities Guide
- Promote regular events and markets via the Visit Waimakariri social media channels
- Run competitions with giveaways in partnership with event organisers to increase traffic to online channels and website

#### Targets

- *A monthly events/activities guide is produced and distributed*
- *5% increase of uptake of monthly electronic calendar*
- *Two event posts per week (when events are on) inclusive of what's on in weekend*
- *Five events giveaways for events created for the year*

2.2.4 Administer Waimakariri Event Fund Contestable Fund

- Provide and distribute a contestable events fund for the promotion of events and/or to fund event coordination
- Maintain and adhere to the funding conditions (e.g allocations, criteria and application forms) of the event fund with the Events Funding Panel, and implement any enhancements to ensure criteria are relevant, realistic and achievable.
- Meet with The Events Funding Panel<sup>1</sup> twice a year to review applications for visitor and community events applying to the Waimakariri Event Fund Contestable Fund.

#### Targets

- *A contestable event fund is fully subscribed*
- *ENC will monitor for the Council*
  - *The proportion of innovation i.e new events vs existing*
  - *The reject rate (is the fund big enough)*
- *Measured the reach and impact of each event funded*

2.2.5 Administer the Regional Events Fund (100% Govt funded)

The Regional Events Fund (REF) was set up by MBIE in February 2021 and is designed to stimulate inter and intra-regional visitation through funding events that will encourage expenditure missed by international visitor markets. \$50m was made available across NZ with \$7m allocated to Canterbury and \$163,316 allocated to Waimakariri District.

ENC will focus on the three key areas of the Regional Investment Plan:

- Fund major events that will showcase the region
- Identify potential signature events that will add value to the district
- Identify synergies and intra-regional leverage opportunities with new or existing events, enhancing collaborative programming of events across the region

#### Targets

- *REF two funding rounds promoted and administered*
- *Work with event organisers to stimulate a signature event for the district*
- *Work with Hurunui, Kaikoura and Christchurch to investigate opportunities to run events across the region*

## 2.3 OBJECTIVE THREE - LOCAL AWARENESS AND AMBASSADORS

Improve local awareness and encourage locals to act as ambassadors/champions. This will be achieved by:

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<sup>1</sup> This Event Funding Panel comprises: Robin Brown, Christine Watton and Claire Gifford

### 2.3.1 Encourage locals to try new things and improve their awareness of things to do in the district

- Provide activity/event information to locals
- Identity and supply promotional collateral to businesses to display

#### Targets:

- *Monthly event/activities newsletter in Chatter, Woodpecker and Social Media Community pages*
- *Businesses, organisations identified and provided with district promotional collateral*

### 2.3.2 Refocus activities of Kaiapoi i-SITE to promote to locals and visitors

The Kaiapoi i-SITE is the official Visitor Centre for Waimakariri District and has national i-SITE accreditation. The i-SITE New Zealand brand is owned and managed by Tourism New Zealand (TNZ) and is being extensively reviewed in 2022/23.

The Kaiapoi i-SITE will continue to:

- Provide coordinated, consistent, and professional District-wide information to residents and visitors, as set out in i-SITE standards and requirements
- Raise the awareness of its services to local residents and tourism operators to achieve increased sales, bookings and commissions

Kaipoi i-SITE is a strong promoter of local businesses, road and cycle trips and maps to residents and their visitors. It also creates significant social benefits to local communities, an important community facility that:

- Displays and distributes the District's marketing material including the Official Waimakariri Visitor Guide/Walking and Cycle brochure, Rangiora and Kaiapoi street maps, Waimakariri Events Calendar and the new residents' pamphlet.
- Encourages visitors to stay longer and experience more activities in the region
- Enhances visitor expenditure in the local area and region
- Act as a ticketing agent for NC Music Society, Rangiora Players, Community events

#### Targets

- *Meet i-SITE NZ membership accreditation and achieve income from business partners and commissions*
- *ENC will work with Tourism NZ and key regional stakeholders as to their decision regarding the long-term future of i-SITE NZ.*

## 2.4 OBJECTIVE FOUR - VISITOR AWARENESS AND AFFINITY

Grow visitor awareness and affinity for the experiences in our district. This will be achieved by:

### 2.4.1 Creating and delivering an annual marketing plan

- Engage a brand/marketing agency to develop an annual marketing plan
- Engage a digital marketing consultant to produce an annual digital plan
- Create content for campaigns as per annual marketing plans
- Grow Website and Social Media
  - Website to be kept on brand and current
  - Website is continually optimised
  - Facebook and Instagram is growing

### 2.4.3 Work with others to promote the District

- Promote the district through TourismNZ and ChristchurchNZ websites

#### Targets:

- *Annual marketing and digital plan developed and implemented*



- *4 campaigns delivered and measured*
- *Website updated seasonally with appropriate campaigns*
- *3% growth in website views*
- *3% growth in social media platforms*
- *Site optimised by agency and then continually as new pages added*
- *ChristchurchNZ and TNZ websites updated seasonal with Waimakariri information*

**WAIMAKARIRI DISTRICT COUNCIL****REPORT FOR INFORMATION**

**FILE NO and TRIM NO:** TRIM Number: 220603094494

**REPORT TO:** AUDIT & RISK COMMITTEE

**DATE OF MEETING:** 19 July 2022

**AUTHOR(S):** Jeff Millward, Manager Finance & Business

**SUBJECT:** Annual Report and audited accounts for Enterprise North Canterbury for the Year ended 30 June 2021.

**ENDORSED BY:**  
(for Reports to Council,  
Committees or Boards)

\_\_\_\_\_  
Department Manager

  
\_\_\_\_\_  
acting Chief Executive

**1. SUMMARY**

- 1.1 The purpose of this report is to present the Enterprise North Canterbury (ENC) Annual Report and audited accounts for the year ending 30 June 2021.
- 1.2 The unaudited draft Annual Report for the year ended 30 June 2021 was received earlier by the Audit & Risk Committee on 16 November. The audit of the accounts was held up due to resourcing constraints through Covid 19. The report has not changed from the draft report presented in November. The audit was completed on 23 May 2022.
- 1.3 ENC operates to an Annual Business plan and budget, which is prepared in conformity with its Five Year Strategic Plan and Statement of Intent. The 2020/21 Business Plan had three key objectives. This Annual Report reports against the 2020/21 Statement of Intent (SOI) submitted to the Waimakariri and Hurunui District Councils.
- 1.4 The audited accounts show the Trust ended the year ended 30 June 2021 with a net surplus, after tax of \$2,181 (2020: \$5,546). The Trust's primary purpose is not to make a profit. A significant amount of funding comes from grants and sponsorship to fund the activities undertaken.
- 1.5 The Balance sheet remains in a relatively healthy position, with Trust Equity of \$529,015 (2020: \$526,834). No term debt is held, with \$785,246 (2020: \$762,175) held in cash and short term investments to meet current liabilities of \$428,117 (2020: \$304,219).
- 1.6 Heather Warwick (Chief Executive) from Enterprise North Canterbury will be in attendance at the meeting to speak to the report and update the Audit & Risk Committee on the year and recent activities.

**Attachments:**

- i. ENC Audited Annual Accounts to 30 June 2021 and Auditor's Report (TRIM 220606095046)

**2. RECOMMENDATION**

**THAT** the Audit & Risk Committee

- (a) **Receives** Report No. 220603094494.

- (b) **Receives** the Annual Report to 30 June 2021 and related audited accounts.
- (c) **Circulates** this report to all Community Boards.

### 3. **BACKGROUND**

- 3.1 Enterprise North Canterbury is a council controlled organisation (CCO), where the Trustees are appointed by the Waimakariri and Hurunui District Councils.
- 3.2 The Trust was registered in August 2002 to provide promotional and economic development services on behalf of the Waimakariri and Hurunui District Councils and promote the region as a visitor destination.
- 3.3 The Trust is a not-for-profit organisation, but not exempt from taxation as it does not qualify as a charitable organisation as determined by Inland Revenue. A significant amount of funding comes from grants and sponsorship to fund the activities undertaken.
- 3.4 As an economic development agency, ENC seeks to improve the region's investment and business-enabling environment so enhancing the region's competitiveness, retaining and increasing jobs, improving incomes, enhancing economic well-being thus improving the quality of life of residents.

### 4 **ISSUES AND OPTIONS**

#### **Annual Report to June 2021**

- 4.1 The Annual Report is prepared under Public Benefit Accounting Standards (Tier 3) as its total annual expenses are less than \$2m.
- 4.2 Enterprise North Canterbury (ENC) had a net surplus, after tax, for the year ended 30 June 2021 of \$2,181 compared with \$5,546 for the previous year.

| <b>Summary Information</b>                        | <b>2019-2020</b> | <b>2020-2021</b> |
|---|------------------|------------------|
| Total Operating Income                            | 1,042,783        | 1,099,556        |
| Total Operating Expenditure                       | 1,027,226        | 1,094,035        |
| Net Surplus (Deficit) for the Year after taxation | 5,546            | 2,181            |

- 4.3 The primary purpose of the Trust is not to make a profit and attempts to break even its revenues with the operations it undertakes. Although registered as a Charitable Trust, the Trust does not qualify for tax exemption status and therefore is subject to tax on any taxable earnings. Any unspent funds received by the Trust to undertake various activities are held as income in advance within the Balance Sheet. At year end \$179,851 (2020: \$86,408) funds were held in advance.
- 4.4 The Chairperson's report from Holly Sterne is provided on pages 2-4 of the Annual Report and provides a good summary and overview of the year's result.
- 4.5 The Management Team have reviewed information provided by ENC.

#### **Implications for Community Wellbeing**

There are not implications on community wellbeing by the issues and options that are the subject matter of this report.

4.6 The Management Team has reviewed this report and support the recommendations.

## **5 COMMUNITY VIEWS**

### **5.1 Mana whenua**

Te Ngāi Tūāhuriri hapū are not likely to be affected by, or have an interest in the subject matter of this report.

### **5.2 Groups and Organisations**

There are not groups and organisations likely to be affected by, or to have an interest in the subject matter of this report.

### **5.3 Wider Community**

The wider community is not likely to be affected by, or to have an interest in the subject matter of this report.

## **6 OTHER IMPLICATIONS AND RISK MANAGEMENT**

### **6.1 Financial Implications**

There are not financial implications of the decisions sought by this report.

This budget is included in the Annual Plan/Long Term Plan.

This budget is included in the Annual Plan/Long Term Plan.

6.11 Under section 65 of the Local Government Act, the Council must regularly undertake performance monitoring of council organisations to evaluate their contributions to the:

- council's objectives for the organisation;
- desired results set out in the organisation's statement of intent; and
- overall aims and outcomes of the local authority.

### **6.2 Sustainability and Climate Change Impacts**

The recommendations in this report do not have sustainability and/or climate change impacts.

### **6.3 Risk Management**

There are not risks arising from the adoption/implementation of the recommendations in this report.

### **6.4 Health and Safety**

There are not health and safety risks arising from the adoption/implementation of the recommendations in this report.

## **7 CONTEXT**

### **7.1 Consistency with Policy**

This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy.

### **7.2 Authorising Legislation**

Local Government Act s.10 Purpose of Local Government and Part 5 council-controlled organisations and council organisations

### 7.3 **Consistency with Community Outcomes**

The Council's community outcomes are relevant to the actions arising from recommendations in this report.



#### **Businesses in the District are diverse adaptable and growing**

- There are growing numbers of businesses and employment opportunities in our District.
- There are sufficient and appropriate places where businesses are able to set up in our District.



#### **The distinctive character of our takiwa – towns, villages and rural areas is maintained**

- The centres of our towns are safe, convenient and attractive places to visit and do business.

### 7.4 **Authorising Delegations**

Delegation S-DM 1022 provides that the Audit & Risk Committee has the jurisdiction to "Monitor performance of the Council-Controlled organisations on a six monthly basis".

# Enterprise North Canterbury



## Annual Report

Year ended 30<sup>th</sup> June 2021



## Enterprise North Canterbury

The Board's vision is:

*To inspire, attract and retain individuals, businesses and social enterprises to invest in our region'*

ENC staff continued to work across the *three strategic objectives* this year,

1. Supporting existing businesses to grow and prosper
2. Attract and inspire businesses, Te Rūnanga o Ngāi Tahu and Government to invest in our region
3. Promoting the Waimakariri District to visitors and new businesses.

ENC, in conjunction with the two Councils, plays an important role in making our region a great place to do business. In times of crises ENC is Council's own organisation 'on the ground' ready to support local businesses continued to provide a pivotal support role to businesses recovering from the effects of COVID-19 to their businesses this financial year.

### Key highlights in 2020/21:

ENC leveraged an additional \$369,000 from various Government departments this financial year to support specific ENC projects:

- NZTE \$34,000 additional funds for ENC staffing due to COVID-19 demand
- MBIE \$100,000 MADE NORTH CANTERBURY project Year One
- MBIE \$163,000 Regional Event Funding (REF) (over 3 financial years)
- MSD \$70,500 Business Start-up Incubator Project (over 2 financial years)

### Supporting Existing Businesses to Grow and Prosper:

#### ENC's COVID-19 Response

- Award Winning recognition of ENC at the 2021 Economic Development NZ Conference for 'Business Support Recovery Initiatives' in delivering high quality support from a small team to meet the needs of North Canterbury businesses during COVID-19.
- Securing \$535,557 from NZTE that went directly to support 304 businesses impacted by COVID-19 via issuing 100% capability funding vouchers.
- The successful partnership and achievements outlined in this report, with MSD for the six months to Dec 2020.
- Successful application to MSD to run two Business Start-up Incubator courses with follow-up coaching for up to 29 businesses. This was possible due to the high calibre and practical experience of the workshop presenter – Craig Rust who designed this for ENC.

#### Non-COVID-19 support:

- Leveraging \$15k from five Hurunui businesses, MainPower, TransWaste and Amuri Irrigation Ltd, plus \$5k of our own funds to write a Strawman Report that investigated the concept of a Green Powered Economic Hub in Hurunui
- Securing full sponsorship to run the 2021 North Canterbury Business Awards and hosting a very successful launch function. We received 87 entries with 62 going forward to be interviewed by the Judges.

### Attract and Inspire Businesses, Te Rūnanga o Ngāi Tahu and Government to Invest in our region

- Developing a new provenance brand MADE NORTH CANTERBURY for North Canterbury food and beverage producers

- Signing up 64 new members and two major sponsors to be part of this unifying brand. It's a marketing platform and a communications tool used to celebrate our people, our produce, our plates and our place.
- Commencing process of Intellectual Property Trademark Protection.

#### Promoting the Waimakariri District:

- ENC interviewed and supported 125 start up businesses (78 last year) and 50 expanding businesses (59 last year) and welcomed and promoted 89 new businesses to the district through social media and our newsletter (74 last year).
- ENC ran two Business Start-Up Incubator Boost series with 29 prospective business attending (15 first course and 14 on the second).
- 20 new businesses were established as a direct result of ENC influence and assistance.
- ENC continued to support the WHoW Trustees and assisted them in their endeavours to set up an AquaPlay Inflatable park on Courtney Lake, Kaiapoi in October 2021.
- ENC in partnership with WDC and key stakeholders developed a new Visitor Marketing Strategy 2020-2027 with an aim to increase visitation.
- The ENC Board approved the development of a new website and brand for Visit Waimakariri.
- ChristchurchNZ worked alongside ENC to deliver an Incubator Programme for Waimakariri food and beverage businesses
- Followers on Visit Waimakariri's Facebook increased by 30
- 17 events (12 last year) received \$41,770 (\$31,550 last year) in WDC event funding
- ENC were granted \$163k net, over 3 years to grow major events in the Waimakariri from MBIE and to grow the capability of local event organisers.
- The Kaiapoi i-SITE provided exceptional customer service in challenging and uncertain times and served as the only i-SITE in the greater Christchurch and South Canterbury
- Net commission overall this year were up 18% to \$24,484 (\$20,691 last year)

#### **Future Developments:**

The ability of ENC to gain support from Government, the private sector and sponsors on various projects and activities is a very effective way of leveraging Councils' funds. ENC has confidence that this will continue in the coming year through:

- Roll out its new brand/refreshed logo – after 15 years in its current format
- Successfully running the 2021 North Canterbury Business Awards, COVID-19 allowing.
- Undertaking a face to face survey of up to 50 large businesses to fully understand the critical issues facing their business.
- Setting a benchmark/audit of ENC's carbon management and to provide upskilling of SME businesses in North Canterbury through awareness and training.
- Gaining a greater uptake of local food and beverage producers to the MADE NORTH CANTERBURY project to increase awareness and sales.
- Delivering the inaugural MADE NORTH CANTERBURY Taste Trail event in February 2022.
- Continuing to identify streams of funding for new and ongoing projects eg Pegasus Bay Cycle Multi-day Trail and Oxford Observatory.
- Progressing ENC's relationship with local Runanga(s).
- Progressing the Green Powered Economic Hub development for Hurunui and accessing Government funding if appropriate.
- Waimakariri District Promotion
  - Attracting quality investment to Waimakariri District



- o Increasing in number of visitors to the district through greater branding and marketing
- o Fully distributing the Waimakariri and the Regional Major event funds and promoting events widely

We thank all staff and contractors who collectively enabled ENC to meet its objectives throughout the year.

I would like to personally thank Craig Rust, who retired after six years of valued input into the ENC Board. Craig served on the Audit and Risk Committee as well as the Remuneration Committee during his time on the board and provided mentorship to new board members. Our Board members are volunteers and provide valuable insight, entrepreneurship and time to our organisation.

Successful Economic Development is about long term partnerships. It involves creating an economic vision and an environment that is conducive to business growth while meeting the needs of local communities. ENC has developed trusted relationships with businesses, developers, event organisations and organisers, tourism operators, government organisations, local community groups. MainPower, as the major corporate sponsor, continues to show commitment and passion for the business community through its sponsorship of ENC.

Holly Sterne  
ENC Chair



**NORTH CANTERBURY ECONOMIC DEVELOPMENT TRUST**  
trading as

***ENTERPRISE NORTH CANTERBURY***

**DIRECTORY**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

**Purpose:** The purpose of the Trust is to encourage economic development in North Canterbury.

**Trustees:** Appointed by Waimakariri and Hurunui District Councils

Mayor Dan Bruce Gordon – *ex officio* (commenced Nov 2019)  
Mayor Marie Honor Black – *ex officio* (commenced Nov 2019)  
Craig Rust – concluded his 2<sup>nd</sup> term and Trustee role at ENC in May 2021  
Craig Patterson – reappointed for a 2<sup>nd</sup> term in November 2019  
Clare Diana Giffard – appointed for 2<sup>nd</sup> term in February 2021  
Holly Louise Sterne – appointed for 2<sup>nd</sup> term in February 2021  
Robert Ray Penter – appointed for 1<sup>st</sup> term in February 2019  
Michael John Weight – appointed for 1<sup>st</sup> term in February 2019

**Advisory Trustees:** Appointed by the Board  
James Leslie Palmer (resigned as CE in March 2021 and Philip James Harland commenced in April 2021)  
Hamish Ian Dobbie

**Address:** 143 William Street  
Kaiapoi

**Bankers:** Westpac  
Rangiora Branch  
P O Box 328  
Rangiora

**Accountants:** Jenkins Anderson Ltd  
P O Box 78  
Rangiora

**Solicitors:** Helmore Stewart  
P O Box 44  
Rangiora.

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

## 1.0 Summary of 2020/21 Objectives and Achievements

ENC operates to an Annual Business Plan and budget, which is prepared in conformity with its Five Year Strategic Plan and Statement of Intent. The 2020/21 Business Plan had three key objectives. This Annual Report reports against the 2020/21 Statement of Intent (SOI) submitted to both Councils.

### Objective 1 Supporting existing businesses to grow and prosper

#### 1.1 Provide an increased business support programme to existing businesses due to COVID19 response and recovery

##### a Deliver the contracted Regional Business Partner Programme for NZTE to June 2021

###### *Targets:*

*Undertake at least 48 Capability Assessments for NZTE (Result: Achieved)*

*Issue a minimum of \$80,000 NZTE Vouchers (Result: Achieved)*

*Refer a minimum of 24 businesses to Business Mentors NZ (Result: Not Achieved)*

- ENC carried out 297 full capability assessments (102 last year). 282 of these were registered in the RBP system
- 88 training vouchers (110 last year) were issued to 73 businesses (88 last year) in the amount of \$82,711 (\$96,980 last year).
- 9 businesses referred to Business Mentors NZ (32 last year). Less this year due to the free COVID-19 one on one coaching taken up.

##### b Provide additional support to businesses who are negatively impacted by COVID-19

###### *Targets:*

*Maximise Government funding to help support local business through recovery*

*Provide solutions to businesses that may not include vouchers but timely information and direction to other financial or non financial support (Results: Achieved)*

- ENC secured an additional \$535,557 in funding that went directly to North Canterbury Businesses via ENC's business support team. This included:
  - \$441,687 of 100% Covid-19 funding (\$207,037 last year) to 256 businesses (213 last year) to assist with a variety of professional services and conducted 223 (303 last year) business interviews of Covid affected businesses (some vouchers were issued to those interviewed the previous year).
  - \$93,870 of 100% tourism funding to 48 businesses to assist additional coaching for tourism businesses in our districts. Many of these businesses also received Covid-19 funding.
- ENC engaged with 259 businesses regarding coping with COVID-19 (657 last year) (68 in Hurunui, 178 in Waimakariri, 23 in Kaikōura).
- ENC's CE was part of Waimakariri and Hurunui's economic recovery groups, made up of local business leaders who met on a number of occasions.

##### c Run a Training & Development Business Support Programme

*2020/21 Target: Run at least 10 business training sessions or webinars with 80% satisfaction rate.*

- ENC ran 29 half day workshops (23 last year), 5 courses (8 last year), with a total of 105 attendees (94 last year). This is higher due to hosting the two Business Start Up Boost workshops and Digiboost workshop at ENC. *(Results: Achieved)*
- We achieved a 100% satisfaction rating from workshop attendees who completed the surveys, however satisfaction surveys were not collected for the 2021 Supervising and Managing Others course. *(Results: Not Achieved)*

### d Support new and expanding businesses

*2020/21 Target: Provide business support to 50 start up businesses and 50 existing businesses to grow/expand (Results: Achieved)*

- ENC had face-to-face interviews with 125 start-up businesses (78 last year). 84 of these businesses were scoping or developing a plan and the other 41 had recently started and needed assistance.
- ENC had face to face to face interviews with 50 expanding businesses who required assistance (59 last year).

### e Maintain and grow ENC's website and social media

*2020/21 Targets: Grow social media channels and website visitors by 10%*

- ENC Website Statistics were up this year compared to last year: *(Result: Not Achieved)*
  - Visits were up 2.38% to 46,496 from 45,415
  - Page views were up 4.63% to 95,123 from 90,918
- ENC Social Media Channels had a good increase: *(Result: overall Achieved)*
  - Facebook Page likes: 2,033, up from 1,860 (9.3% increase)
  - Facebook Page followers: 2,084 up from 1,888 (10.3% increase).
  - LinkedIn Page: followers 184 up from 151 (21.85% increase)

### f Deliver the contract for services with MSD to retain and create jobs

*2020/21 Targets: Businesses looking to make staff redundant will be identified; high growth businesses will be identified, a quick matching system will be developed, minimising applications for benefit. (Results: Achieved)*

A twelve-month contract was signed on the 27<sup>th</sup> of May 2020 with MSD who agreed to partner with ENC and have their senior work broker, Michelle Becks, based at ENC to 'support and save local jobs' where possible. Both organisations were very pleased with the results. A full report was provided to MSD. Due to the country coming out of lockdown early and trading at Level 1 for most of this period, Michelle only stayed on-site at ENC in this partnership role for six months. Connections made during her time at ENC included:

- General vacancies – 81 opportunities
- Placements made – 49 (plus 15 Apprenticeship Boost)
- Individual Job Seekers – 22 Connected to services for training and employment.
- Employer queries - The partnership with ENC resulted in increased MSD visibility throughout the Business community and as a result have been connected with over 60 new businesses that MSD had yet to engage with. Enquiries were primarily around funding for apprenticeships, existing and new.
- As a result of the ENC Business Survey 27 businesses were identified as needing support for recruitment and contact was made via email to the respondents outlining MSD products and services, including recruitment.
- Redundancy Seminars (Community) – 7 held and 2 redundancy seminars held with two large businesses (inhouse)

## 1.2 Celebrate and recognise business leaders in the region

### 1.2.1 Celebrate the 2021 Business Awards

2020/21 Targets::

Full sponsorship of seven categories is achieved (Result: Achieved)

Successful launch event held (Result: Achieved)

Attract the same number of entries or more as the 2018 business awards (Result: Achieved)

- ENC secured eight category sponsors (up from seven last year) and MainPower once again as Supreme Sponsor for the 2021 North Canterbury Business Awards.
- The Awards launch was held on the 28<sup>th</sup> April, 2021.
- We received 62 entries that went through to be judged by the three independent Judges (Steve Wilkinson, Brian Davey and Debs Taylor-Hayhurst) (60 in 2018).

## 1.3 Assist Council with the wellbeing and viability of Hurunui towns

### 1.3.1 Programme of initiatives agreed and implemented

2020/21 Targets: ENC assists and supports town initiatives as agreed (Result: Achieved)

- At their November Board meeting, the ENC Board approved that up to \$5,000 from their current year's projected surplus, to be used to investigate the concept of a green energy based processing and production ecosystem for North Canterbury.
- A workshop was hosted by Mayor Marie Black at Hurunui Council Chambers and facilitated by Gil Cox and Susan Goodfellow (Leftfield Consulting) with MainPower and 8 local businesses attending. A financial commitment to fund a Strawman Report to develop the concept was sought. MainPower committed \$5k, Amuri Irrigation Group \$2k, TransWaste \$3k and 5 other businesses committed \$1k each plus ENC's contribution, totalled \$20k.
- Left Field Consulting (LFC) completed the consultation and Strawman Report and was presented to stakeholders on the 5<sup>th</sup> of May. Marie Black, the Mayor, and ENC's CE wrote a cover letter of support for potential funders.

## **Objective 2 Attract and inspire businesses, Te Rūnanga o Ngāi Tahu and Government to Invest in our region**

### 2.1 Develop a North Canterbury Cycle Trail

#### 2.1.1 Continue to seek and apply for funds for the development of a North Canterbury Cycle Trail from Christchurch to Waipara

2020/21 Target: Staff prepare and submit applications in conjunction with Councils (Results: Achieved)

- ENC made 2 applications: Crown Infrastructure Fund and to RATA subsequent to balance date in November 2021. Both applications were declined

### 2.2 Stimulate the North Canterbury Food and Beverage sector to achieve greater collaboration

#### 2.2.1 Local food and beverage producers and manufacturers are provided opportunities to collaborate and succeed

- a) *2020/21 Targets: NC Food and Beverage Brand created; NC Food and Beverage Website, Facebook, Instagram platforms set up to increase awareness and sales of NCF&B Promote detail of business and products on website (Results: All Achieved)*

This project is made possible through MBIE funding, ENC administration and overhead support, membership fees, foundation sponsors (Sidekick Rangiora and Meridian Energy) and supporting sponsors (Croft Print, Leading Labels, Infinity IP). In this period ENC developed a powerful brand and assets:

- Website
- Brochure
- Posters
- Pull-up banner
- Point-of-Sale (POS) signage – includes, shelf talkers, shelf surrounds and flanners
- A gift box for North Canterbury products
- Food grade stickers for products
- Tote bags
- We also commenced the process for IP trademark protection.
- In February we launched the new website directory that now gets an average of over 1200 unique visitor sessions per month.
- We use Facebook predominantly for digital marketing and grown our following to 3,578 since we started (in 14 months to 30 June 2021 and have 759 Instagram followers.

- b) *2020/21 Targets: ENC builds networks and relationships with producers and manufacturers; Referrals and connections tracked (Results: Achieved)*

We have built a community consisting of 64 food and beverage businesses, which is on track to meet the goal of 80 businesses by the end of the two year period. We would like to establish stronger networks and relationships with contacts within the hospitality sector.

- Many of our producers now incorporate the provenance logo on their packaging.
- We hosted a planning session with our members on the 14<sup>th</sup> of April, facilitated by Phillip Roth (BDO). This has set a compass point for the next 12 months and a marketing strategy was developed as a result.
- The North Canterbury Food and Beverage Story was signed off by Matapopore on behalf of Te Rūnanga o Ngāi Tahu and Ngai Tuhahuriri.
- In the 12 months we have created 49 connections resulting in direct sales; 17 producer collaborations and engaged with 241 businesses since commencement of this project

- c) *2020/21 Targets: Opportunities identified to attend and profile NCF&B at event and trade shows (Results Achieved)*

- MADE NORTH CANTERBURY **TASTE TENT** at the North Canterbury Wine and Food Festival in March 2022.
- MADE NORTH CANTERBURY **CHEF'S TOUR**. We have bookmarked a Summer Tour for the end of January.
- The design and planning for a new event in February 2022 the MADE NORTH CANTERBURY **TASTE TRAIL** has taken place this period, using a professional event organiser.

### **Objective 3 Promotion of the Waimakariri District**

*3.1 Produce an annual business promotion plan for board and council approval*

Delivery of Business Promotion Objectives as Contracted to Council

a) *2020/21 Target: Contract delivered (Results: Achieved)*

The contract runs until June 2021 and was renewed for a further three years to 30 June 2024.

To achieve the Promotion Objectives the 2020/21 Promotion Plan has four key goals with an aim to attract new businesses and visitors through marketing and events, profiling why it is worth visiting/investing in/doing business in/relocating to. All four key goals have been achieved.

b) *2020/21 Target: Performance reported six monthly to Waimakariri District Council (Results: Achieved)*

ENC provides an annual business plan and budget that ENC board approve at their May board meeting each year. It is then presented and approved by Waimakariri District Council.

ENC staff provides a six monthly written and verbal report to Council along with a full twelve-month report on results (both written and verbal).

## 2.0 GENERAL

### 2.1 Sponsorship and Financial Support

Other valued contributors toward our activities during the year included:

- **Business Centre Sponsors:** We are grateful to our existing sponsors MainPower (corporate), Spark Business Hub Christchurch, BDO and Meridian Energy (silver sponsors), Hellers, PLC, Hazeldine Construction; Ray White Morris & Co, Skytech and Misco Joinery, Ravenswood, The Learning Staircase, Brannigans (nine bronze sponsors).
- **Networking Events Sponsors:** The Five River Queen owners (Dec), Waipara Hills Winery and Hurunui Tourism (March).
- **MADE NORTH CANTERBURY Sponsors:** Founding sponsors Sidekick Rangiora and Meridian Energy. Supporting sponsors Leading Labels, Croft Print, Infinity IP.
- **North Canterbury Business Awards Sponsors:** MainPower, BDO, Spark Business Hub Christchurch, Hellers, Misco Joinery, PaknSave, Hanmer Springs Thermal Pools and Spa, Lime Real Estate, Joint sponsor Harris Meats/Patoa Farms, Percival Street Bakery, North Canterbury News.
- **Additional and valued sponsors:** Devlin Real Estate, Kaiapoi Harcourts (Street Maps) and Sharp.
- **Government Funders:** NZTE for the Regional Business Partner Programme and MBIE for the MADE NORTH CANTERBURY food and beverage project, MBIE for the Regional Event Fund established, MSD for partnering with ENC and funding its two Start-Up Incubator workshops and coaching.
- **ENC Brand** – ENC engaged local brand specialist, The Mark, to refresh and update their logo and design new templates for organisational electronic mailouts and all forms of future communications and signage. The Mark has provided a sizeable sponsorship to enable this to happen

### 2.2 Staff:

ENC entered and received an award at the National Economic Development (EDNZ) Conference in May 2021 for its Business Support Recovery Initiatives during 2020. We attended the conference and received the Award at the Gala Dinner. It was celebrated as a joint effort by all staff at ENC.

Our focus continues to be on matching staff skills and resources with the programme objectives sought by our funders. ENC is a team of 8 full time (7 last year) and 3 part time (5 last year) employees/contractors working with a cast of over 2,200 businesses and sponsors. During this financial year Lucy Harvey went on one year's maternity leave and we welcomed Khloe Peck to cover this period. Anna Western-Bell was employed part time to replace Khloe in the Kaiapoi i-SITE role. Kate Underwood was taken on with a part time three month contract to support the MADE NORTH CANTERBURY project.

We have a well-regarded professional team who have formed strong relationships with the businesses in North Canterbury. Our main referrals are word of mouth from those who are satisfied with our engagement and delivery.

### 2.3 Governance

- Holly Sterne was elected Chair of ENC once again at the September 2020 board meeting.





- Board members Holly Sterne and Clare Giffard along with the CEO presented ENC's 2019/20 annual report to the WDC Audit and Risk Committee on 19<sup>th</sup> of November 2020.
- At its May 2021 Board meeting, the Board received notice from Craig Rust that he did not wish to renew his term for his third and final three year term.
- At its May Board meeting it was agreed that Jim Harland would replace Jim Palmer on the Audit and Risk Committee along with Mike Weight to replace Craig Rust. They have held their first meeting. They reviewed the Risk Register, Draft Reserve Policy, Policy Manual and Fraud Risk Assessment and advised the CE to make some minor changes. This was done.

ENC continues to apply best practice principles in the governance and management of the Trust. During the course of the year:

- ENC submitted a six-month report to both Councils and a six month report for the promotion activities to Waimakariri District Council as per their contract.
- Prior to submitting the annual Draft Statement of Intent (SOI) the board decided to run a Strategic Planning session with Phillip Roth (BDO) facilitating, on the 10<sup>th</sup> of February. Changes were made as a result of that session and the SOI was recirculated for board approval and then sent to both Councils prior to the 28 February as required.
- The Board approved the 2021/22 annual business plan and budget at their 31 May 2021 board meeting.
- Health and Safety remains as an agenda item at the beginning of every Board meeting.
- The Board Registration of Interest is updated annually and remains an Agenda item at each board meeting.
- The Board reviewed the Risk Register in September 2020 and March 2021
- The board held two Strategy Future Thinking sessions and have instigated 'board only time' at the start of their meetings.

#### 2.4 *Rent:*

ENC's two year right of renewal on its lease at 143 William Street, Kaiapoi expires on the 15<sup>th</sup> December 2021 with Property Lifestyle Concepts (PLC). A renewal of lease was signed on 15<sup>th</sup> of December 2021 for a further three years to December 2024. The rate commenced at \$77,416 per annum with a maximum increase of 2% per annum or half of CPI, whichever is the lesser.

### **3.0 CONCLUSION**

ENC services and supports a well networked business community through our ENC website and social media channels, our workshops, networking functions and business support programmes. The value of an independent and apolitical local economic development agency is that it can freely focus beyond the next few months or years ahead and support and facilitate resilient and progressive businesses on which all our communities. Transforming, strengthening and diversifying a regional economy is a long term game which includes building innovation and business support ecosystems, attracting investment and working on large projects that involve the community, local and central government.

**ENTERPRISE NORTH CANTERBURY**  
**ENTITY INFORMATION**  
**FOR THE YEAR ENDED 30 JUNE 2021**

***Legal name***

North Canterbury Economic Development Trust

***Type of entity and legal basis***

The Trust is a not for profit trust incorporated in New Zealand under the Local Government Act 1974. The trust is controlled by the Waimakariri and Hurunui District Councils and is therefore a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

***The Trust's purpose or mission***

The primary objective of the Trust is to provide promotions and economic development services for the North Canterbury region. The trust on behalf of the Waimakariri and Hurunui District Councils focuses on developing existing businesses and promoting new businesses within the region. The Trust also promotes the region as a visitor destination.

***Structure of the Trust's operations, including governance arrangements***

The Trust comprises a Board of Trustees who oversees the governance of the Trust, a Chief Executive who is responsible for the day-to-day operations of the trust and reporting to the trustees, and five other full-time staff and five part-time staff who support the Chief Executive in delivering against the Trust's objectives. The trustees are appointed by the Waimakariri and Hurunui District Councils.

***Main sources of the Trust's cash and resources***

Operating and promotion grants received from the Waimakariri and Hurunui District Councils and central government agencies are the primary sources of funding to the Trust. Further funding is provided from the sale of primarily services provided by the Trust.



ENTERPRISE NORTH CANTERBURY  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2021

|   | Note | 2021<br>\$<br>Actual | 2020<br>\$<br>Actual |
|---|------|----------------------|----------------------|
| <b>Revenue</b>                              |      |                      |                      |
| Council funding                             | 1    | 642,675              | 753,401              |
| Central government funding                  |      | 250,572              | 116,613              |
| Sales of goods and services                 |      | 95,989               | 65,630               |
| Other grants and donations received         | 2    | 79,515               | 69,807               |
| ISite Commissions                           |      | 24,357               | 20,223               |
| Interest received                           |      | 6,448                | 17,109               |
| <b>Total Revenue</b>                        |      | <b>1,099,556</b>     | <b>1,042,783</b>     |
| <b>Expenditure</b>                          |      |                      |                      |
| Employment related costs                    | 3    | 698,918              | 635,984              |
| Advertising and marketing costs             |      | 70,606               | 115,273              |
| Rent costs                                  |      | 77,416               | 77,416               |
| Depreciation of property, plant & equipment | 9    | 22,722               | 26,298               |
| Costs of providing goods & services         |      | 110,524              | 54,904               |
| Other expenses                              | 4    | 113,472              | 117,351              |
| Loss on sale                                |      | 377                  | -                    |
| <b>Total Expenditure</b>                    |      | <b>1,094,035</b>     | <b>1,027,226</b>     |
| Net (Deficit)/Surplus for the year          |      | 5,521                | 15,557               |
| Less taxation expense                       | 5    | 3,340                | 10,011               |
| <b>Net (Deficit)/Surplus after taxation</b> |      | <b>2,181</b>         | <b>5,546</b>         |

The accompanying notes form part of these financial statements

**ENTERPRISE NORTH CANTERBURY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

|  | Note | 2021<br>\$<br>Actual | 2020<br>\$<br>Actual |
|--|------|----------------------|----------------------|
| <b>Assets</b>                              |      |                      |                      |
| <b>Current assets</b>                      |      |                      |                      |
| Bank accounts and cash                     | 6    | 281,882              | 325,513              |
| Short term investments                     |      | 503,364              | 400,662              |
| GST refund due                             |      | 54,002               | 22,027               |
| Debtors and other receivables              | 7    | 24,717               | 5,426                |
| Taxation Refund                            |      | -                    | 3,154                |
| Inventories                                | 8    | 555                  | 913                  |
| Prepayments                                |      | 4,555                | 4,332                |
| <b>Total current assets</b>                |      | <b>869,075</b>       | <b>762,027</b>       |
| <b>Non-current assets</b>                  |      |                      |                      |
| Property, plant and equipment              | 9    | 88,057               | 69,026               |
| <b>Total non-current assets</b>            |      | <b>88,057</b>        | <b>69,026</b>        |
| <b>Total Assets</b>                        |      | <b>957,132</b>       | <b>831,053</b>       |
| <b>Liabilities</b>                         |      |                      |                      |
| <b>Current liabilities</b>                 |      |                      |                      |
| Creditors and accrued expenses             | 10   | 54,920               | 47,394               |
| Grants and funding subject to conditions   | 11   | 322,616              | 215,267              |
| Taxation payable                           |      | 1,212                | -                    |
| Employee costs payable                     | 12   | 49,369               | 41,558               |
| <b>Total current liabilities</b>           |      | <b>428,117</b>       | <b>304,219</b>       |
| <b>Total Liabilities</b>                   |      | <b>428,117</b>       | <b>304,219</b>       |
| <b>Total assets less total liabilities</b> |      | <b>529,015</b>       | <b>526,834</b>       |
| <b>Trust Equity</b>                        |      |                      |                      |
| Accumulated surpluses                      | 13   | 529,015              | 526,834              |
| <b>Total trust equity</b>                  |      | <b>529,015</b>       | <b>526,834</b>       |

  
 \_\_\_\_\_  
 Clare Giffard  
 Chairman

  
 \_\_\_\_\_  
 Mike Weight  
 Trustee

The accompany notes form part of these financial statements

**ENTERPRISE NORTH CANTERBURY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|  | Note     | 2021<br>\$<br>Actual | 2020<br>\$<br>Actual |
|--|----------|----------------------|----------------------|
| <b>Cash flows from operating activities</b>                  |          |                      |                      |
| Receipts of council funding                                  |          | 706,736              | 702,165              |
| Receipts of central government funding                       |          | 276,599              | 212,564              |
| Receipts from sale of goods and services                     |          | 123,962              | 82,043               |
| Net GST  |          | (46,060)             | 23,298               |
| Interest receipts  |          | 6,448                | 17,109               |
| Receipts of other grants and donations                       |          | 88,790               | 85,152               |
| Receipts of other revenue                                    |          | -                    | -                    |
| Payments to suppliers and employees                          |          | (1,056,300)          | (999,374)            |
| Net taxation refund  |          | 1,026                | (16,901)             |
| <i>Net cash flow from operating activities</i>               |          | <b>101,201</b>       | <b>106,056</b>       |
| <b>Cash flows from investing and financing activities</b>    |          |                      |                      |
| Receipts from sale of property, plant and equipment          |          | 400,285              | 487,014              |
| Receipts from sale of investments                            |          | (41,753)             | (8,565)              |
| Payments to acquire property, plant and equipment            |          | (503,364)            | (400,662)            |
| Payments to acquire investments                              |          | -                    | -                    |
| <i>Net cash flow from investing and financing activities</i> |          | <b>(144,832)</b>     | <b>77,787</b>        |
| Net increase/(decrease) in cash for the year                 |          | (43,631)             | 183,843              |
| Add opening bank accounts and cash                           |          | 325,513              | 141,670              |
| <b>Closing bank accounts and cash</b>                        | <b>6</b> | <b>281,882</b>       | <b>325,513</b>       |

**ENTERPRISE NORTH CANTERBURY**  
**STATEMENT OF ACCOUNTING POLICIES**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**ACCOUNTING POLICIES APPLIED**

***Basis of preparation***

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

***Goods & services tax***

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST.

Commitments and contingencies are disclosed exclusive of GST.

***Significant accounting policies***

**Revenue**

***Grants***

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met (“use or return condition”). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

***Sales of goods***

Revenue from the sale of goods is recognised when the goods are delivered to the customer.

***Sales of services***

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

***Donated assets***

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value is readily obtainable or able to be estimated.

**Interest Received**

Interest revenue is recorded as it is earned during the year.

**Employee related costs**

Wages, salaries and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries and leave entitlements.

**Advertising, marketing, administration, overhead and function costs**

These are expensed when the related service has been received.

**Leases***Operating leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments made under operating leases are recognised in the statement of financial performance on a straight-line basis over the term of the lease.

**Bank accounts and cash**

Bank accounts and cash comprise cash on hand, cheque or savings accounts and deposits held at call with banks.

**Debtors**

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

**Inventories**

Inventories are initially recorded at cost. Goods held for sale are subsequently measured at the lower of cost and their selling cost. Goods for use or distribution are subsequently measured at cost and written down if they become obsolete.

**Investments**

Investments comprise investments in term deposits with banks.

**Property, plant and equipment**

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value is readily obtainable or able to be estimated.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount. For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is recognised on a straight line basis at rates that will substantially write off the cost of the asset over its useful life. The useful life of major classes of assets are as follows:

|                                |               |
|--------------------------------|---------------|
| Office furniture and equipment | 4 to 20 years |
| Plant and equipment            | 20 years      |
| Motor vehicles                 | 5 years       |

**Creditors and other payables**

Creditors and other payables are stated at cost

**Employee costs payable**

Employee costs payable that the Trust expects to be settled within 12 months of balance date are measured 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.

**Income Tax**

The Trust is subject to the provisions of the Income Tax Act 2007. Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years.

**Provisions**

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that

expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**Tier 2 PBE Accounting Standards applied**

The Trust has not applied any Tier 2 Accounting Standards in preparing its financial statements.

**CHANGES IN ACCOUNTING POLICIES**

All accounting policies have been applied on the same basis as the previous year.



## ENTERPRISE NORTH CANTERBURY

Explanatory notes to and forming part of the financial statements  
for the year ended 30 June 2021

|                                | 2021<br>\$<br>Actual | 2020<br>\$<br>Actual |
|--------------------------------|----------------------|----------------------|
| <b>Note 1: Council funding</b> |                      |                      |
| Waimakariri District Council   | 591,425              | 702,151              |
| Hurunui District Council       | 51,250               | 51,250               |
| Total council funding          | <u>642,675</u>       | <u>753,401</u>       |

All grants have been applied for the purposes provided and in accordance with obligations in any contractual agreements. If conditions of the grant are not met and there is such an obligation the grants are recorded as Grants in advance and funding subject to conditions and recognised as revenue when conditions of the grants are satisfied.

**Note 2: Other grants and donations received**

|  |               |               |
|--|---------------|---------------|
| MainPower sponsorship                    | 30,000        | 30,000        |
| Food & beverage sponsorship              | 8,856         | -             |
| Silver & Bronze sponsorship              | 40,446        | 39,807        |
| Other donations                          | 213           | -             |
| Total other grants and donation received | <u>79,515</u> | <u>69,807</u> |

**Note 3: Employment related costs**

|                                |                |                |
|--------------------------------|----------------|----------------|
| Salaries & wages               | 640,812        | 482,117        |
| Management Contractors         | 55,975         | 152,211        |
| Other employment related costs | 2,131          | 1,656          |
| Total employment related costs | <u>698,918</u> | <u>635,984</u> |

**Note 4: Other expenses**

|  |                |                |
|--|----------------|----------------|
| Administration and overhead costs            | 102,214        | 89,439         |
| Audit fees for the financial statement audit | 9,658          | 9,512          |
| Grants and donations paid                    | 1,600          | 18,400         |
| Total other expenses                         | <u>113,472</u> | <u>117,351</u> |

**ENTERPRISE NORTH CANTERBURY**

**Explanatory notes to and forming part of the financial statements  
for the year ended 30 June 2021**

|  | 2021<br>\$<br>Actual | 2020<br>\$<br>Actual |
|--|----------------------|----------------------|
| <b>Note 5: Taxation</b>                            |                      |                      |
| <b>Taxation expense</b>                            |                      |                      |
| Net (Deficit)/Surplus before taxation              | <u>5,521</u>         | <u>15,557</u>        |
| Tax @ 33%  | 1,822                | 5,134                |
| Plus/(less) tax effects of non-deductible expenses | 1,518                | 4,877                |
| Plus tax losses (recognised)/not recognised        | -                    | -                    |
|  | <u>3,340</u>         | <u>10,011</u>        |
| <b>Components of tax expense</b>                   |                      |                      |
| Current tax  | 3,340                | 10,011               |
| Adjustments to current tax in prior years          | -                    | -                    |
| <b>Taxation expense</b>                            | <u>3,340</u>         | <u>10,011</u>        |

Unused tax losses of \$NIL (2020 \$NIL) are available to carry forward and offset against future taxable income.

**Note 6: Bank accounts and cash**

|                              |                |                |
|------------------------------|----------------|----------------|
| Cash at bank and on hand     | 120            | 120            |
| Westpac cheque account       | 254,901        | 298,541        |
| Westpac online saver account | 26,861         | 26,852         |
|                              | <u>281,882</u> | <u>325,513</u> |

All bank accounts and cash were held as cash or held within on call or short term accounts as at 30 June.

**Note 7: Debtors and other receivables**

|                                     |               |              |
|-------------------------------------|---------------|--------------|
| Total debtors and other receivables | <u>24,717</u> | <u>5,426</u> |
|-------------------------------------|---------------|--------------|

The carrying amount of receivables approximates their fair value.  
Trade receivables are shown net of impairment losses amounting to nil.

**Note 8: Inventories**

|                                       |            |            |
|---------------------------------------|------------|------------|
| Stock held at Kaiapoi i-SITE for sale | <u>555</u> | <u>913</u> |
|---------------------------------------|------------|------------|

ENTERPRISE NORTH CANTERBURY

Explanatory notes to and forming part of the financial statements for the year ended 30 June 2021

Note 9: Property, plant and equipment (Office Equipment includes Computer software of \$35,159)

At 30 June 2021

|                  | Cost<br>1 July 2020 | Accumulated<br>Depreciation<br>1 July 2020 | Carrying<br>Amount<br>1 July 2020 | Current Year<br>Additions | Current Year<br>Disposals | Current Year<br>Depreciation<br>2021 | Cost<br>30 June 2021 | Accumulated<br>Depreciation<br>2021 | Carrying<br>Amount<br>30 June 2021 |
|------------------|---------------------|--|-----------------------------------|---------------------------|---------------------------|--------------------------------------|----------------------|-------------------------------------|------------------------------------|
| PPE              |                     |  |                                   |                           |                           |                                      |                      |                                     |                                    |
| Plant            | 1,064               | (1,064)                                    | -                                 | -                         | -                         | -                                    | 1,064                | (1,064)                             | -                                  |
| Office equipment | 204,123             | (142,119)                                  | 62,004                            | 42,480                    | (725)                     | 17,101                               | 243,424              | (156,768)                           | 86,656                             |
| Motor vehicles   | 28,101              | (21,079)                                   | 7,022                             | -                         | -                         | 5,621                                | 28,101               | (26,700)                            | 1,401                              |
| Total            | 233,288             | (164,262)                                  | 69,026                            | 42,480                    | (725)                     | 22,722                               | 272,589              | (184,532)                           | 88,057                             |

At 30 June 2020

|                  | Cost<br>1 July 2019 | Accumulated<br>Depreciation<br>1 July 2019 | Carrying<br>Amount<br>1 July 2019 | Current Year<br>Additions | Current Year<br>Disposals | Current Year<br>Depreciation<br>2020 | Cost<br>30 June 2020 | Accumulated<br>Depreciation<br>2020 | Carrying<br>Amount<br>30 June 2020 |
|------------------|---------------------|--|-----------------------------------|---------------------------|---------------------------|--------------------------------------|----------------------|-------------------------------------|------------------------------------|
| PPE              |                     |  |                                   |                           |                           |                                      |                      |                                     |                                    |
| Plant            | 1,064               | (1,064)                                    | -                                 | -                         | -                         | -                                    | 1,064                | (1,064)                             | -                                  |
| Office equipment | 195,558             | (121,442)                                  | 74,116                            | 8,565                     | -                         | 20,677                               | 204,123              | (142,119)                           | 62,004                             |
| Motor vehicles   | 28,101              | (15,458)                                   | 12,643                            | -                         | -                         | 5,621                                | 28,101               | (21,079)                            | 7,022                              |
| Total            | 224,723             | (137,964)                                  | 86,759                            | 8,565                     | -                         | 26,298                               | 233,288              | (164,262)                           | 69,026                             |



**ENTERPRISE NORTH CANTERBURY**

**Explanatory notes to and forming part of the financial statements  
for the year ended 30 June 2021**

|  | 2021    | 2020    |
|--|---------|---------|
|  | \$      | \$      |
|  | Actual  | Actual  |
| <b>Note 10: Creditors and accrued expenses</b>                     |         |         |
| Creditors  | 11,148  | -       |
| Accrued expenses   | 43,772  | 47,394  |
| Total creditors and accrued expenses                               | 54,920  | 47,394  |
| <b>Note 11: Grants and funding subject to conditions (inc GST)</b> |         |         |
| WDC Promotion Contract   | 179,851 | 86,408  |
| Provincial growth fund   | 5,798   | 89,777  |
| Other government grants  | 84,994  | -       |
| Other grants and donations   | 40,523  | 31,248  |
| Sales of goods and services  | 11,450  | 7,834   |
| Total grants and funding subject to conditions                     | 322,616 | 215,267 |
| <b>Note 12: Employee costs payable</b>                             |         |         |
| Accrued employee costs   | 19,164  | 14,551  |
| Annual leave   | 30,205  | 27,007  |
| Total employee costs payable                                       | 49,369  | 41,558  |
| <b>Note 13: Equity</b>   |         |         |
| <b>Accumulates surpluses</b>                                       |         |         |
| Balance at 1 July  | 526,834 | 521,288 |
| Surplus/(deficit) for the year                                     | 2,181   | 5,546   |
| Total equity at 30 June  | 529,015 | 526,834 |



## ENTERPRISE NORTH CANTERBURY

### Explanatory notes to and forming part of the financial statements for the year ended 30 June 2021

#### Note 14: Related Parties

Enterprise North Canterbury is a Council Controlled Organisation (CCO) which provides services on behalf of the Waimakariri and Hurunui District Councils developing existing businesses and promoting new businesses within the region.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the trust would have adopted in dealing with the party at arm's length in the same circumstances

|  | 2021    | 2020    |
|--|---------|---------|
|  | \$      | \$      |
| <b>Waimakariri District Council</b>            |         |         |
| Services provided by the Trust (excluding GST) | 591,425 | 702,151 |
| Outstanding balances as at 30 June 2021:       |         |         |
| - Income in advance                            | 179,851 | 86,408  |
| Accounts receivable                            | -       | -       |
| <b>Hurunui District Council</b>                |         |         |
| Services provided by the Trust (excluding GST) | 51,250  | 51,250  |
| Outstanding balances as at 30 June 2021:       |         |         |
| - Accounts receivable                          | -       | -       |

No related party debts have been written off or forgiven during the year.

#### Note 15: Capital commitments and operating leases

##### Operating leases as lessee

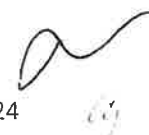
The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

|  | 2021   | 2020    |
|--|--------|---------|
|  | \$     | \$      |
| Less than one year                                 | 38,708 | 77,416  |
| Later than one year and not later than two years   | -      | 38,708  |
| Later than two years but not later than five years | -      | -       |
| Later than five years                              | -      | -       |
|  | 38,708 | 116,124 |

The Trust has no significant capital commitments contracted for at balance date.

#### Note 16: Contingent liabilities

The Trust has no contingent liabilities and no contingent assets as at balance date (2020: Nil)



**ENTERPRISE NORTH CANTERBURY****Explanatory notes to and forming part of the financial statements  
for the year ended 30 June 2021****Note 17: Events after balance sheet date**

A renewal of lease was signed on 15<sup>th</sup> of December 2021 for a further three years to December 2024. The rate commenced at \$77,416 per annum with a maximum increase of 2% per annum or half of CPI, whichever is the lesser.



**Note 18 : Breach of legislative reporting requirement**

Enterprise North Canterbury was required under section 67(5) of the Local Government Act 2002 to complete its audited financial statements and service performance information by 30 November 2021. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.

**Note 19: Impact of COVID-19**

There was no material impact on the going concern assumption and internal control procedures due to COVID-19. Revenue and debtors are deemed to be collectible as at 30 June 2021.

The overall impact on the operations of the Trust has been minimal. In summary, management and the board have considered the impact of COVID-19 on the Trust's operations and the relevant balances and disclosures in the financial statements. Overall the financial impact of COVID-19 on the Trust has been minimum for the year ended 30 June 2021.

  
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## Independent Auditor's Report

### To the readers of Enterprise North Canterbury's financial statements and performance information for the year ended 30 June 2021

The Auditor-General is the auditor of Enterprise North Canterbury (the Trust). The Auditor-General has appointed me, Yvonne Yang, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

#### Opinion

We have audited:

- the financial statements of the Trust on pages 14 to 25, that comprise the statement of financial position as at 30 June 2021, the statement of financial performance and statement of cash flows 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 Trust on pages 6 to 10.

In our opinion:

- the financial statements of the Trust on pages 14 to 25:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2021; 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 Simple Format Reporting – Accrual (Public Sector) Standards; and
- the performance information of the Trust on pages 6 to 10 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2021.

#### *Our audit was completed late*

Our audit was completed on 23 May 2022. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by section 67(5) of the Local

Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

### **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 Trustees for the financial statements and the performance information**

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

The Trustees are responsible for such internal control as they determine is necessary to enable them 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 Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intends to liquidate the Trust or to cease operations or have no realistic alternative but to do so.

The Trustees' 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 Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust'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 Trust 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 communicate with the Trustees 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 during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### **Other Information**

The Trustees are responsible for the other information. The other information comprises the information included on pages 2 to 5 and 11 to 13 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 that fact. We have nothing to report in this regard.

### **Independence**

We are independent of the Trust 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 the New Zealand Auditing and Assurance Standards Board.

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

A handwritten signature in black ink that reads "Yvonne Yang". The signature is written in a cursive, flowing style.

Yvonne Yang  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

**WAIMAKARIRI DISTRICT COUNCIL****REPORT FOR INFORMATION**

**FILE NO:** FIN-01, FIN -12-02 / TRIM: 220622107161

**REPORT TO:** Audit & Risk Committee

**DATE OF MEETING:** 19 July 2022

**FROM:** Jeff Millward, Manager Finance & Business Support

**SUBJECT:** Annual Report for Te Kōhaka o Tūhaitara Trust for the year ended 30 June 2021

**SIGNED BY:**  
(for Reports to Council  
or Committees)




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Department Manager

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acting Chief Executive

**1. SUMMARY**

- 1.1. The purpose of this report is to present the Annual Report for the year ended 30 June 2021 for Te Kōhaka o Tūhaitara Trust. The unaudited report has been received previously. There have been no substantial movements to the audited report.
- 1.2. The Annual Report received an unmodified (clear) auditor's report provided by Audit New Zealand.
- 1.3. The Trust ended the year with an operating surplus of \$5,781 (-\$31,181 for 2020). The Trust's main source of income comes from grants and reserves funding that is raised to offset its activities.
- 1.4. The Trust has equity as at 30 June 2021 of \$8,682,364 million compared with \$6,766,196 million for the previous year, primarily consisting of land and improvements. Receivables and investments were \$191,631, compared with \$154,914 for 2020.

**Attachments:**

- i. Audited Annual Report for Te Kōhaka o Tūhaitara Trust for 2021 (Trim doc 220615101792).

**2. RECOMMENDATION**

**THAT** the Audit & Risk Committee:

- (a) **Receives** report N<sup>o</sup> 220622107161
- (b) **Receives** the Audited Annual Report for Te Kōhaka o Tūhaitara Trust for the year ended 30 June 2021;
- (c) **Acknowledges** the work carried out by the Trust and thanks the Trustees, General Manager and staff for their efforts;
- (d) **Circulates** the report to the Boards.

**3. BACKGROUND**

- 3.1. The Trust is a Council Controlled Organisation (CCO) and the Council appoints three of the six trustees of the Trust. The other three trustees of the Trust are appointed by Ngāi Tahu. The Council representatives on the Trust are Andrea Rigby, Councillor Al Blackie

and Catherine McMillan. The Ngāi Tahu representatives are Joseph Hullen (Chairperson), Rex Anglem and Nukuroa Tirikatene-Nash.

- 3.2. The Trust was established in 2001 to manage and administer an area of coastal reserve land contained in the deed in the interest of Ngāi Tahu and other New Zealanders in terms of the Reserves Act 1977. This area is highlighted on page 10 of the Annual Report.
- 3.3. The Trust is a registered Charitable Trust and exempt from income tax under the Charities Act 2005 and Inland Revenue determination.

#### **4. ISSUES AND OPTIONS**

- 4.1. This Annual Report is prepared under Public Benefit Accounting Standards (Tier 3) as its total annual expenses are less than \$2 million.
- 4.2. The Trust ended the year ended 30 June 2021 with an operating surplus of \$5,781 (2020: -\$31,181). The Trust's main source of income comes from grants and reserves funding that is raised to offset its activities.
- 4.3. The Trust has equity as at 30 June 2021 of \$8,682,364 compared with \$6,766,196 for the year ended 30 June 2020, primarily consisting of land and improvements. Receivables and investments were \$191,631 compared with \$154,914 for 2020.
- 4.4. The Council leases part of the Trust land from Trust for Camping and Forestry activity. The Trust hold the carbon credits to offset any deforestation that may occur for Forest held on leased land by the Council. Any forestry harvest and replanting (including natives) is coordinated between the Trust and Council.
- 4.5. Given the nature of the Trust's operations, the non-financial performance measures set within the Trusts statement of intent generally provides a more meaningful basis to determine how the Trust is performing. As reported, the Trust is making considerable gains and is achieving its objectives. Please refer to pages 30-38 of the Annual Report.

##### **Implications for Community Wellbeing**

There are not implications on community wellbeing by the issues and options that are the subject matter of this report.

- 4.6. The Management Team has reviewed this report and support the recommendations.

#### **5. COMMUNITY VIEWS**

##### **5.1. Mana whenua**

Te Ngāi Tūāhuriri hapū are not likely to be affected by, or have an interest in the subject matter of this report.

5.1.1 The Trust is a 50 percent partnership between Ngāi Tahu and the Waimakariri District Council.

5.1.1. The Annual Report has been audited by Audit New Zealand and an unmodified opinion (clear of unfavourable comment) has been obtained.

##### **5.2. Groups and Organisations**

There are not groups and organisations likely to be affected by, or to have an interest in the subject matter of this report.

5.2.1. Te Kōhaka o Tūhaitara Trust is a well-established local community asset and attraction for the district and wider community.

#### **6. OTHER IMPLICATIONS AND RISKS**

##### **6.1. Financial Implications**

- 6.1.1. The Council have made a provision in the LTP/Annual Plan for the following grants/services to Te Kōhaka o Tūhaitara Trust.

| Sources of income                   | 2020/21 | 2021/22 |
|-------------------------------------|---------|---------|
| Grant (including audit fees, Rates) | 208,160 | 212,950 |
| Meeting Allowances                  | 2,810   | 2,880   |
| Insurance                           | 5,570   | 5,700   |
| Camping ground leases               | 10,460  | 10,700  |
| Forestry leases                     | 21,530  | 20,500  |
| Total                               | 248,530 | 252,730 |

- 6.1.2. The Trust has three employees: the Trust Manager and two operational staff. The Trust also engage services through contractors and volunteers. The Council provides additional support for the secretarial, administration and financial systems for the Trust without charge. The value of this service to the Trust is estimated to be about \$40,000.
- 6.1.3. About 282 Hectares of Trust land is leased to the Council for Forestry that is subject to the Emissions Trading Scheme. As the land owner, the Trust received an allocation of 14,880 of ETS units to be used as and when required to offset liabilities when those trees are harvested.
- 6.1.4. From 1 July 2018, the Council increased its contribution to the Trust to assist with the Trust management plan and financial sustainability. This included the adjoining land areas, such as the Eastern Conservation Area.

## 6.2. **Sustainability and Climate Change Impacts**

The recommendations in this report do not have sustainability and/or climate change impacts.

## 6.3 **Risk Management**

There are not risks arising from the adoption/implementation of the recommendations in this report.

## 6.3. Health and Safety

- 6.3.1. The Trust is a PCBU and subject to the Health and Safety Act 2015.

## 7. **CONTEXT**

### 7.1. **Consistency with Policy**

- 7.1.1. This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy.

### 7.2. **Authorising Legislation**

- 7.2.1. Under section 67 of the Local Government Act 2002, Boards of council controlled organisations "must deliver to the shareholders, and make available to the public, a report on the organisation's operations during the year".

- 7.2.2. Under section 65 of the Local Government Act, the Council must regularly undertake performance monitoring of council organisations to evaluate their contributions to the:

- council's objectives for the organisation;
- desired results set out in the organisation's statement of intent; and
- overall aims and outcomes of the local authority.

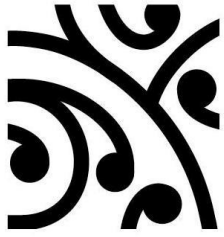
### 7.3. **Consistency with Community Outcomes**

7.3.1. The work of Te Kohaka o Tuhaitara Trust contributes to the following outcomes:

- There are areas of significant indigenous vegetation and habitats for indigenous fauna
- There are wide ranging opportunities for people to enjoy the outdoors
- **Public organisations give effect to the spirit of the Treaty of Waitangi**

7.4. **Authorising Delegations**

7.4.1. Delegation S-DM 1022 provides that the Audit & Risk Committee has the jurisdiction to “Monitor performance of the Council-Controlled organisations on a six monthly basis”.



Te Kōhaka o Tūhaitara Trust

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## ANNUAL REPORT: TO 30 JUNE 2021



Front cover photo: Pa harakeke container mural

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## CHAIRPERSON REPORT

Tēnā koutou katoa

It is my great pleasure to present the 2020/21 Annual Report.

Firstly, I would like to thank the Trust Settlers, Waimakariri District Council and Te Rūnanga o Ngāi Tahu, for their continued support and commitment to the work being carried out by the Trust.

This year we farewelled our long time Secretary Karen Friedauer who has retired after carrying out this role since the inception of the Trust. Additionally, we farewelled both Meredith and Christina in January, as they headed off to complete the University of Canterbury post graduate diploma in Teaching and to take up employment with the Department of Conservation, respectively. We wish them all well for their future and have been most fortunate to have had their dedicated services.

In return we welcomed Adele Jackson as the new Ranger Education and Visitor Services and Kay Rabe in the Secretary role.

I would also like to acknowledge the contributions of our project partners and volunteers, who represent the broad diversity of New Zealand, which has meant another successful year and step closer to realising the vision of restoring Tūhaitara Coastal Park. Without singling out anyone, it would be remiss to not mention the support received by the Department of Corrections teams with Cookie and Rob to the fore and visits by the Lead Service Manager and Chief Executive.

It would be fair to say that this year has been most challenging with the ongoing impact of the Covid epidemic. However, we have been fortunate when compared to other areas of Aotearoa New Zealand.

Our key successes this year involved our continued growth and engagement with schools and education providers, completing our 50<sup>th</sup> functioning Biota Node, a very successful open day which included the completion of our mural project, acknowledging whakapapa and mana whenua, well attended events including our Matariki walks and invaluable support at our limited planting days. We also continued to progress the Transect and dune restoration projects being completed in conjunction with the NZ Coastal restoration Trust.

January saw a significant fire at The Pines Beach Wetland. While this was distressing for our neighbours, the upside has been the exposure to the significant wetland values, now visible with the destruction of the exotic weed scrub.

Off site we supported the Kaiapoi Pa Trustees, Wairewa Runanga and are working closely with Waimakariri District Council on bringing the proposed Kaiapoi Mahinga Kai project to fruition.

Our General Manager, Greg Byrnes has been instrumental in these successes in the development within the park and within our wider community. We are very appreciative of his ongoing commitment and passion for the Trust's work.

Finally, I would like to thank my fellow Trustees for their work and commitment to the Trust during the year. We all look forward to another exciting year ahead.



Catherine McMillan

CHAIRPERSON

## TRUSTEES AND STAFF



Trustees: (left to right)

**Attendance:** 12 meetings including Zoom during Covid lockdown

R Anglem

A Rigby

A Blackie

C McMillan: Chairperson

J Hullen: Deputy Chairperson

N Tirikatene –Nash (Absent)

# PARKLANDS



## Independent Auditor's Report

### To the readers of Te Kōhaka o Tūhaitara Trust's financial statements and performance information for the year ended 30 June 2021

The Auditor-General is the auditor of Te Kōhaka o Tūhaitara Trust (the Trust). The Auditor-General has appointed me, Yvonne Yang, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

#### Opinion

We have audited:

- the financial statements of the Trust on pages 11 to 24, that comprise the statement of financial position as at 30 June 2021, the statement of comprehensive revenue and expense, statement of movements in equity and statement of cash flows 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 Trust on pages 30 to 37.

In our opinion:

- the financial statements of the Trust on pages 11 to 24:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2021; 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 Simple Format Reporting – Accrual (Public Sector) Standards.
- the performance information of the Trust on pages 30 to 37 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2021.

#### ***Our audit was completed late***

Our audit was completed on 26 May 2022. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by section 67(5) of the Local

Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

### **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 Trustees for the financial statements and the performance information**

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

The Trustees are responsible for such internal control as they determine is necessary to enable them 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 Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intends to liquidate the Trust or to cease operations or have no realistic alternative but to do so.

The Trustees' 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 Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust'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 Trust 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 communicate with the Trustees 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 during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## **Other Information**

The Trustees are responsible for the other information. The other information comprises the information included on pages 2 to 5, 10, 25 to 29 and 38 to 46 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 that fact. We have nothing to report in this regard.

## **Independence**

We are independent of the Trust 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 the New Zealand Auditing and Assurance Standards Board.

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

A handwritten signature in blue ink that reads "Yvonne Yang". The signature is written in a cursive, flowing style.

Yvonne Yang  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

# Te Kōhaka o Tūhaitara Trust

Entity information for the year ended 30 June 2021

## Legal Name:

Te Kōhaka o Tūhaitara Trust (the Trust)

## Type of entity and legal basis

Te Kōhaka o Tūhaitara Trust is a Trust established to manage and administer the Recreation Reserve contained in the deed of interest of Ngāi Tahu Whanau and other New Zealanders in terms of the Reserves Act 1977. The Trust is jointly governed by Te Rūnanga o Ngāi Tahu and the Waimakariri District Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002.

The Trust received a Certificate of Registration under the Charities Act 2005 from the Charities Commission. The Trust is exempt from income tax under the Charities Act 2005.

## Objective:

The objective of the Trust is to manage and administer the reserves under a management plan in accordance with the Trust Deed for so long as the Reserve is classified as a recreation reserve pursuant to the Reserves Act 1977.

## Trustees:

The Trust comprises a Board of 6 Trustees who oversee the governance of the trust, a General Manager who is responsible for the day-to-day operations and reporting to the Trust. Three of the Trustees are appointed by the Waimakariri District Council and three by Te Rūnanga o Ngāi Tahu.

## Main sources of the Trust's cash and resources:

Operating grants received from the Waimakariri District Council, project grants from Te Rūnanga o Ngāi Tahu and non government agencies are the primary sources of funding to the Trust.

## Outputs:

Refer to the statement of service performance

Further information can be found in the statement of accounting policies



## Statement of Comprehensive Revenue and Expense

Te Kōhaka o Tūhaitara Trust

For the year ended 30 June 2021

| Account  | Note | 2021             | Full year<br>Jun-20 |
|--|------|------------------|---------------------|
| <b>Trading Income</b>  |      |                  |                     |
| Donations  |      | 3,780            | 510                 |
| Grants Funding from Governmental Organisations                                       | 1    | 42,676           | 42,447              |
| Grants Funding from Governmental Organisations for the Delivery of Goods or Services | 2    | 177,667          | 205,709             |
| Grants Funding from Non-Governmental Organisations                                   | 2    | 125,674          | 66,075              |
| Lease Rental   |      | 33,939           | 35,110              |
| Rates Revenue  |      | 6,874            | 10,765              |
| Sales  |      | 35               | 122                 |
| Interest Income  |      | 1,775            | 2,991               |
| Other Revenue  |      | 8,817            | 6,696               |
| Vested Assets  | 3    | 3,949            | -                   |
| <b>Total Trading Income</b>  |      | <b>405,185</b>   | <b>370,425</b>      |
| <b>Total Revenue</b>   |      | <b>405,185</b>   | <b>370,425</b>      |
| <b>Operating Expenses</b>  |      |                  |                     |
| Advertising  |      | 705              | 850                 |
| Audit Fees   | 5    | 7,894            | 7,665               |
| Bank Fees  |      | 220              | 280                 |
| Biota Nodes  |      | 1,045            | 11,683              |
| Boardwalk, Cycle Way and Tutaepatu Lagoon Expenses                                   |      | 19,793           | 49,346              |
| Conservation Management Area Maintenance   |      | 8,170            | 989                 |
| Cultural Education Programme   |      | 5,376            | 2,128               |
| Depreciation   | 6    | 57,430           | 58,662              |
| Forest Expenses  |      | 23               | -                   |
| Functions and Community Events   |      | 1,252            | 1,428               |
| General Expenses   |      | 1,861            | 3,166               |
| Insurance  |      | 7,253            | 4,652               |
| Interest Expense   |      | 1,400            | 2,644               |
| Kaiapoi Pa Maintenance   |      | 2,449            | 950                 |
| Legal expenses   |      | 1,879            | -                   |
| Light, Power, Heating  |      | 1,238            | 1,387               |
| Motor Vehicle Expenses   |      | 11,127           | 11,529              |
| Native Forest Regeneration   |      | 26,007           | 10,657              |
| Office and Ground Maintenance  |      | 18               | -                   |
| Office Expenses  |      | 997              | 1,704               |
| Other Employment Costs   | 4    | 3,395            | 3,755               |
| Park Services Maintenance  |      | 10,657           | 9,480               |
| Pines Beach Wetlands   |      | 1,304            | 12,098              |
| Printing and Stationery  |      | -                | 1,059               |
| Provision for Doubtful Debt  |      | 403              | -                   |
| Ranger/Security Services   |      | 1,070            | 1,138               |
| Rates Expenditure  |      | 6,874            | 10,766              |
| Repairs and Maintenance  |      | 4,098            | 1,856               |
| Salaries   | 4    | 185,175          | 185,104             |
| Subscriptions  |      | 1,515            | 478                 |
| Telephone & Internet   |      | 2,839            | 2,784               |
| Trail Maintenance  |      | 25,935           | 3,172               |
| Loss on disposal of asset  |      | -                | 197                 |
| <b>Total Expenses</b>  |      | <b>399,404</b>   | <b>401,606</b>      |
| <b>Surplus / (Deficit) after tax</b>   |      | <b>5,781</b>     | <b>(31,181)</b>     |
| Gain (Loss) on asset revaluation   |      | 1,910,386        | -                   |
| <b>Total comprehensive revenue and expense</b>                                       |      | <b>1,916,167</b> | <b>(31,181)</b>     |

## Movements in Equity

Te Kōhaka o Tūhaitara Trust  
For the year ended 30 June 2021

| Account                                 | June 21          | June 2020        |
|---|------------------|------------------|
| <b>Equity</b>                           |                  |                  |
| Opening Balance                         | 6,766,196        | 6,797,377        |
| Net Surplus/(Deficit) for the year      | 5,781            | (31,181)         |
| Other comprehensive revenue and expense | 1,910,386        |                  |
| Total Comprehensive revenue and expense | 1,916,167        | (31,181)         |
| <b>Total Equity at End of Year</b>      | <b>8,682,364</b> | <b>6,766,196</b> |

## Statement of Financial Position

Te Kōhaka o Tūhaitara Trust  
As at 30 June 2021

| Account                              | Notes | 30 Jun 2021      | 30-Jun-20        |
|--------------------------------------|-------|------------------|------------------|
| <b>Assets</b>                        |       |                  |                  |
| <b>Current Assets</b>                |       |                  |                  |
| Cheque Account                       | 7     | 76,194           | 27,036           |
| Debtors and prepayments              | 8     | 15,201           | 13,873           |
| Investments                          | 9     | 100,236          | 114,005          |
| <b>Total Current Assets</b>          |       | <b>191,631</b>   | <b>154,914</b>   |
| Fixed assets                         | 6     | 8,584,131        | 6,678,752        |
| Intangible Assets                    |       | 27,478           | 27,478           |
| <b>Total Assets</b>                  |       | <b>8,803,240</b> | <b>6,861,144</b> |
| <b>Liabilities</b>                   |       |                  |                  |
| <b>Current Liabilities</b>           |       |                  |                  |
| Creditors and accrued expenses       | 10    | 64,875           | 34,572           |
| Employee costs payable               | 11    | 12,125           | 14,109           |
| GST                                  |       | 7,066            | 48               |
| Loan - Current                       | 13    | 14,894           | 14,464           |
| Revenue in Advance                   | 12    | 8,247            | 3,133            |
| <b>Total Current Liabilities</b>     |       | <b>107,207</b>   | <b>66,326</b>    |
| <b>Non-current Liabilities</b>       |       |                  |                  |
| Loan - Non-current                   | 13    | 13,669           | 28,622           |
| <b>Total Non-current Liabilities</b> |       | <b>13,669</b>    | <b>28,622</b>    |
| <b>Total Liabilities</b>             |       | <b>120,876</b>   | <b>94,948</b>    |
| <b>Net Assets</b>                    |       | <b>8,682,364</b> | <b>6,766,196</b> |
| <b>Equity</b>                        |       |                  |                  |
| Current Year Earnings                |       | 5,781            | (31,181)         |
| Retained Earnings                    |       | 3,535,452        | 3,566,633        |
| Revaluation Reserve                  |       | 5,141,130        | 3,230,744        |
| <b>Total Equity</b>                  |       | <b>8,682,364</b> | <b>6,766,196</b> |

Signed  
Te Kōhaka o Tūhaitara Trust Chairperson




Trustee

Dated: 26th May 2022

# Statement of Cash Flows

Te Kōhaka o Tūhaitara Trust  
For the 12 months ended 30 June 2021

| Account   | Jul - Jun 2021  | Jul - Jun 2020  |
|---|-----------------|-----------------|
| <b>Operating Activities</b>                         |                 |                 |
| Receipts from customers                             | 24,750          | -               |
| Receipts from sales of goods and services           | 50,084          | 48,331          |
| Interest Received                                   | 2,215           | 2,708           |
| Donations   | 3,780           | 510             |
| Receipts from grants                                | 321,507         | 299,681         |
| Cash receipts from other operating activities       |                 |                 |
| Payments to suppliers and employees                 | (335,486)       | (339,410)       |
| Net Goods Service Tax                               | 10,903          | (1,345)         |
| <b>Net Cash Flows from Operating Activities</b>     | <b>77,755</b>   | <b>10,475</b>   |
| <b>Investing Activities</b>                         |                 |                 |
| Proceeds from sale of property, plant and equipment |                 |                 |
| Receipts from sale of investments                   | 114,005         | 97,493          |
| Payment for property, plant and equipment           | (27,930)        | (13,198)        |
| Payment for Investments                             | (100,236)       | (114,005)       |
| Other cash items from investing activities          | -               | -               |
| <b>Net Cash Flows from Investing Activities</b>     | <b>(14,161)</b> | <b>(29,710)</b> |
| <b>Financing Activities</b>                         |                 |                 |
| Repayment of loans                                  | (14,436)        | (13,277)        |
| Net Cash Flows from Financing Activities            | (14,436)        | (13,277)        |
| <b>Net Cash Flows</b>                               | <b>49,158</b>   | <b>(32,512)</b> |
| <b>Cash and Cash Equivalents</b>                    |                 |                 |
| Cash and cash equivalents at beginning of period    | 27,036          | 59,549          |
| Cash and cash equivalents at end of period          | 76,194          | 27,036          |
| <b>Net change in cash for period</b>                | <b>49,158</b>   | <b>(32,513)</b> |

# Te Kōhaka o Tūhaitara Trust

## Statement of Accounting Policies

### Reporting entity

The Trust has designated itself as a Tier 3 Public Benefit Entity for the purposes of International Public Sector Accounting Standards. The main source of the Trust's income are grants from Te Rūnanga o Ngāi Tahu and other independent parties along with a grant for operations from Waimakariri District Council.

The financial statements of Te Kōhaka o Tūhaitara Trust are for the period ended 30 June 2021. The financial statements were authorised for issue by the Board of Trustees on the 26th May 2022.

### Basis of preparation

The financial statements of Te Kōhaka o Tūhaitara Trust have applied PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) Standards on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

The financial statements and information provided are presented in New Zealand Dollars (NZD).

### Significant accounting policies

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

#### Revenue

Revenue is measured at fair value of consideration received. Revenue from the leases is recognised over the term of the lease on a straight line basis.

Interest is accounted for using the effective interest method, that is as it is earned.

Where a physical asset is donated or vested in the Trust for nil or nominal consideration the fair value of the asset received is recorded as revenue. Assets vested in the Trust are recognised as revenue when control over the asset is obtained.

Grants received from the Waimakariri District Council are restricted for the purposes of the trust meeting its objectives as specified in the trust deed. Council, government and non-government grants and donations are recognised as revenue when funds are received unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as revenue when conditions of the grants are satisfied.

Sale of goods and services: Revenue from the sale of goods and services is recognised when the goods /services are sold or provided to the customer.

**Investments**

Investments in bank deposits are initially measured at fair value plus transaction costs. After initial recognition investments in bank deposits are measured at amortised cost using the effective interest rate method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus / (deficit).

At each balance date the Trust assesses whether there is any objective evidence that an investment is impaired. Any impairment losses are recognised in the surplus / (deficit).

**Goods and service Tax (GST)**

The Trust is registered for GST. The financial statements are prepared exclusive of GST, with the exception of receivables and payables, whose invoices include GST.

**Income Tax**

The Trust received a Certificate of Registration under the Charities Act 2005 from the Charities Commission.

The Trust is exempt from income tax under the Charities Act 2005.

**Trade and other payables**

Trade and other payables are stated at amortised cost.

**Employee Benefits**

Wages, salaries and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries, and leave entitlements. Any trustees payments are made by the governing entities of Te Rūnanga o Ngāi Tahu and the Waimakariri District Council. There may from time to time be volunteer services rendered. These are not recognised as revenue or expenditure as the trust is unable to reliably measure the fair value of the services received.

**Other Expenditure**

Expenditure items are expensed when the related service or good has been received.

**Bank accounts and cash**

Bank account and cash includes cash on hand, cheque or savings accounts.

Bank overdrafts are shown within borrowings as a current liability in the Statement of Financial Position.

**Debtors**

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss recorded as a bad debt expense.

**Property plant and equipment**

The Reserve management plan provides for the acquisition and establishment of assets that will be owned by the Trust. The following policy will be followed by the Trust.

*Recognition and measurement*

Items of property, plant and equipment are measured at cost or valuation less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self constructed assets includes the cost of materials and direct labour, and any other cost directly attributable to bringing the asset to a working condition for its intended use.

### *Revaluations*

Land is initially recorded at a valuation deemed appropriate at the time of transfer, by an independent valuer, based on a fair market value.

Land and buildings are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value.

The net revaluation results are credited or debited to total other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in total other comprehensive revenue and expense but in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in total other comprehensive revenue and expense.

### *Subsequent costs*

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that the future economic benefits embodied within the part will flow to the Trust, and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Revenue and Expense as incurred.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

### *Depreciation*

| Land                           | Not Depreciated |             |
|--------------------------------|-----------------|-------------|
| Buildings                      | 20 - 26 years   | (3% - 5%)   |
| Plant And Machinery            | 3 - 12 years    | (8% - 33%)  |
| Computer Equipment             | 3 - 4 years     | (25% - 33%) |
| Motor Vehicle                  | 5 years         | (20%)       |
| Reserve Land Restoration costs | 10 - 40 years   | (2.5%- 10%) |

### **Intangible assets**

Measurement and recognition of carbon credits to be recorded at cost when received as stated in Tier 3 standard (A64) "material donated assets with a useful life of 12 months or more to be recorded on receipt as revenue at readily obtainable value".

### **Impairment of non-financial assets**

Assets with 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 trust would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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. The impairment loss is recognised against the revaluation reserve. Where this would result in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. The reversal of an impairment loss is credited to the revaluation reserve. However, to the extent that an impairment loss was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

**Provisions**

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a discount rate that reflects current market value. The increase in the provision due to the passage of time is recognised as a finance cost.

**Creditors and accrued expenses**

Creditors and accrued expenses are measured at the amount owed.

**Employee costs payable**

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

**Borrowings**

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

**Changes in accounting policies**

There has been no change to the accounting policies this financial year.



# Te Kōhaka o Tūhaitara Trust

## Notes to and forming part of the financial statements for the year ended 30 June 2021

### Note 1. Waimakariri District Council funding

|                              | <b>2021</b>   | <b>2020</b>   |
|------------------------------|---------------|---------------|
| Council funding              | 42,676        | 42,447        |
| <b>Total council funding</b> | <b>42,676</b> | <b>42,447</b> |

### Note 2. Other grants received

|  |                |                |
|--|----------------|----------------|
| Grants funding from Government Organisations deliver goods or services | 177,667        | 205,709        |
| Other grants non government  | 125,674        | 66,075         |
| <b>Total grants received</b>   | <b>303,340</b> | <b>271,784</b> |

The grants received require the Trust to spend the funds on the recognised projects and provide supporting reports to stakeholders

### Note 3: Donated assets

For the period ending 30 June 2021 donated or vested assets amounted to \$3949.00. (June 2020 \$0).

|       |   |
|-------|---|
| 3,949 | - |
|-------|---|

### Donated assets

|              |          |
|--------------|----------|
| <b>3,949</b> | <b>-</b> |
|--------------|----------|

### Note 4. Employee related costs

|                                       | <b>2021</b>    | <b>2020</b>    |
|---------------------------------------|----------------|----------------|
| Salaries and wages and leave accruals | 185,175        | 185,104        |
| Other employee related costs          | 3,395          | 3,755          |
| <b>Employee related costs</b>         | <b>188,571</b> | <b>188,859</b> |

### Note 5. Audit Fees

|  | <b>2021</b>  | <b>2020</b>  |
|--|--------------|--------------|
| Audit fees for the financial statement audit | 7,894        | 7,665        |
| <b>Total audit fee</b>                       | <b>7,894</b> | <b>7,665</b> |

## Te Kōhaka o Tūhaitara Trust

### Note 6a. Property Plant and Equipment for the period ended 30 June 2021

| Cost / Valuation                                      | Land      | Reserve Land<br>Restoration | Buildings | Computer<br>Equipment | Motor<br>Vehicles | Plant and<br>Equipment | Total     |
|---|-----------|-----------------------------|-----------|-----------------------|-------------------|------------------------|-----------|
| Carrying amount at 1 July 2019                        | 6,141,500 | 404,675                     | 211,000   | 12,818                | 103,864           | 133,600                | 7,007,456 |
| Additions   | -         | 1,448                       | -         | 1,395                 | -                 | 10,556                 | 13,399    |
| Transfers   | -         | -                           | -         | -                     | -                 | -                      | -         |
| Revaluation Gain / (Loss)                             | -         | -                           | -         | -                     | -                 | -                      | -         |
| Disposals   | -         | -                           | -         | -                     | -                 | (287)                  | (287)     |
| Cost / valuation at 30 June 2020                      | 6,141,500 | 406,122                     | 211,000   | 14,213                | 103,864           | 143,869                | 7,020,568 |
| Carrying amount at 1 July 2020                        | 6,141,500 | 406,122                     | 211,000   | 14,213                | 103,864           | 143,869                | 7,020,568 |
| Additions   | 3,700     | 35,519                      | 3,980     | -                     | -                 | 9,224                  | 52,423    |
| Transfers   | -         | -                           | -         | -                     | -                 | -                      | -         |
| Revaluation Gain / (Loss)                             | 1,873,244 | -                           | 23,021    | -                     | -                 | -                      | -         |
| Disposals   | -         | -                           | -         | -                     | -                 | -                      | -         |
| Cost / valuation at 30 June 2021                      | 8,018,444 | 441,641                     | 238,000   | 14,213                | 103,864           | 153,093                | 8,969,256 |
| <b>Accumulated depreciation and impairment losses</b> |           |                             |           |                       |                   |                        |           |
| Carrying amount at 1 July 2019                        | -         | 158,679                     | -         | 6,892                 | 33,715            | 83,959                 | 283,244   |
| Depreciation expense                                  | -         | 18,901                      | 7,032     | 2,218                 | 17,437            | 13,073                 | 58,662    |
| Transfers   | -         | -                           | -         | -                     | -                 | -                      | -         |
| Revaluation   | -         | -                           | -         | -                     | -                 | -                      | -         |
| Impairment losses                                     | -         | -                           | -         | -                     | -                 | -                      | -         |
| Disposals   | -         | -                           | -         | -                     | -                 | (90)                   | (90)      |
| Accumulated depreciation at 30 June 2020              | -         | 177,580                     | 7,032     | 9,110                 | 51,152            | 96,942                 | 341,816   |
| Carrying amount at 1 July 2020                        | -         | 177,580                     | 7,032     | 9,110                 | 51,152            | 96,942                 | 341,816   |
| Depreciation expense                                  | -         | 18,756                      | 7,090     | 1,800                 | 15,554            | 14,231                 | 57,430    |
| Transfers   | -         | -                           | -         | -                     | -                 | -                      | -         |
| Revaluation   | -         | -                           | (14,122)  | -                     | -                 | -                      | -         |
| Impairment losses                                     | -         | -                           | -         | -                     | -                 | -                      | -         |
| Disposals   | -         | -                           | -         | -                     | -                 | -                      | -         |
| Accumulated depreciation at 30 June 2021              | -         | 196,336                     | -         | 10,910                | 66,705            | 111,173                | 385,124   |
| Carrying amounts                                      |           |                             |           |                       |                   |                        |           |
| At 30 June 2019 and 1 July 2019                       | 6,141,500 | 245,995                     | 211,001   | 5,926                 | 70,149            | 49,641                 | 6,724,212 |
| At 30 June 2020 and 1 July 2020                       | 6,141,500 | 228,542                     | 203,967   | 5,102                 | 52,713            | 46,927                 | 6,678,752 |
| At 30 June 2021                                       | 8,018,444 | 245,305                     | 238,000   | 3,302                 | 37,159            | 41,920                 | 8,584,131 |

#### Valuation

Land and buildings are measured under fair value. The full valuation was performed on the 30 June 2021 by Cameron Ferguson (BCom (VPM) MPINZ) of QV Valuations. The last valuation was performed on 30 June 2019. The significant valuation uplift is due to property market movement and a change of valuation method on the Pines Beach & Kairaki land parcels. The land parcels are now revalued under income approach based on its highest and best use. As of 30 June 2021, the Trust has not fulfilled all the requirements for being able to generate rental income in The Crown Encumbrance, however the Trust is satisfied that these requirements are only procedure matters. Further, the Pines Beach & Kairaki land parcels are recognised at 50% of their market value because the land parcels are divested with conditions ensuring the agreed land uses will be implemented, and that financial return is maximised wherever possible, with the Crown to receive 50% of any future net financial returns on demand. The discount rate is determined at 6% under income approach (not applicable for 2019 valuation). The remaining land are valued under comparable sales approach based on market observable prices in an active market.

# Te Kōhaka o Tūhaitara Trust

## Notes to and forming part of the financial statements for the year ended 30 June 2021

### Note 6b. Intangible Assets

|                | <b>2021</b> | <b>2020</b> |
|----------------|-------------|-------------|
| Carbon Credits | 27,478      | 27,478      |

Based on the Allocation Plan dated 30 March 2012, Te Kōhaka o Tūhaitara Trust received an allocation of 14,880 carbon credits. The initial tranche of 5,704 units were allocated as an opening balance. The identified remaining 9,176 carbon credits were issued in April 2013.

### Note 7. Bank account and cash

|                                     | <b>2021</b>   | <b>2020</b>   |
|-------------------------------------|---------------|---------------|
| Cash on hand                        | -             | -             |
| Cheque Account                      | 76,194        | 27,036        |
| <b>Total bank accounts and cash</b> | <b>76,194</b> | <b>27,036</b> |

### Note 8. Debtors and prepayments

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Debtors                              | 9,203         | 13,264        |
| Provision for impairment             | 403           | -             |
| Net debtors                          | 8,801         | 13,264        |
| Prepayments                          | 6,400         | 610           |
| <b>Total debtors and prepayments</b> | <b>15,201</b> | <b>13,873</b> |

### Note 9. Investments

#### Current portion

|                          |                |                |
|--------------------------|----------------|----------------|
| Term deposits            | 100,236        | 114,005        |
| <b>Total investments</b> | <b>100,236</b> | <b>114,005</b> |

### Note 10. Creditors and accrued expenses

|   |               |               |
|---|---------------|---------------|
| Creditors                                   | 56,981        | 26,907        |
| Accrued expenses                            | 7,894         | 7,665         |
| <b>Total creditors and accrued expenses</b> | <b>64,875</b> | <b>34,572</b> |

### Note 11. Employee costs payable

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| Annual leave                        | 12,125        | 14,109        |
| <b>Total employee costs payable</b> | <b>12,125</b> | <b>14,109</b> |

**Note 12. Revenue in advance**

|                                 |              |              |
|---------------------------------|--------------|--------------|
| Revenue in advance              | 8,247        | 3,133        |
| <b>Total revenue in advance</b> | <b>8,247</b> | <b>3,133</b> |

**Note 13. Loans**

|  | <b>2021</b>   | <b>2020</b>   |
|--|---------------|---------------|
| <b>Current portion</b>                 |               |               |
| Loan from Waimakariri District Council | 14,894        | 14,464        |
| <b>Non -current portion</b>            |               |               |
| Loan from Waimakariri District Council | 13,669        | 28,622        |
| <b>Total Loans</b>                     | <b>28,563</b> | <b>43,086</b> |

**Note 14. Equity****Accumulated surpluses**

|  |                  |                  |
|--|------------------|------------------|
| Balance at 1 July  | 3,535,452        | 3,566,633        |
| Surplus / (Deficit)  | 5,781 -          | 31,181           |
| Balance at 30 June   | <b>3,541,233</b> | <b>3,535,452</b> |
| Revaluation Reserve at beginning of year                         | 3,230,744        | 3,230,744        |
| Increase / (Decrease) in Asset Revaluation Movements during year | 1,910,386        | -                |
| Closing Revaluation Reserve                                      | <b>5,141,130</b> | <b>3,230,744</b> |
| <b>Trust Equity</b>  | <b>8,682,363</b> | <b>6,766,196</b> |

**Note 15. Capital commitments and contingencies**

As at 30 June 2021 and 2020, the Trust did not have any capital commitments.

**Contingent Assets And Liabilities**

As at 30 June 2021, the Trust did not have any contingent assets (2020:nil). There were no contingent liabilities at balance date (2020: nil).

## Note 16. Related Parties Associates

Te Kōhaka o Tūhaitara Trust/Waimakariri District Council

Te Kōhaka o Tūhaitara Trust is a Council Controlled Organisation (CCO). The Trust was formed in response to negotiations between the Crown and Te Rūnanga o Ngāi Tahu over the coastal reserve land. The settlers of the Trust are Council and Te Rūnanga o Ngāi Tahu. The land administered by the Trust includes the Tuhaitara coastal reserve (which is subject to the Reserves Act 1971) and the Tūtaepatu Lagoon.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client / recipient relationship on terms and conditions no more or less favourable than those that is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

### Related- party transactions significant to the trust requiring disclosure

The Trust received \$252,423 from the Waimakariri District Council in the form of a grants operations, audit fee, conservation management , lease of land, maintenance contracts and rates (2020: \$283,990). The Waimakariri District provides free administration and financial services to the Trust. As at 30 June 2021 the balance owed to the Trust was \$ 604.(2020: nil,). During the June 19 financial year The Trust received a loan of \$72,045 at 4% interest payable within 5 years. The balance at 30 June 2021 is \$28,563.

The Trust received grants from Te Rūnanga o Ngāi Tahu of \$105,500(2020: \$60,800).

The Trust paid Te Ngāi Tū Ahuriri Rūnanga Inc \$4,470 for the maintenance works performed by Trustee Anglem in connection with his employment by the Rūnanga.(2020 \$4,750)

## Note 17. Trustee fees

No other payments have been made to Trustees during the financial year (2020: nil). Trustees payments are made by the governing entities of Te Rūnanga o Ngāi Tahu and the Waimakariri District Council. There are no employment associated costs. There may from time to time be volunteer services rendered. These are not recognised as revenue or expenditure as the trust is unable to reliably measure the fair value of services received .

## Note 18. Emissions Trading Scheme

The New Zealand Emissions Trading Scheme (ETS) became law on 28 September 2008 with the passing of the Climate Change Response (Emissions Trading) Amendment Act 2009 (the Act). The Act provides for carbon credits to be allocated to owners of pre- 1990 forest land pursuant to the New Zealand government's Allocation Plan. Te Kohaka O Tuhaitara Trust registered its pre- 1990 land.

Based on the Allocation Plan dated 30 March 2012, Te Kōhaka o Tūhaitara Trust received an allocation of 14,880 carbon credits. The initial tranche of 5,704 units were allocated as an opening balance The identified remaining 9,176 carbon credits were issued in April 2013.

Additionally, under the ETS Te Kōhaka o Tūhaitara Trust will have an obligation to account for any emission released as a consequence of deforestation of pre-1990 land by surrendering credits equal to the extent of that emission. Te Kōhaka o Tūhaitara Trust has no liability for deforestation as at 30 June 2021 (2020: nil).

## Note 19. Events After Balance Date

There are no significant events to note for the June 2021 financial year .

**Note 20. Covid-19**

Covid 19 was detected in Auckland on the 11th August 2020, on the 12th Auckland region was placed into Alert level 3 while rest of country Alert level 2, finally on the 21 September 2020 all regions apart from Auckland moved to level 1. On the 14th February 2021 Three new cases recorded in the Auckland community this results in the Country filtering between levels 3 and levels 1 until 17th February 2021. February 28th Auckland levels move up to 3 rest of New Zealand moves to level 2. On the 7th March Auckland drops to level 2 with rest of New Zealand level 1. Covid19 Delta variant sent New Zealand into a national lockdown on the 17th August 2021. On the 7th September apart from Auckland country reduces to level 2 where we currently sit .

During Level 4 most staff were able to work from home in a business as usual mode. Level 3 saw a daily presence of activity in the reserves which elevated Ranger presence & volunteer services to support a monitoring presence. During Level 2, most of our business activity resumed with the required health and safety protocols in place and our staff began returning to their usual place of work. Level 1 predominantly saw a return to pre COVID-19 activity. Some planting events were cancelled or postponed in the autumn of 2021. These will now be planted up until September 2021.

There has been little impact on the Trust's achievement of its performance targets during the year. The impact on the performance targets are explained in the Service Performance of the annual report.

**Note 21. Statutory Reporting**

The Local Government Act 2002 requires the Trust to deliver an annual report to its shareholder with the statutory timeframe and make available a report on its operations during the year. Our audit was completed on the 26th May 2022. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required under The Local Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

# STATEMENT OF INTENT: YEAR ENDING 30 JUNE 2021

## INTRODUCTION

Te Kōhaka o Tūhaitara Trust is a creation of Statute under the Ngāi Tahu (Tūtaepatu Lagoon Vesting) Act 1998, that gave effect to certain provisions of the Deed of 'On Account Settlement', signed on 14 June 1996 by the Crown and Te Rūnanga o Ngāi Tahu as representative of Ngāi Tahu, -

- (a) By vesting Tūtaepatu Reserve in Te Rūnanga o Ngāi Tahu; and
- (b) By providing for the establishment of a recreation reserve at Woodend.

Tūtaepatu Lagoon is defined in Schedule 1 of the Act; and the recreational lands are defined in schedule 2 of the Act.

The Act required the Waimakariri District Council and Te Rūnanga o Ngāi Tahu (The Settlers) to establish a Trust to manage and administer the reserves. By a Deed, dated 31 August 1998, the Settlers established a charitable Trust known as Te Kōhaka o Tūhaitara Trust, whereby the trustees shall be 3 appointed by the Waimakariri District Council and 3 from Te Rūnanga o Ngāi Tahu. The Ngāi Tahu (Tūtaepatu Lagoon Vesting) Act 1998 provides the legal mechanism for this to be achieved.

Te Kōhaka o Tūhaitara Trust is a Council Controlled Organisation (CCO) under the Local Government Act 2002, because the Council appoints half of the trustees.

Accordingly, the Trust must prepare an annual Statement of Intent and meet certain reporting requirements under the Local Government Act.

The purpose of the Statement of Intent is to specify the purpose, direction and objectives of the Trust and thereby providing an accountability mechanism for the operation of the Trust.

## THE OBJECTS OF THE TRUST

The object of the Trust is to manage and administer the Reserve under the management plan prepared in accordance with the Trust Deed for so long as the Reserve is classified as a Recreation Reserve pursuant to the Reserves Act.

## NATURE AND SCOPE OF ACTIVITIES

Tūhaitara Coastal Park covers approximately 575ha of land along the coastline from the Waimakariri River mouth to Waikuku Township. Stretching along the coast for 10.5 kilometres it comprises many natural features of local, regional, and national importance to the people of New Zealand. As a coastal park, it will provide a range of opportunities to preserve Ngāi Tahu values, retain and enhance biodiversity, and provide recreational and educational opportunities for all people.

The Minister of Conservation has appointed the Trust as a local authority for the purpose of the Reserves Act 1977.

The Trust has commenced implementation of the adopted Management Plan.

The Reserves Act does not apply to the Tūtaepatu Lagoon, although the Tūhaitara Coastal Park and Waikuku Beach Reserves Management Plan does. Part B Waikuku Beach Reserve, which is administered by the Waimakariri District Council, is a separate Reserve but is also subject to the Reserve Management Plan as the land is contiguous.

## GOVERNANCE ARRANGEMENTS

The Trust's policies and objectives are detailed in the Tūhaitara Coastal Reserve Management Plan. The Statement of Intent is the Trust's annual work programme aimed at meeting the vision *To create a coastal reserve which is founded on and expresses strong ecological, conservation and cultural values and provides opportunity for compatible recreation and education activities for all people of New Zealand and to uphold the mana of Ngāi Tahu Whanui by protecting and enhancing the mahinga kai values of Tūtaepatu lagoon.*

The Trust is required to meet at least twice per year to provide governance over the Trust's activities, and copies of minutes are distributed to the Settlers. The Trust meets monthly to ensure that the expectations required by the management plan are realised.

All staff, volunteer and contractors working in the Tūhaitara Coastal Park are required to comply with the Te Kōhaka o Tūhaitara Trust Coastal Park Health and Safety Plan.



## OBJECTIVES & PERFORMANCE TARGETS 2020 -2021

All the listed performance targets will be prioritised and evaluated with consideration to the success in obtaining external funding and the needs of our adjoining communities.

The Trust will:

1. Manage and administer the Reserve in accordance with the approved Reserve Management Plan.
2. Ensure all reporting mechanisms to the Settlers are timely and within their statutory timeframes.
3. Ensure that the health and safety and employment conditions of Trust staff, contractors, and visitors meet relevant legislation.
4. Ensure concessions for events and other activities on Trust land will have Health and Safety Plans and Public Liability Insurance. (Note: Concessions are not just for events, but can be for ice cream vehicles, coffee vehicles, and research activities; they are a mechanism to control all activities.)
5. Ensure that lease agreements are compatible with the Reserve Management Plan and finalised where necessary to maximise the revenue potential for the Trust.
6. Promote the cultural significance and history of the land, and ensure this is reflected in new programmes.
7. Maximise the opportunities for additional partnerships and sustainable funding to continue with the rehabilitation of Tūhaitara Coastal Park.
8. Develop two performing biota nodes to progress the long-term goal of indigenous coastal forest along the length of the Tūhaitara Park.
9. Continue the rehabilitation of Tūhaitara Coastal Park.
10. Ensure that access and maintenance programmes are in line with strategic plans and priorities and that they are appropriately resourced.
11. Ensure all work programmes and maintenance activities are consistent with the Park's cultural, biodiversity, ecological, and recreation values.
12. Provide and maintain a minimum 20 kilometres of walking, cycling, and bridle trails within the park for recreational purposes.
13. Complete the inclusion of The Pines and Kairaki Beaches regeneration lands into the Tūhaitara Coastal Reserves Management Plan.
14. Complete the inclusion of the Kaitiritiri Ridge and Te Kohanga Wetlands into Tūhaitara Coastal Reserves Management Plan.
15. Develop a *Mahinga Kai* access and policy plan.
16. Develop the *Te Kohaka o Tuhaitara Trust - future needs infrastructure plan*.
17. Develop a walk, cycle, and bridal trail network plan.

## **INFORMATION TO BE PROVIDED TO THE SETTLORS**

The Trust shall present:

- A six-monthly report on the Trust's activities shall be provided, in accordance with the Local Government Act 2002, on the financial performance and position and its progress towards the Performance Targets and other Measures contained in the Statement of Intent.
- An Annual Report shall be prepared in accordance with the Local Government Act 2002, and the reporting requirements prescribed from time to time by the Settlers.
- Copies of the minutes of meetings.
- The MOU between the Trust and the WDC sets out the partnership and requirements.
- Ngāi Tahu have informed the Trust that it should report directly to Ngāi Tūahuriri Rūnanga which will be done quarterly.

## **OTHER REQUIREMENTS**

### **Ratio of Trustee Funds to Total Assets**

The ratio of Trust Funds to Total Assets shall be maintained at a minimum of least 90%.

**Trust Funds** means the retained earnings of the trust as at balance date.

**Total Assets** means all current and non-current assets of the Trust as at balance date.

### **Profits and Financial Reserves to be Distributed**

The Trust will not distribute any profits or financial reserves during the financial year.

### **Interests in Other Organisations**

The Trust will not purchase or accept an ownership interest in any other organisation, without the prior approval of the Settlers.

### **Commercial Value of the Trust**

The Trustees' estimate of the value of the Trust is the level of retained earnings shown in the latest audited financial statements. The Trustees will consider the Trust's value annually as part of the preparation of the Annual Report.

### **Activities the Trust is Seeking Compensation from the Council**

The Council provides administrative support and financial management for the Trust and compensates the three Council appointed trustees with meeting allowances.

From time to time the Trust may request the Council to assist the Trust by contributing to various projects on the Trust land. Other than in these circumstances, there are no activities that the Trust is seeking compensation from the Council, other than for any land leased to the Council, which will be on normal commercial terms and conditions.

### **Accounting Policies**

Refer to Appendix 1

## **Appendix 1**

### **STATEMENT OF ACCOUNTING POLICIES**

#### **REPORTING ENTITY AND STATUTORY BASE**

Te Kōhaka o Tūhaitara Trust is a Trust established to manage and administer the Recreation Reserve contained in the deed of interest of Ngāi Tahu Whanau and other New Zealanders in terms of the Reserves Act 1977.

The financial statements will be prepared in accordance with New Zealand Generally Accepted Accounting Practice.

#### **MEASUREMENT SYSTEM**

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Trust.

#### **ACCOUNTING POLICIES**

The following specific accounting policies that materially affect the measurement of financial performance and financial position are applied:

##### **(a) Fixed Assets**

Fixed assets are recorded at valuation deemed appropriate at the time of transfer, by Quotable Value New Zealand. Valuation was based on a fair market value. Depreciation is recognised in the Statement of Financial Performance on a straight-line basis over the estimated life of each part of an item of property, plant, and equipment. The estimated useful life for the current and comparative periods are as follows:

Property, plant, and equipment 4-10 years.

##### **(b) Goods and Services Tax (GST)**

The Trust is registered for GST. The financial statements are prepared exclusive of GST, with the exception of receivables and payables, whose invoices include GST.

##### **(c) Receivables**

Receivables are stated at expected realisable value, after a provision (if any) for doubtful balances.

##### **(d) Reduced Disclosure Regime**

The Trust qualifies for Reduced Disclosure Reporting. Full advantage will be taken of all Reduced Disclosure reporting exemptions.

#### **CHANGES IN ACCOUNTING POLICIES**

There are no changes in accounting policies from those adopted in the last audited financial statements.

## STATEMENT OF SERVICE PERFORMANCE YEAR ENDED 30 JUNE 2021

### PERFORMANCE MEASUREMENT IN RELATION TO TARGETS AND OBJECTIVES

Tūhaitara Coastal Park can be likened to a Whareniui, providing shelter, a link to ancestors, a place to welcome, a place to nurture and educate, a place of pride and of safety, and a place to feast.

The Poutokomanawa, heart, or main beam is the vision. The four pillars of the vision, culture, environment, education & recreation, are the amo, or vertical supports. The tahuhu, or backbone, is our values. The koruru, or point of the gable, is Tūhaitara, our ancestor. The paepae, or threshold, was the gifting of the lands to the people of New Zealand, and the kuwaha, or front door, is the way we engage with that wider New Zealand community.

Our story continues to evolve as we will carve and decorate the whare maihi, or bargeboards, through intergenerational inclusion.

***Manage and administer the Reserve in accordance with the approved Reserve Management Plan.***

Te Kōhaka o Tūhaitara Trust is managing and administering Tūhaitara Coastal Park in accordance with the Reserve Management Plan, 2015-25 Strategic Plan and current Statement of Intent.

***Ensure all reporting mechanisms to the Settlers are timely and within their statutory timeframes.***

All required reporting during the current financial year except for the Annual Report sign off have been within the required statutory timeframes. This includes the quarterly reports, half yearly report, Statement of Intent, H&S six monthly review and grant reports.

Unfortunately, the final 2019/20 Annual Report was not received until 4.10pm on the 30 November 2021 and was not adopted until 8am the next day, thereby missing the November 30<sup>th</sup> signoff requirement.

***Ensure that the health and safety and employment conditions of Trust staff, contractors, and visitors meet relevant legislation.***

All contractors, volunteers, and formal visitors are required to complete a hazard review before working in the park.

The Trust continued to monitor the Government Covid 19 websites to provide a safe environment for staff, volunteers, and visitors, and to comply with Ministry of Health advice. Regular updates were provided to staff and Trustees.

A hazardous goods container was purchased in the latter part of 2020, and this has allowed us to provide an appropriate storage facility for chemical and fuel storage.

The Trust engaged **Wayne's Test & Tag** to complete the annual electrical compliance testing of the Trusts electrical appliances and equipment. The Trust equipment complies.

Staff training included the GM completing his first aid certificate renewal. Internal documents were updated as required including the staff machinery training register.

***Ensure concessions for events and other activities on Trust land will have Health and Safety Plans and Public Liability Insurance. (Note: Concessions are not just for events, but can be for ice cream vehicles, coffee vehicles, and research activities; they are a mechanism to control all activities.)***

All events and other activities e.g., school visits, Plains & Peninsula Orienteers, have had Health & Safety Plans, and insurance where applicable, during the reporting period.

***Ensure that lease agreements are compatible with the Reserve Management Plan and finalised where necessary to maximise the revenue potential for the Trust.***

Lease agreements are up to date. The lease with Brian Stokes was rolled over during the year and is now a year-to-year agreement while the Trust determine the future for this area of the park.

The mobile coffee van ceased to operate in the park this year, due to the owner's ill health.

The Trust commenced the five-year rent review of the Woodend Beach Holiday Park by notifying Waimakariri District Council within the required timeframe. After receiving the five previous years of the sub-lessees audited accounts, the review was put on hold to discuss the future of the assets owned by Council. This is significant as we enter the final ten years of the lease and the Trustees have confirmed it will not be renewed.

***Promote the cultural significance and history of the land. and ensure this is reflected in new programmes.***

The Trust continues to promote the cultural significance of the lands. This is ongoing, however, specific opportunities to promote the cultural significance of the lands have included visits by the Ngāi Tūahuriri kaumatua group, a group of 50 Canterbury Secondary school Geography teachers with the aim to including the park into their programs and numerous University, Schools, and community groups.

The Trust completed the first of what is hoped to be a series of murals throughout the park. These murals will be featured on containers and the based on the four pillars that support the 200-year vision i.e., culture, environment, education, and recreation.

The first murals focussed on culture on a container located in the Pa Harakeke (NZ flax garden). One side of the container has a woven harakeke pattern and the other recognising the ancestor of mana whenua, Tūhaitara, recognition of mana whenua with the Matariki tukutuku panel and the trust logo incorporated as a background.

We also celebrated Matariki in 2020 and 2021 with guided night walks and the stories of Matariki. We also mapped out a cluster of Biota Nodes in the shape of Matariki which will be established during the upcoming financial year.

***Maximise the opportunities for additional partnerships and sustainable funding to continue with the rehabilitation of Tūhaitara Coastal Park.***

The Trust has continued to work with Waimakariri District Council on the Kairaki regeneration lands, with the view to generating income from leasing out the fee simple sections. Considerable progress has been made this year on the draft leases, an expressions of interest process and non-permanent building specifications.

Additionally, the Trust has participated actively in the development of draft provisions for the area within the District Plan review.

We applied for funding from the Mahi for Nature fund early in 2021. This coincided with our Education and Environment Rangers leaving at the end of January, one for university and the other the Department of Conservation.

We made the decision to hold off filling the Ranger Ecology position until we heard if we had been successful for our fund application. Unfortunately, the decisions were delayed until June 2021. We then found out we were unsuccessful. While we used contractors to compensate for this vacancy, it will be a priority in the new financial year to employ a replacement.

We continue to partner with the Kaiapoi Pa Trustees carrying out the maintenance of the site. While this is outside the park, it is an important connect, both physically as an adjoining property for future tree planting on the 2km Kaitiritiri Ridge, and riparian enhancement of the Taranaki Stream.

We took on Northern Pegasus Beach Bylaw ranger patrols along the coastal area for Waimakariri District Council. This gave the Trust a greater presence along the coastal area. It was well received by the community and reinforced the responsibilities and authority of the Trust and its staff.

We also commenced discussions with Waimakariri District Council regarding the Trust managing and developing the proposed Mahinga Kai site within the Kaiapoi Regeneration Area, and Otukaikino Reserve regarding running education lessons at their reserve.

***Develop two performing biota nodes to progress the long-term goal of indigenous coastal forest along the length of the Tūhaitara Park.***

This is a strength of the Trust as we now have a network of approximately fifty Biota Nodes.

This year we have established the Mere & Taituha Whanui, Levi Anglem Whanau, Middleton Grange, Gallagher Whanau, Mokopuna, Hapua, Transect and Astra Biota Nodes.

We have a waiting list of groups to take on a Biota Node in the new financial year.



**Left:**  
Middleton  
Grange  
students  
complete  
the first  
planting in  
their Biota  
Node

***Continue the rehabilitation of Tūhaitara Coastal Park.***

We have planted approximately 7500 native trees and shrubs during the reporting period at Achilles Parade, Tiritirimoana Drive, Pines Beach Wetland and the Tūtaepatu Transect.

We have also trapped 806 animal pests during the reporting period, taking the total trapped on 30 June 2021 in the park to 3331 over the life of the program. This continues to aid the introduction and increase of many native species.

We extended our trap lines after receiving a grant from Environment Canterbury for new traps. This included a DoC200 line from Waikuku Beach Road to the Ashley Rakahuri floodgates, to the north. While we installed traplines in the Pines Beach Wetland after the fires. All of these new lines are managed by local volunteers.

We engaged Wai ora to carry out woody weed control at Tūtaepatu Lagoon, Te Kohanga wetlands and the Pines Beach Wetland. The target species including willow and Old Man's Beard.

This year we experienced a large fire at The Pines Wetland in late January. While this extremely stressful for the adjoining property owners, the fire benefitted the wetland by clearing hectares of woody weeds and making native planting significantly easier.

As such we changed our planting program to plant approximately 1500 natives in the wetland at the end of Batten Grove during May 2021. We are continuing to work with WDC and the community to establish a fire break behind the Dunns' Avenue houses and complete further wetland planting in spring 2021.

This year we liaised with Environment Canterbury to get Tūtaepatu Lagoon water tested. This was a comprehensive test identifying some early stage worrying signs, which were likely related to the very low water levels during the summer and monitoring period.



**Left:** Fire crews extinguish hotspots at the Pines Wetland fire site

***Ensure that access and maintenance programmes are in line with strategic plans and priorities and that they are appropriately resourced.***

All access and maintenance programs are in line with strategic plans and priorities and are appropriately resourced. However, we have identified issues for disabled access in some parts of the park and will be prioritising this in the new financial year.

We have worked closely with Visit Waimakariri to upgrade district access maps in online and promotional material.

We are fortunate to have Waimakariri District Council support to keep the maintain the Pegasus cycle/walkway to a prominent level.

Casual employees were employed over the summer period to support our park maintenance activities including mowing, spraying, watering and brush cutting.

***Ensure all work programmes and maintenance activities are consistent with the Park's cultural, biodiversity, ecological, and recreation values.***

All programmes and maintenance activities are consistent with the Park's cultural, biodiversity, ecological, and recreation values.



The programmes and activities reflect the Trust, its Reserve Management & Strategic Plans and the current statement of intent. We operate with transparency and in line with our values. People may change, but values do not.

An example of transparency this year was when residents in our neighbouring communities were letter box dropped regarding our animal pest program. The letter was correct in that we do operate a program however was erroneous in claiming it was operated by Ngāi Tahu and that we targeted pets.

We immediately front footed this by correcting the misinformation and providing details of our program and catches. The story was picked up by the media and the feedback was extremely supportive of our work after appearing in The Press and Stuff news site.

***Provide and maintain a minimum 20 kilometres of walking, cycling, and bridle trails within the park for recreational purposes.***

The Trust has continued to maintain a minimum of 20 kilometres of open trails during the reporting period. Additionally, the Trust has upgraded sections of the Tūtaepatu and Pegasus Bay cycle/walkways.

We upgraded and extended the Tūtaepatu trail into the Pa Harakeke at Woodend Beach and widened it and upgraded the Pegasus Walkway south of the Woodend Beach Domain.

The Pines & Kairaki Fire team helped us lift the pines along the Pegasus Walkway between The Pines and Woodend Beaches providing better access for visitors and emergency vehicles.

***Complete the inclusion of The Pines and Kairaki Beaches regeneration lands into the Tūhaitara Coastal Reserves Management Plan.***

This work remained on hold for the early part of the year as we worked through the District Plan review and proposed non-permanent building and lease conditions with Waimakariri District Council staff.

However, at the December 2020 Council meeting, Council recommended the Draft Deed of Amendment, and the Restatement of Te Kōhaka o Tūhaitara Trust Deed dated 19 November 2020 to Ngai Tahu and the Te Kōhaka o Tūhaitara Trust for its consideration.

Council also noted that the District Planning and Regulation Committee was considering appropriate provisions to be included in the Proposed Reviewed Waimakariri District Plan for notification that would give effect to the provisions of the Waimakariri Residential Red Zone Recovery Plan.

It also endorsed the Proposed Deed of Lease for Kairaki Beach, between Te Kōhaka o Tūhaitara Trust and Tenants dated 11 November 2020.

Prior to the end of the Financial Year the Trustees considered, in-committee, another option to expedite the vibrancy of the Kairaki regeneration lands. It is expected that there will be significant progress in the next financial year, including the inclusion of lands into the Reserve Management Plan.

***Complete the inclusion of the Kaitiritiri Ridge and Te Kohanga Wetlands into Tūhaitara Coastal Reserves Management Plan.***

The Trust received approval in December 2020 from Te Runanga o Ngāi Tahu for the Kaitiritiri Ridge and Te Kohanga Wetlands to be included in the Reserve Management Plan. That is now both Settlor parties agreeing to the inclusion.

The work is on hold until we clarify the Kairaki lands which are also required to be included into the Reserve Management Plan. This will likely occur in the latter part of 2021.

***Develop a Mahinga Kai access and policy plan.***

The Trust commenced researching the Mahinga Kai resources within the park, starting with a tuna (eel) survey in December 2020. This was to ascertain type, size and age so that a sustainable access level can be ascertained before the Rahui is lifted. This work was in conjunction with a local eeler.

The Trust commenced planting rongoa species around Tūtaepatu Lagoon and the Biota Node network including horopito, kawa kawa, tawa and tātarāmoa.

A species plan has been established on ArcMap with the view to making this available to Ngāi Tūahuriri Runanga once the plants are established.



**Left:** Christina holds a short fin tuna during the survey

***Develop the Te Kohaka o Tuhaitara Trust - future needs infrastructure plan.***

A report and broad ideas list were discussed by the Trustees at the February 2021 Trust meeting. This was then workshopped in April to add detail to the development of the infrastructure plan.

The Trustees identified the need for a larger headquarters due to the growth in staff, the education program, and visitors to Tūhaitara Coastal Park. The preference to remain at Woodend Beach, due to its central location in the park.

The Trust has been investigating partnerships with other organisations, and groups involved with similar activities including Waimakariri District Council and the Pegasus Residents Group, given Council's consultation on a new Community Centre at Pegasus Town. This was not seen as a viable option due to the proposed location out of the park and competing needs.

An approach has been made to a major infrastructure funder for advice on the best ways to bring about a successful outcome, given their experience in supporting similar projects. The Trust Chair and GM will be meeting with a representative in July 2021.

In the meantime, the GM has identified an offsite property where Trust vehicles can be stored overnight.

***Develop a walk, cycle, and bridal trail network plan.***

The Trust has worked with Visit Waimakariri to complete an updated trail network plan which links to the adjoining Regional Parks and urban trail network.

We confirmed the Silk Way trail between Woodend Beach Road and Gladstone Road through the pine stands on the western side of Tūtaepatu Lagoon block. We have been working with WDC and their forestry contractors to facilitate work during the 2021 winter to complete the physical works, including entrance chicanes and signage. This trail will also link to Te Kohanga Wetlands and the Kaitiritiri Ridge to the west of Gladstone Park.

In early 2021, the Trust GM and Trustee Rigby met with two local horse riders, representing long time users, to identify existing issues and gain input into future trail development.

Internally, we have completed our core walking/cycling trail network plan with links to our adjoining communities and beyond.

However, we have identified issues for disabled access in some parts of the park and we will be prioritising this in the new financial year.

2021 will see expanded signage including the naming and sign posting of all trail intersections, distance markers and promotion of the cycle network.

## Te awhina i etahi atu

The Trust supports a number of external organisations with knowledge or mahi, whether formally as with the maintenance of the Kaiapoi Pa or voluntarily e.g. community plantings.

### Kaiapoi Pa

We continue to maintain the Kaiapoi Pa located on the western side of the Kaititiri Ridge on behalf of the Kaiapoi Pa Trustees. Activities include mowing, brush cutting, woody weed control and litter pick up.

### Te Rohe Kōreporepo o Wairewa & Te Putahi Farm

The Trust supported Te Wairewa Runanga to plan, determine plant species and plant at Te Rohe Kōreporepo o Wairewa Reserve located at the eastern end of Wairewa (Lake Forsyth) and on their farm located at Magnet Bay.

This was an important opportunity to share our knowledge and engage with the wider Ngāi Tahu whanui.

**Below:** Runanga members, volunteers & Trust staff at the Wairewa lake community planting.



## Covid 19 Response

The Trust continued to complete monthly updates of the Government advise on the Covid 19 response.

We maintained good practices of recording and hygiene while maintaining appropriate stock of Personal Protective Equipment. Staff were also instructed to stay at home if feeling unwell.



**Left:** Like all organisations, there is an increased focus on personal hygiene, facility cleanliness and tracking.

## Research

Tūhaitara Coastal Park continued to be an important site for research. We host research projects & visits, primarily from within University of Canterbury, e.g. International students.

This year, UC Geography 309 students continued their long-term relationship with the park by carrying out two research projects,

*The Pines Wetland investigating the positives and negatives of reopening the area to the sea and,*

*The spatial distribution of soil characteristics and topography within the transect at Tūhaitara Coastal Park*

Both reports extend our knowledge of the park and will help us determine future regeneration work.

UC Innovation & Business students completed research projects on getting community support for our animal pest control program, which included engagement and targeted trapping techniques.

We also began a project with UC to coordinate Learning Experiences using the Tūhaitara Coastal parks wonderful resource, history, features and geography. This program is being designed to use the resources to introduce students from low decile schools to pathways to study in STEAM and tertiary study including UC and Ara.



**Left:** UC Geo  
309 students.

**Bottom:** UC  
Water ecology  
students



## Events

This year the Trust ran the following events, which were well supported by the community.

**Matariki night walk #1 June 30, 2021**

**Volunteer Tree Planting - The Transect Project, 5 June 2021**

**Volunteer Tree Planting - Pines Beach Wetland restoration, 22 May 2021**

**Volunteer Tree Planting - Te Kōhanga Wetland. Tiritiri Moana Drive, Pegasus**

**Sustainable Coastlines - Woodend Beach Survey 30 April 2021**

**The Walking Festival - From the Barren Planet to the Green World of Endor, 21 April 2021**

**Volunteer Tree Planting - Tiritiri Moana Drive, Pegasus 17 April 2021**

**10th Anniversary Open Day - Tūhaitara Coastal Park. 31 January 2021**

**Volunteer Planting Day - Tiritiri Moana Drive, Pegasus, 3 October 2020**

**Transect Planting Day – The Transect project, 22 August 2020**

**Wetland's Edge - Volunteer Planting Day in Pegasus Town, 14 August 2020**

**Volunteer Planting Day - Tiritiri Moana Drive, Pegasus, 5 July 2020**



**Left:** Rangatahi visit

## Coastal

The Trust continued foredune restoration by preparing the 50m Transect frontage for planting and purchasing 1500 spinifex and 500 Pingao plants for this area and the existing sites at Pegasus and Woodend Beaches.

For the first time, the Trust was contracted over the Summer months to carry our patrols on the beaches by ourselves.

This was well received by beach goers and publicised the role that the Trust ranger staff have with Northern Pegasus Bay.

We continue to work closely with the NZ Coastal Restoration Trust, particularly their Chair Greg Bennett and technical advisors David and Michael Bergin.





**Top:** Meredith & Christina left during the year for study and Doc.

**Bottom:** Woodend Fire helped during the drought by filling our water tanks



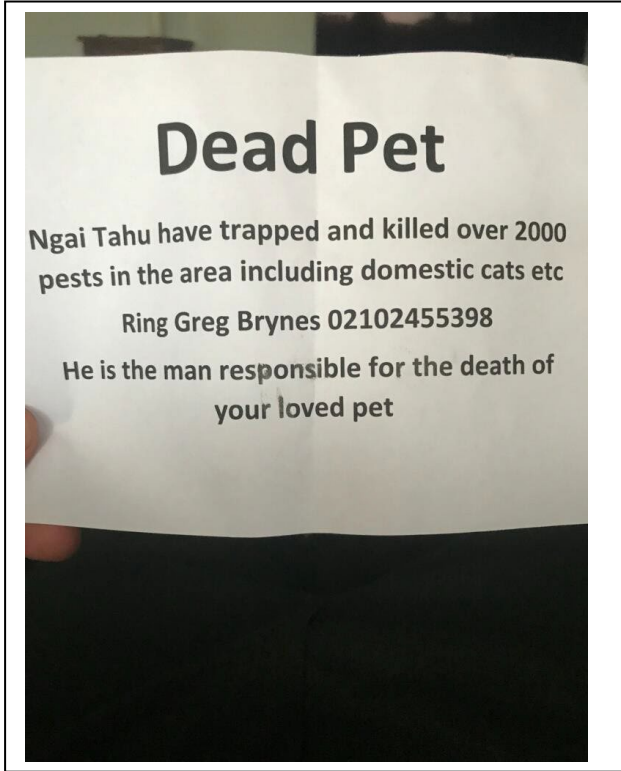
## Gallery



**Above:** Tuahiwi  
Kaumatua visit



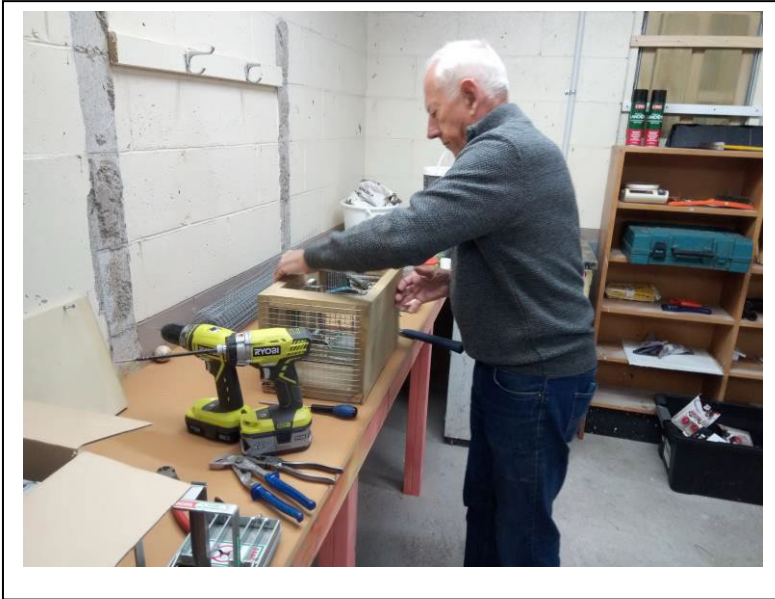
**Below:** ECan  
take water  
samples from  
Tūtaepatu  
Lagoon



**Top:** Residents were letterbox dropped incorrect information regarding our animal pest program

**Bottom:** Our plant order ready to pick up from Waiora Nursery





**Top:** Wayne puts together Doc200 traps



**Middle:** Plant cell lessons at Te Tai Kōhaka



**Bottom:** Trail upgrade Tūtaepatu Trail

**WAIMAKARIRI DISTRICT COUNCIL****REPORT FOR DECISION**

**FILE NO:** FIN-O1, GOV-01-05 / 220705114105

**REPORT TO:** Audit and Risk Committee

**DATE OF MEETING:** 19 July 2022

**FROM:** Jeff Millward, Manager, Finance and Business Support

**SUBJECT:** Audit New Zealand Audit Plan for the year ended 30 June 2022

**SIGNED BY:** \_\_\_\_\_  
**(for Reports to Council Committees or Board)** Department Manager acting Chief Executive

**1. SUMMARY**

- 1.1. The purpose of this report is to present the Audit Plan provided from Audit New Zealand for the year ended 30 June 2022 for consideration. The Audit Engagement and Arrangement letters are agreed each three years and received by the Audit & Risk Committee previously. The Audit Plan is agreed annually.
- 1.2. The Audit Plan is provided to the Council and outlines the timelines, the audit process and any areas of specific focus for the year to be audited (the year ended 30 June 2022)
- 1.3. The Council also manages the audits on behalf of Te Kōhaka o Tūhaitara Trust (TKoT), & the Waimakariri Art Collection Trust. Separate arrangements are made by Audit New Zealand directly with these entities and Enterprise North Canterbury.
- 1.4. Audit New Zealand have agreed with the council previously an audit fee for the year ended 30 June 2022 to be \$160,153 and is based on the estimated hours spent on the audit and those areas of focus required by the Office of the Auditor General (OAG).
- 1.5. An interim audit has not been completed by Audit New Zealand for the year ended 30 June 2022 due to a restriction on the resources and work load on Audit New Zealand. Covid-19 and resulting border closures to date is still impacting on their ability to contract sufficient auditing capacity.
- 1.6. Yvonne Yang (Audit Director) will be in attendance at the meeting to present the audit plan.

**Attachments:**

- i. Letters on the Audit Plan for the year ended 30 June 2022 from Yvonne Yang, Audit New Zealand (TRIM 220708116120)
- ii. List of questions on risk and responses to Audit New Zealand

**2. RECOMMENDATION**

**THAT** the Audit and Risk Committee:

- (a) **Receives** report N° 220705114105.
- (b) **Agrees** to the audit plan for the year ended 30 June 2022, as provided by Audit New Zealand;

### 3. **BACKGROUND**

- 3.1. The Auditor-General is appointed the statutory auditor of the Waimakariri District Council. The Auditor General has contracted Audit New Zealand to undertake the audits of our Council and its subsidiaries.

### 4. **ISSUES AND OPTIONS**

- 4.1. The Audit office has supplied the Council with the Audit Plan, which is supplied annually for auditing the Council's Annual Report for the year ending 30 June 2022. The Audit Engagement and Audit Arrangements were approved previously relating to the years 2020 – 2022.
- 4.1.1. The Audit Engagement letter is a standard letter that Audit New Zealand sends to all its clients explaining the responsibilities on the Council and Audit New Zealand;
- 4.1.2. The Audit Arrangements letter is provided to the Council outlining the audit timetable, fee and areas of focus. It may also contain specific areas of focus that are required to be undertaken by the Office of the Auditor General;
- 4.1.3. The Audit Plan is provided to the Council annually and outlines the timelines, the audit process and any areas of specific focus for the year to be audited.
- 4.2. The audit plan for 2021/22 has identified the key areas of focus and responsibility. At this stage there are no areas foreseen that we will not be able to respond and cause any concern for Council. Although the Interim audit has not taken place, Audit New Zealand have provided advice that the timing for the final audit is at risk and subject to resourcing constraints and workloads.
- 4.3. The Council also manages the audits on behalf of Te Kohaka O Tuhaitara Trust, & the Waimakariri Art Collection Trust. The Council earlier this year exempted the Waimakariri District Libraries Trust from being audited due to the controls in place, low turnover and risks associated with the Trust. A separate report will be provided annually for Waimakariri District Libraries Trust.
- 4.4. The Council does not provide the administrative or accounting functions for Enterprise North Canterbury (ENC) and Audit New Zealand will discuss the audit arrangements directly with ENC.

#### Audit Timetable

| Action  | Date                 |
|---|----------------------|
| <del>* Interim audit was not provided, however meetings with AuditNZ, Mayor and General Manager Finance &amp; Business Support have been held</del> | <del>30 Jun-22</del> |
| Draft financial statements available for audit (including notes to the financial statements) with actual year-end figures                           | 2-Sep-22             |
| Final audit begins  | 5-Sep-22             |
| Final financial statements available, incorporating all the amendments agreed to between us   | 30-Sep-22            |
| Annual report available, including any Chair and Chief Executive's overview or reports  | 3 Nov-22             |
| Audit opinion issued  | Nov-22               |
| Draft report to the Council issued  | Nov-22               |

\* Finance staff have been in regular contact with the Audit Director and Manager throughout the year and agreed on a number of approaches e.g. valuation requirement and standards.

- 4.5. The Audit Committee could recommend the acceptance of the Audit plan or negotiate other arrangements with Audit New Zealand.

4.6. Implications for Community Wellbeing

There are no implications on community wellbeing by the issues and options that are the subject matter of this report.

4.7. The Management team has reviewed this report and support the recommendations.

**5. COMMUNITY VIEWS**

5.1. **Mana whenua**

Te Ngāi Tūāhuriri hapū were consulted, submitted to the Annual Plan and would have an interest in the Annual Report.

5.2. **Groups and Organisations**

Staff have discussed the arrangements with Audit New Zealand.

5.3. **Wider Community**

Readers and stakeholders of Council have an interest in the Auditor Report.

**6. OTHER IMPLICATIONS AND RISK MANAGEMENT**

6.1. **Financial Implications**

The following are the provisions for audit fees allowed for in the Long Term Plan.

|                    |         |
|--------------------|---------|
| Year ended 30 June | 2022    |
| Council Budget     | 160,150 |
| Audit Proposed     | 160,153 |

The audit fee proposals are moderated by the Office of the Auditor General.

6.2. **Sustainability and Climate Change Impacts**

The recommendations in this report do not have sustainability and/or climate change impacts.

The audit work carried out by Audit New Zealand provides added assurance regarding the accuracy of the Council's financial statements.

6.3. **Risk**

The audit work carried out by Audit New Zealand provides added assurance regarding the accuracy of the Council's financial statements.

There is the possibility that, due to the shortage of auditors in the public sector, and the resequencing of public sector audits in line with the Auditor-General's sequencing framework there may be changes to the timetable proposed above.

6.4. **Health and Safety**

The underlying provisions of service delivery are undertaken and reported with compliance to the requirements of the Health and Safety Act, other Acts and Regulations.

**7. CONTEXT**

7.1. **Consistency with Policy**

The matters contained within this report are not a matter of significance in terms of the Council's Significance and Engagement Policy

Under Policy S-DM1022, the Audit Committee has the jurisdiction to "Liaise with and manage the Council's relationship and arrangements with the Council's external auditors".

#### **7.2. Authorising Legislation**

The Auditor-General is the statutory auditor of the Waimakariri District Council under section 14 of the Public Audit Act 2001. Audit New Zealand have been appointed under sections 32 and 33 of the Act. Section 70 Auditor-General is auditor of council-controlled organisations.

Under section 99 of the Local Government Act 2002, the annual report is required to include an audit report.

#### **7.3. Consistency with Community Outcomes**

The Council's community outcomes are relevant to the actions arising from recommendations in this report. The audit process contributes to the community outcome that "Public organisations make information about their plans and activities readily available"..

7.3.1. Public organisations make information about their plans and activities readily available.

7.3.2. Public organisations make every effort to accommodate the views of people who contribute to consultations".

#### **7.4. Authorising Delegations**

The Council must adopt its Long Term Plan by 30 June 2021

Jeff Millward  
Manager Finance & Business Support



# Audit plan

## Waimakariri District Council

For the year ended 30 June 2022

## Audit plan

I am pleased to present our audit plan for the audit of Waimakariri District Council (the Council) for the year ended 30 June 2022. The purpose of this audit plan is to discuss:

|                              |    |
|------------------------------|----|
| Audit risks and issues ..... | 2  |
| Our audit process.....       | 9  |
| Reporting protocols .....    | 15 |
| Audit logistics.....         | 16 |
| Expectations.....            | 19 |

The contents of this plan should provide a good basis for discussion when we meet with you.

We will be happy to elaborate further on the matters raised in this plan.

Our work improves the performance of, and the public's trust in, the public sector. Our role as your auditor is to give an independent opinion on the financial statements and performance information. We also recommend improvements to the internal controls relevant to the audit.

If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Nāku noa, nā



Yvonne Yang  
Appointed Auditor  
5 July 2022

## Audit risks and issues

### Specific focus areas



Based on the planning work and discussions that we have completed to date, we set out in the table below the main audit risks and issues. On page 5 below we also outline sector specific focus areas relevant to the local government sector.

| Audit risk/issue  | Our audit response  |
|---|---|
| <b>Assets carried at revalued amounts</b>   |   |
| <p>The Council periodically revalues its property, plant and equipment on a three-year rolling basis. PBE IPSAS 17, <i>Property, Plant and Equipment</i>, requires that valuations are carried out with sufficient regularity to ensure that the carrying amount does not differ from fair value.</p> <p>The Council revalues the asset classes on a three-year valuation cycle. The exception to this is roading assets which are revalued annually.</p> <p>Three waters and solid waste assets were last revalued as at 30 June 2020. The land and buildings and greenspace assets were last revalued as at 30 June 2019.</p> <p>As a result of the fair value assessment for 2022, we understand that the Council plans to revalue all of its asset classes as at 30 June 2022.</p> <p>The risk for valuations is that they do not appropriately reflect fair value. This can occur through the use of remaining useful lives which are not consistent with the asset's condition, incorrect replacement cost rates, and/or asset quantities.</p> <p>Revaluations continue to be an area of heightened audit risk due to ongoing impacts of the Covid-19 pandemic. Specifically, for depreciated replacement cost valuations, uncertainty is expected to arise from current inflationary pressures and the challenges this will cause in estimating replacement costs.</p> <p>As well as the direct impacts on fair value, there can be further impacts on depreciation, and even the Council's rating requirements.</p> | <p>For the asset classes that will be subject to a revaluation, we will:</p> <ul style="list-style-type: none"> <li>• assess the management systems and controls in place;</li> <li>• review that all assets have been revalued and there are no duplications;</li> <li>• obtain the valuation report, and review the methodology for reasonableness and consistency with generally accepted accounting and valuation practice;</li> <li>• assess the reasonableness of significant assumptions and inputs in the valuation and the resulting valuation produced;</li> <li>• assess whether assumptions and judgements that applied in determining the fair value of the assets are sufficiently disclosed in accordance with PBE IPSAS 17.92(c) and (d);</li> <li>• evaluate the qualifications, competence, independence, objectivity, and expertise of the external experts used to assist with the valuation; and</li> <li>• confirm that any fair value movements, arising from the valuation, have been appropriately accounted for in the Council's financial statements.</li> </ul> <p>Where possible we will seek to complete our review of the valuation in advance of the final audit visit reduce the work required at the final audit. We will liaise with management on this.</p> |

| Audit risk/issue  | Our audit response  |
|---|---|
| <p>We expect the Council to complete its own quality assurance review of any valuations performed. This should focus on the areas of risk outlined above.</p>   |   |
| <b>Completeness of vested assets</b>  |   |
| <p>The Council has previously identified material errors relating to the completeness of vested assets in the last three years. Due to the history of errors, and the level of growth in the District, the completeness of vested assets remain an area of audit focus for the 2022 audit.</p> <p>Based on discussions with management, there are plans in place to continue to improve the current system to prevent further errors.</p>   | <p>In response to this risk, we will:</p> <ul style="list-style-type: none"> <li>• obtain a list of section 224c certificates issued during the year and after year end, and select a sample to check that assets included in as-built plans, have been correctly recognised;</li> <li>• review Council’s assessment in relation to the classification between vested assets and Council contributed/purchased assets;</li> <li>• review the Council’s reconciliation of land it holds title to, to the district rating roll, and confirm the valuer performed appropriate title searches; and</li> <li>• follow up on the progress of our prior year recommendations to the Council. Including reviewing improvements and the effectiveness of the controls when there have been implemented.</li> </ul> |
| <b>Development contributions</b>  |   |
| <p>Development contributions (and financial contributions, which are levied under the Resource Management Act) are an important funding tool for the Council.</p> <p>High growth in the Council and a history of complex offsetting arrangements with developers create risks that development contributions are not recognised correctly in the financial statements.</p> <p>Development contributions can be contentious. There is an inherent risk that developers may challenge Council’s compliance with legal requirements.</p> <p>The Council may also face the risk of needing to repay contributions if developments do not proceed. To manage this, the Council needs adequate records.</p> | <p>We will:</p> <ul style="list-style-type: none"> <li>• Review the Council’s controls to ensure all development contributions are charged in accordance with the policy.</li> <li>• Confirm whether the use and application of funds received is appropriate and has been correctly accounted for.</li> <li>• Ensure the appropriateness of relevant disclosures in the financial statements.</li> <li>• Follow up on the Council’s progress with the prior year audit recommendations.</li> </ul>   |

| Audit risk/issue   | Our audit response  |
|--|---|
| <b>The risk of management override of internal controls</b>  |   |
| <p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.</p> | <p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> <li>• testing the appropriateness of selected journal entries;</li> <li>• reviewing accounting estimates for indications of bias; and</li> <li>• evaluating any unusual or one-off transactions, including those with related parties.</li> </ul> |

## Sector focus areas



We set out in the table below the main audit risks and issues relevant to the local government sector.

| Audit risk/issue  | Our audit response  |
|---|---|
| <b>Three waters reform</b>  |   |
| <p>On 27 October 2021, the Local Government Minister announced the Government’s intention to proceed with the three waters service delivery reforms using a legislated “all in” approach. The Three Waters Reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure currently owned by local authorities, with effect from 1 July 2024. The reform programme is expected to result in significant changes to how water supply, wastewater and stormwater assets are owned and managed in the local government sector.</p> <p>On 29 April 2022, the Government announced that the three waters reforms will proceed with local councils taking non-financial shareholdings in four new public water entities. There is still considerable information to come as to what these reforms mean for the Council before the remaining issues are clarified.</p> <p>There are still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, the control and governance of these entities and the accounting implications. Notwithstanding the current uncertainty the announcement once legislated will mean the Council is no longer responsible for the infrastructure and delivery of three waters services from 1 July 2024.</p> <p>The Council should ensure that sufficient disclosure about impact of the reform (to the extent that the impact is known) is included in the annual report.</p> | <p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> <li>• maintaining a watching brief on developments of the reform programme, and discussing any developing implications with you; and</li> <li>• reviewing the completeness and accuracy of relevant disclosures in the annual report.</li> </ul> <p>Because the impact could be significant, but remains uncertain, we are likely to include information in our audit report to draw a reader’s attention to the Council’s disclosure about the reform programme.</p> |

| Audit risk/issue  | Our audit response   |
|---|--|
| <b>Compliance with drinking water standards</b>   |  |
| <p>The Council is required, along with other territorial authorities, to report on its compliance with the drinking water standards (DWS) to:</p> <p>The extent to which the drinking water supply complies with:</p> <ul style="list-style-type: none"> <li>• part 4 of the drinking-water standards (bacteria compliance criteria); and</li> <li>• part 5 of the drinking-water standards (protozoal compliance criteria).</li> </ul> <p>Up until November 2021 performance related data was captured in the Drinking Water Online (DWO) database and compliance was assessed by Drinking Water Assessors (DWA). As a result of changes to the regulatory framework for drinking water quality, the DWO is no longer accessible and the DWA role no longer exists.</p> <p>The removal of the DWA will put more emphasis on the Council's own monitoring processes to demonstrate whether they have complied with the drinking water standards. The Council will need to ensure if required it has modified its processes to ensure that it has robust systems in place to accurately capture and report its compliance.</p> | <p>We will update our knowledge of the systems and controls in place to report against the drinking water quality performance measures. This will include understanding how you self-monitor compliance with the drinking water standards.</p> <p>Our previous audit approach used the work of the DWA as a significant control in establishing whether reported results were accurate. Accordingly a revised audit approach will be required this year.</p> <p>We are currently piloting a revised approach. When this is completed, we will discuss our planned audit approach further with you.</p> |
| <b>Procurement</b>  |  |
| <p>An effective procurement management system can reduce the risk of challenges to the procurement decision-making processes, retain credibility with suppliers, and may decrease the cost of procurement of goods and services. We understand that the Council in the process of updating its procurement processes and policy.</p> <p>An effective contract management system can provide significant value to an entity throughout the lifecycles of the contracts procured.</p>   | <p>We will:</p> <ul style="list-style-type: none"> <li>• update our understanding of current and updated procurement and contract management practices;</li> <li>• assess whether the Council's procurement policies and processes are appropriate and fit for purpose;</li> <li>• follow up on the Council's progress with the prior year audit recommendations including an investigation for all self-approved transactions as these are susceptible to fraud; and</li> </ul>   |

| Audit risk/issue | Our audit response   |
|------------------|--|
|                  | <ul style="list-style-type: none"> <li>follow up the improved processes and controls for the two areas of deficiency we identified in the last audit.</li> </ul> |

Please tell us about any additional matters we should consider, or any specific risks that we have not covered. Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

## **Fraud risk**

Misstatements in the financial statements and performance information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. In considering fraud risk, two types of intentional misstatements are relevant – misstatements resulting from fraudulent reporting, and misstatements resulting from misappropriation of assets.

The primary responsibility for the prevention and detection of fraud and error rests with the Council, with assistance from management. In this regard, we will discuss the following questions with you:

- What role does the Council play in relation to fraud? How do you monitor management's exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the Council satisfied that it had appropriate input into this process?
- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the Council and management to keep you informed of instances of fraud, either actual, suspected, or alleged?
- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management's investigation been reported to the Council? Has appropriate action been taken on any lessons learned?

## ***Our responsibility***

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and performance information are free from material misstatement resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;



- perform substantive audit procedures; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at [oag.parliament.nz/reports/fraud-reports](https://oag.parliament.nz/reports/fraud-reports).

## Our audit process

### Initial planning

Initial planning activities include verifying compliance with independence requirements and building the audit team.

### Understand your business and environment

We use our extensive sector and business knowledge to make sure we have a broad and deep understanding of the Council, your business, and the environment you operate in.

### Assess audit risk

We use our knowledge of the business, the sector and the environment to identify and assess the risks that could lead to a material misstatement in the financial statements and performance information.

### Evaluate internal controls

We update our understanding of internal controls relevant to the audit. This includes reviewing the control environment, risk assessment process, and relevant aspects of information systems controls. Most of this work is done during the initial audit visits. We evaluate internal controls relevant to the audit for the whole financial year, so we consider internal controls relevant to the audit at all visits.

### Finalise the audit approach

We use the results of the internal control evaluation to determine how much we can rely on the information produced from your systems during our final audit.

### Gather audit evidence

During the final audit we audit the balances, disclosures, and other information included in the Council's financial statements and performance information.

### Conclude and report

We will issue our audit report on the financial statements and performance information. We will also report to the Council covering any relevant matters that come to our attention.

## Materiality

In performing our audit, we apply materiality. In the public sector, materiality refers to information that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers' overall understanding of the financial statements and service performance information; and
- influence readers in making decisions about the stewardship and allocation of resources or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

It is a matter of judgement whether information is material. We consider the nature (qualitative) and amount (quantitative) of each item judged in the surrounding circumstances and its impact. In the public sector qualitative considerations are of equal significance as quantitative considerations. Qualitative considerations are of primary importance in our assessment of materiality in the context of disclosures for transparency and accountability reasons, and in evaluating any non-compliance with laws and regulations.

The Council and management need to consider materiality in preparing the financial statements and service performance information and make their own assessment of materiality from a preparer's perspective. IFRS Practice Statement 2, *Making Materiality Judgements*, provides guidance on how to make materiality judgements from a financial statements preparer's perspective. Although this guidance is primarily aimed at for-profit entities, the same principles can be applied by public benefit entities. Management and the Council should not rely on our materiality assessment as a basis for owning and making judgements about the integrity of the financial statements and service performance information.

### **Financial statements materiality**

For planning purposes we have set **overall materiality** for the financial statements at \$172,200,000 based on last year's property, plant and equipment. This is subject to change once the actual results for the current year are available. For this audit we are only applying this overall materiality to the fair value of property, plant and equipment.

|                           |               |
|---------------------------|---------------|
| Overall materiality       | \$172,200,000 |
| Specific materiality      | \$3,150,000   |
| Clearly trivial threshold | \$157,500     |

For this audit we have set a lower, **specific materiality** of \$3,150,000 for all items not related to the fair value of property, plant and equipment. A lower specific materiality is also determined separately for some items due to their sensitive nature. For example, a lower specific materiality is determined and applied for related party and key management personnel disclosures.

We design our audit procedures to detect misstatements at a lower level than overall materiality. This takes account of the risk of cumulative misstatements and provides a safety net against the risk of undetected misstatements.

We will report all uncorrected misstatements to the Council other than those that are **clearly trivial**. We consider misstatements of less than \$157,500 to be clearly trivial unless there are qualitative considerations that heighten its significance. We will ask for each misstatement to be corrected, other than those that are clearly trivial. Where management does not wish to correct a misstatement, we will seek written representations from management and the Council on the reasons why the corrections will not be made.

#### Misstatements

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader's overall understanding of your financial statements and service performance information. The effects of any detected and uncorrected misstatements, individually and in aggregate, are assessed against overall materiality and qualitative considerations.

Overall financial statement materiality does not apply to any matters of effectiveness and efficiency, waste, or a lack of probity or financial prudence.

#### **Materiality for service performance information**

At an overall level, we assess whether the service performance information is suitable, given your purpose and the nature of your activities, and whether the reporting allows for an informed assessment of the Council's performance. In doing this we consider whether the information is relevant, complete, reliable, neutral, and understandable.

We set materiality for service performance information at an individual measure level based on what we expect would influence readers' overall understanding, decision making, or assessment of the Council's performance. We consider a variety of factors including the level of public interest and potential public risk. Because of the variety of measurement bases applied, we normally express this materiality as a percentage of the reported result.

We have identified the following measures as material and assessed materiality for planning purposes. We will reassess this during the audit.

| Material measure  | Materiality  |
|---|--|
| <p><b>Safety of drinking water</b></p> <p>The extent to which the local authority's drinking water supply complies with:</p> <p>a) part 4 of the drinking-water standards (bacteria compliance criteria), and</p> <p>b) part 5 of the drinking-water standards (protozoal compliance criteria).</p> | <p>The measure is reported as "Yes" (compliant) or "No" (not compliant) for each water supply. Therefore, the result is either right or wrong.</p> |
| <p><b>Water supply - continuity</b></p> <p>The number of events that cause water not to be available to any connection for more than eight hours.</p>   | <p>8% of result.</p>   |

| Material measure   | Materiality   |
|--|---------------|
| <p><b>Water supply - Customer satisfaction</b></p> <p>The total number of complaints received by the local authority about any of the following:</p> <ul style="list-style-type: none"> <li>a) drinking water clarity;</li> <li>b) drinking water taste;</li> <li>c) drinking water odour;</li> <li>d) drinking water pressure or flow;</li> <li>e) continuity of supply, and</li> <li>f) Council's response to any of the above.</li> </ul> <p>Expressed per 1000 connections to the local authority's networked reticulation system.</p> | 8% of result. |
| <p><b>Wasterwater – system adequacy</b></p> <p>The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.</p>   | 8% of result. |
| <p><b>Wastewater - Discharge compliance/ management of environmental impacts</b></p> <p>Compliance with the resource consents for discharge from its sewerage system measured by the number of:</p> <ul style="list-style-type: none"> <li>a) abatement notices;</li> <li>b) infringement notices;</li> <li>c) enforcement orders, and</li> <li>d) convictions,</li> </ul> <p>received in relation to those resource consents.</p>   | 5% of result. |
| <p><b>Roads and footpaths - safety</b></p> <p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.</p>   | 8% of result. |
| <p><b>Road condition</b></p> <p>The average quality of ride on a sealed local road network, measured by smooth travel exposure.</p>  | 8% of result. |

| Material measure   | Materiality   |
|--|---------------|
| <p><b>Stormwater flooding - system adequacy</b></p> <p>a) The number of flooding events that occur in a territorial authority district.</p> <p>For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system).</p>   | 8% of result. |
| <p><b>Stormwater - resource consents</b></p> <p>Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:</p> <p>a) abatement notices;</p> <p>b) infringement notices;</p> <p>c) enforcement orders, and</p> <p>d) convictions,</p> <p>received in relation to those resource consents.</p> | 8% of result. |
| <p><b>Building services</b></p> <p>The percentage of building consent applications processed within the statutory 20 days.</p> <p>The percentage of code of compliance certificates issued within the statutory 20 days.</p>   | 8% of result. |

## Professional judgement and professional scepticism

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated. These are areas where we must use our experience and skill to reach an opinion on the financial statements and performance information.

The term "opinion" reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set. A sceptical mind-set drives us to adopt a questioning approach when considering information and in forming conclusions.

Exercising professional scepticism means that we will not accept everything we are told at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

### **How we consider compliance with laws and regulations**

As part of the Auditor-General's mandate, we consider compliance with laws and regulations that directly affect your financial statements or general accountability. Our audit does not cover all of your requirements to comply with laws and regulations.

Our approach involves first assessing the systems and procedures that you have in place to monitor and manage compliance with laws and regulations relevant to the audit. We may also complete our own checklists. In addition, we will ask you about any non-compliance with laws and regulations that you are aware of. We will evaluate the effect of any such non-compliance on our audit.

### **Wider public sector considerations**

A public sector audit also examines whether:

- the Council carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by the Council;
- there is any sign or appearance of a lack of probity as a result of any act or omission by the Council or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by the Council or by one or more of its members, office holders, or employees.

## Reporting protocols

### Communication with management and the Council



We will meet with management and the Council throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are “no surprises”.

| Meeting with  | Planned timing  |
|---|---|
| Jeff Millward - Manager Finance and Business Support and Acting Chief Executive | 30 June 2022 and as needed throughout the audit visits. |
| Dan Gordon - Mayor  | 30 June 2022 and as needed throughout the audit visits. |
| Audit and Risk Committee  | TBC.  |

### Reports to the Council



We will provide a draft of all reports to management (and the Council) for discussion/clearance purposes. In the interests of timely reporting, we ask management to provide their comments on the draft within 10 working days. Once management comments are received the report will be finalised and provided to the Council.

As part of our final reporting to the Council we set out non-trivial unadjusted misstatements, along with reasons that the adjustments have not been made. As part of our continued focus on improving the efficiency of the annual reporting and audit process, this year we will also report adjusted misstatements in the report to the Council. The adjusted misstatements will be any made to the draft annual report received at the start of the audit.

We will also follow up on your progress in responding to our previous recommendations.



## Audit logistics

### Our team



Our engagement team is selected to ensure that we have the right subject matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise.

Our senior audit team members are:

|                 |                                    |
|-----------------|------------------------------------|
| Yvonne Yang     | Appointed Auditor                  |
| Rudie Tomlinson | Engagement Quality Review Director |
| Trevor Makanza  | Audit Manager                      |
| Amanda Luey     | Audit Supervisor                   |
| Dieter Rohm     | ISAA Manager                       |

The Engagement Quality Review (EQR) Director forms an important part of our internal quality assurance process to maintain and enhance the quality of your audit. The EQR Director is an experienced Audit Director who has sufficient and appropriate experience to objectively evaluate the judgements made by the audit team. They are independent from the day-to-day audit field work, and so can provide an independent challenge to the audit team on their judgements. The EQR will work with your Appointed Auditor and the audit team but will not have direct contact with you.

### Provisional Timetable



Our provisional timetable is:

|   |                   |
|---|-------------------|
| Interim audit begins  | TBC               |
| Draft financial statements available for audit (including notes to the financial statements) with actual year-end figures | 2 September 2022  |
| Final audit begins  | 5 September 2022  |
| Final financial statements available, incorporating all the amendments agreed to between us                               | 30 September 2022 |

|  |                 |
|--|-----------------|
| Annual report available, including any Chair and Chief Executive's overview or reports | 3 November 2022 |
| Audit opinion issued   | TBC             |
| Draft report to the Council issued   | TBC             |

*There is the possibility that, due to the shortage of auditors in the public sector, and the resequencing of public sector audits in line with the Auditor-General's sequencing framework there may be changes to the timetable proposed above. Where this arises, we will discuss a revised timetable with you.*

## **AuditDashboard**

In 2021, we used AuditDashboard, our online portal, to transfer files between your employees and Audit New Zealand. Overall, the use of AuditDashboard was run more smoothly. However, we acknowledge the reluctances of some staff to use the AuditDashboard and that the requests list could be further refined overtime.

We will again use AuditDashboard for transferring audits as part of the audit.

## **Working remotely**

Covid-19 restrictions, such as lockdowns, and resultant changes to our own and our client's work locations, including increasing numbers working from home since the start of the pandemic have meant we changed how we worked with our clients over the last two years.

Lockdowns meant that our clients and our auditors did not always have access to their premises and information and had to work remotely. For clients able to work remotely, with access to systems and electronic documentation, as well as being prepared for the audit, audits continued to progress and progress well.

Performing our audit work during higher alert level restrictions confirmed that aspects of our audit work can be done efficiently off-site. We plan to continue to perform aspects of your audit remotely as there are some benefits to you and us of having our team off-site for parts of the audit. For you these benefits include:

- Staging and sending the information we request for audit over an agreed period of time as opposed to having all the information requested ready for our arrival at one agreed date.
- Less time spent on travel, so we will have more time focus on auditing what matters and raising issues earlier.
- Reduction in disbursements as we will incur less travel and overnight costs.
- Less auditor time on site which allows you to get on with your work and enables planned focused conversations when these take place.

To complete audit work off-site and fully obtain the benefits detailed above, you will need to:

- ensure that you can assess your systems remotely; and
- store supporting documents electronically and be able to easily retrieve these.

During the previous audit, we performed some of our audit work remotely. Based on our experience we found that the Council has good systems and processes in place to facilitate any future off-site work by us.

We recognise different organisations are positioned differently to enable off-site audit work. We will be discussing and agreeing off-site working expectations in conjunction with our information requests with you as part of your 2022 audit. This will include our continued use of AuditDashboard to manage our information requests.

## Expectations



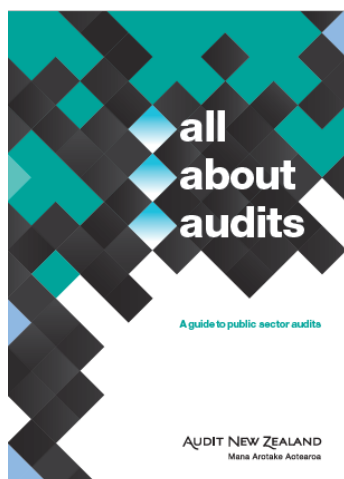
For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet.

Our respective responsibilities are set out in our audit engagement letter.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and performance information will be subjected to appropriate levels of quality review before being provided to us.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the audit. We have also published information to help explain the audit process:



## Health and safety



The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff.

Under the Health and Safety at Work Act 2015, we need to make arrangements with management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required.

We also expect management to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

[www.auditnz.parliament.nz](http://www.auditnz.parliament.nz)

Level 3, 335 Lincoln Road

PO Box 2

Christchurch 8140



## Waimakariri District Council

### Fraud enquiries: Management

#### Specific questions

| Suggested questions  | Response  |
|--|---|
| <p>How are fraud risks identified? What fraud risks have been identified? Have any disclosures been identified where there is a potential risk of fraud?</p> | <p>The Council has a Council Policy that covers Fraud Policy and Procedures. The policy covers fraud, bribery and misuse of council assets.</p> <p>The Council within its process and risk management software Promapp identifies and monitors various risks, including fraud, identifying the controls and mitigation measures that in place.</p> <p>Risk have been identified in cash handling and held, within procurement and contract management processes, invoicing, payments and change of bank accounts (Creditors, Debtors or Staff payroll). These all have mitigation measures identified, through controls, delegations, monitoring and reporting.</p> <p>The Council has adopted a number of policies that are group under the Council's Sensitivity Policies. These were reviewed and adopted by Council in 2022.</p> <p>Under the Council Sensitivity policy framework, includes a Gifts and Koha Policy which requires all gifts over \$50 to be recorded. This is to avoid the gift being seen as given in explicit or implicit expectation of a favour in return.</p> <p>Under the Conflicts policy, expectations are placed on staff to assess, identify and remove themselves from being conflicted.</p> <p>Another is the Council's Credit Card Policy which controls all expenditure that may not be initiated through the Councils Procurement and Contract Management Policy process requirements.</p> |

| Suggested questions  | Response   |
|--|--|
| <p>Has a formal fraud risk assessment been completed?</p> <p>If so, what procedures were performed and what were the results of this process? How often is this undertaken? Who is involved in this process?</p> | <p>The Council periodically undertakes independent reviews. All the recommendations to strengthen the control environment have been put in place. Another review is planned in 2022. Covid has hindered some of the timeframes identified in 2020/21 and through Collaboration with Canterbury Finance Managers.</p> <p>The Council has a Tax Risk Framework in place (currently with PWC), which involves a formal and periodic review of our controls around expenditure and risk associated with revenue and expenditure processes.</p> <p>All of the processes are recorded, with regularly reviews within the Process management system, Promapp.</p> <p>Finance staff provide a Fraud presentations/reports to the Council and to ATM each year to increase awareness that fraud may exist, who are the most likely to commit fraud or discover it, the policy requirements. The presentation signals the signs to watch for, as well as identifying the procedures under the policy. A presentation is provided to All teams.</p> <p>Procurement and Contract Management within the Council has been reviewed and strengthened. A Project Steering Group and a Control group is in place to development, monitor and control these activities. They meet generally monthly. This work was initially assisted by using a consultancy, MB Associates. The procurement work has continued through a SCG &amp; PCG.</p> <p>Our Policies outline the delegations and limits, and ongoing monitoring controls in place and play a significant part of capturing and mitigating fraud risk. These were reviewed in 2022.</p> |



| Suggested questions   | Response   |
|---|--|
| <b>Areas susceptible to a risk of material misstatement due to fraud</b>  |  |
| <p>What is management's assessment of the risk that the financial statements could include a material misstatement due to fraud? Where could this occur?</p>  | <p>The assessment of risk is low.</p> <p>The financial statements are prepared by the WDC finance team, progress is reviewed throughout the year and reported regularly to various control areas, and through to Council.</p> <p>The most likely fraud is within procurement, however the controls and delegations in place remove this risk significantly as well as work carried out of the past few years have further strengthens internal controls.</p> |
| <b>Communication about fraud</b>  |  |
| <p>How are fraud risks and the responses communicated to those charged with governance? Are those charged with governance involved in the risk assessment process?</p>  | <p>The Council Policy QP – C513. This policy outlines the processes and responsibilities.</p> <p>Regular updates on the policy are provided through staff presentations.</p> <p>Management and the A&amp;R committee are updated regularly, on any activity, should it occur.</p>  |
| <p>How are expectations of appropriate business practice and ethical behaviour communicated to employees?</p> <p>What is done if employees are not behaving appropriately?</p>  | <p>As above, these are provided through Staff awareness presentations and policy guidance – annually.</p> <p>Actions undertaken under the policy</p>   |
| <b>Actual, suspected, or alleged frauds</b>   |  |
| <p>Have any frauds been identified or are there any suspected or alleged frauds?</p>  | <p>No fraud, alleged or suspected fraud has occurred or been bought to the managements over the past year.</p>   |
| <p>What has been the result of any fraud investigations?</p> <p>How did the fraud occur? How was it identified? What happened to fraudster, how much was involved and were any monies or assets recovered?</p> <p>Please provide copies of any investigation reports for these.</p> | <p>As above n/a</p> <p>n/a</p> <p>n/a</p>  |

## Fraud enquiries: Those charged with governance

### Specific enquiries

| Suggested questions   | Response  |
|---|---|
| <b>Role in relation to fraud</b>  |   |
| What role do those charged with governance] have in monitoring management’s exercise of its fraud prevention responsibilities?  | This is covered under the Fraud Policy and Procedures.<br>There is a presented provided to both Council and Staff annually covering the Fraud Policy and areas of risk.   |
| How does management communicate identified fraud risks? How do they provide assurance that anti-fraud controls are in place and operating?                                    | There is an awareness of the policy.<br>There are discussions and updates provided to Management and Council, particularly Audit & Risk.<br>Significant work has continued to improve internal controls, that the Council have endorsed e.g. Procurement Policy.  |
| If a fraud risk assessment has been completed, what input did those charged with governance have?<br><br>Do you consider that the fraud risk assessment was a robust process? | As above a comprehensive fraud assessment was undertaken about 5 years ago and the actions from that were implemented. This has resulted in a mature approach to fraud risk and mitigation.<br><br>There has been on going work strengthening controls.<br><br>The process used was robust. This was undertaken in conjunction with Canterbury Finance Managers. There was to be another assessment through Canterbury Finance Managers, however this was delayed through covid and other priorities. |
| How are those charged with governance informed of actual, suspected or alleged frauds?  | As provided under the Policy. Generally these are taken through the Chief Executive and to Audit & Risk Committee, through to Council.  |
| <b>Actual, suspected, or alleged frauds</b>   |   |
| Have any frauds been identified or are there any suspected or alleged frauds?   | No  |

| Suggested questions  | Response |
|--|----------|
| For any identified frauds, were these investigated by management and have the results of the investigation been reported to those charged with governance? | n/a      |
| How did the fraud occur? How was it identified? What happened to fraudster, how much was involved and were any monies or assets recovered?                 | n/a      |

**WAIMAKARIRI DISTRICT COUNCIL****REPORT FOR INFORMATION**

**FILE NO and TRIM NO:** GOV-26 / 220706115023

**REPORT TO:** AUDIT AND RISK COMMITTEE

**DATE OF MEETING:** 19 July 2022

**AUTHOR(S):** Thea Kunkel, Governance Team Leader

**SUBJECT:** Reporting on LGOIMA Requests for the period 1 May to 30 June 2022

**ENDORSED BY:**  
(for Reports to Council,  
Committees or Boards)

\_\_\_\_\_ General Manager \_\_\_\_\_ acting Chief Executive

**1. SUMMARY**

1.1 This report provides an update to the Audit and Risk Committee on the requests for information made under the Local Government Official Information and Meetings Act 1987 (LGOIMA).

Attachments:

i. Table of requests from 1 May to 30 June 2022 (Trim 220706115067).

**2. RECOMMENDATION**

**THAT** the Audit and Risk Committee:

- (a) **Receives** Report No. 220706115023 for information.
- (b) **Notes** that the Council responded to 19 official requests of information from 1 May to 30 June 2022, which was two less than the 21 official requests responded to in the same period in 2021.

**3. BACKGROUND**

- 3.1 Any member of the public may make a request for official information to the Council, and the LGOIMA prescribes how these requests are to be managed, the statutory timeframes for dealing with them and the basis of decision making on the release of information. The LGOIMA is the local government version of the Official Information Act, 1982 that people may be more familiar with, which applies to central government agencies.
- 3.2 Decisions on the release of information are delegated to the Chief Executive under the LGOIMA and are sub-delegated to the Governance Manager.
- 3.3 LGOIMA information is provided monthly to the Management Team, and regularly to the Audit and Risk Committee. The previous report covered the period of 1 January to 30 April 2022. This report covers the time period of 1 May to 30 June 2022.

**4. ISSUES AND OPTIONS**

- 4.1 The Council processes requests for information in accordance with the LGOIMA and the Privacy Act 2020. The aim is to balance issues of transparency and public interest with limits on the disclosure of personal information.

- 4.2 All information will be provided unless there is a good reason under the provisions of the LGOIMA for not releasing it. The Council is entitled to consider not releasing information if it would:
- prejudice the maintenance of the law
  - endanger the safety of any person
  - breach the privacy of any person
  - disclose confidential or commercially sensitive information
  - cause serious offence to Tikanga Maori or disclose the location of Waahi Tapu
  - breach an obligation of confidence
  - prejudice: public health or safety; the Council's right to legal professional privilege; the commercial activities of the Council; or negotiations being carried out by the Council.
- 4.3 Below in Table 1 is a summary of the number of official requests that the Council responded to from January 2022 to June 2022. The Council takes an average of 13 days to respond to official requests. If the Council could not meet the statutory requirements, the applicant was advised of the Council's decision to provide the information and that an extension of time would be required per the provisions of Section 13(1) of the LGOIMA.

| Month         | Number of applications responded to | Number of responses not meeting the statutory requirements         |
|---------------|-------------------------------------|--|
| January 2022  | 6                                   | None   |
| February 2022 | 7                                   | None   |
| March 2022    | 13                                  | 2 (large volumes of information requested) DIA and 3waters matters |
| April 2022    | 7                                   | None   |
| May 2022      | 12                                  | 1 (large volume of information requested) DIA and 3waters matters  |
| June 2022     | 7                                   | None   |
| <b>Total</b>  | <b>52</b>                           | <b>3</b>   |

**Table 1:** Summary of the number of Official Request

- 4.4 To promote greater transparency in the operation of the LGOIMA, the Ombudsman publishes data on the LGOIMA complaints his office receives on a six-monthly basis. The data for July 2021 to December 2021 was published on 9 March 2022. The Ombudsman report advised one complaint pertaining to the WDC from an applicant who had been advised that he would be charged for the large volume of information requested. The applicant declined to pay or refine his request so the information was not complied or released. The Ombudsman accepted that the Council is willing to provide the information (having never declined the request) and that a reasonable amount of work is involved in its collation. The matter is yet to be fully concluded to the requesters satisfaction and remains with the Ombudsman.
- 4.5 Requests can take staff approximately one to two hours to respond to straightforward matters, to a number of days. There is an internal process involving several different staff and their managers for checking content prior to releasing of information. The Council currently do not generally charge for requested information. However, occasionally, the Council receives a request for information that requires a substantial amount of staff resources to respond to. In these rare instances the applicant is advised prior to the work being undertaken and options to refine the request are explored. Whilst there is an option to charge under legislation, there are criteria so the staff are undertaking a review and a draft policy will be presented to the incoming Council for consideration. The policy will align with the guidelines set by the Ministry of Justice, and processes in line with best practice from the Ombudsman's office.
- 4.6 This report serves as an accountability tool to show that the Council is meeting its statutory obligations; it also highlights the number of requests being received and what information is being sought, which may have a public interest element.

- 4.7 There are no social and cultural implications on community wellbeing by the issues and options that are the subject matter of this report.
- 4.8 The Management Team has reviewed this report and supports the recommendations.

## **5. COMMUNITY VIEWS**

### **5.1 Mana whenua**

Taking into consideration the provisions of the Memorandum of Understanding between Te Ngāi Tūāhuriri Rūnanga and the Council, Te Ngāi Tūāhuriri hapū are not likely to be affected by or have an interest in the subject matter of this report.

### **5.2 Groups and Organisations**

There are no other groups and organisations other than those who requested information likely to be affected by or interested in this report's subject matter.

### **5.3 Wider Community**

This report's subject matter will not likely affect the wider community. However, some of the information requested may be of public interest.

## **6. OTHER IMPLICATIONS AND RISK MANAGEMENT**

### **6.1 Financial Implications**

Generally, the Council do not charge for LGOIMA requests. However, occasionally, if a request is received for a significant amount of information or requires substantial collation and research, or the Council receives a large number of requests from the same person in a short timeframe, which taken together require a large amount of staff resource to respond to, the Council may consider imposing a charge. Council's practice on charging for LGOIMA requests is in line with the guidelines set by the Ministry of Justice.

### **6.2 Sustainability and Climate Change Impacts**

The recommendations in this report do not have sustainability or climate change impacts.

### **6.3 Risk Management**

There are no risks arising from the adoption of the recommendations in this report.

### **6.3 Health and Safety**

None.

## **7. CONTEXT**

### **7.1 Consistency with Policy**

These matters are not matters of significance in terms of the Council's Significance and Engagement Policy.

### **7.2 Authorising Legislation**

- Local Government Official Information and Meetings Act 1987 (LGOIMA).
- Privacy Act, 2020

### **7.3 Consistency with Community Outcomes**

People have wide ranging opportunities for learning and being informed and our people are easily able to get the information they need.

There are wide ranging opportunities for people to contribute to the decision making that affects our District.

### **7.4 Authorising Delegations**

Decisions on the release of information is delegated to the Chief Executive under the LGOIMA and is sub-delegated to the Governance Manager.

**LGOIMA REQUESTS FROM 1 MAY TO 30 JUNE 2022.**

| <b>DATE RECEIVED</b> | <b>REQUESTER</b>              | <b>SUBJECT</b>   | <b>DATE OF OFFICIAL RESPONSE</b> | <b>TIME FRAME OF RESPONSE (DAYS)</b> | <b>COMMENTS</b>  |
|----------------------|-------------------------------|--|----------------------------------|--------------------------------------|--|
| 2/05/2022            | Researcher                    | Number of infringement notices for stationary vehicle offences.            | 17/05/2022<br>27/05/2022         | 11<br>18                             | Responded in two parts                                       |
| 2/05/2022            | Office of Simon Watts (MP)    | Building and Resource Consents processed within statutory timeframe.       | 18/05/2022                       | 12                                   |  |
| 4/05/2022            | Taxpayers' Union              | Information for Taxpayers' Annual National Report.                         | 18/05/2022<br>31/05/2022         | 10<br>18                             | Responded in two parts                                       |
| 4/05/2022            | Office of Gerry Brownlee (MP) | Average wait time for a Council building inspection on construction work.  | 12/05/2022                       | 6                                    |  |
| 12/05/2022           | Private Individual            | The publicly available documentation for resource consent RC195361.        | 31/05/2022                       | 13                                   |  |
| 12/05/2022           | Private Individual            | Alcohol and food licences for the Rustic Country Hotel, Oxford.            | 18/05/2022                       | 4                                    |  |
| 19/05/2022           | Researcher                    | Local road access classification in emergencies.                           | 10/06/2022                       | 16                                   |  |
| 23/05/2022           | Private Individual            | The documents of the entity that is the Waimakariri District Council.      | 8/06/2022                        | 17                                   | Transferred to Rotorua District Council for partial response |
| 25/05/2022           | Private Individual            | Building Consents stats for the 2020/21 financial year.                    | 31/05/2022                       | 4                                    |  |
| 31/05/2022           | Private Individual            | Copy of the most recent Drinking Water Safety Plan.                        | 10/06/2022                       | 13                                   |  |
| 1/06/2022            | Private Individual            | Waimak Junction Consent and Plan Change 30.                                | 17/06/2022                       | 12                                   |  |
| 1/06/2022            | Researcher                    | Results of water testing of the Waimakariri community supply bores/points. | 17/06/2022                       | 12                                   |  |

| DATE RECEIVED         | REQUESTER                               | SUBJECT  | DATE OF OFFICIAL RESPONSE | TIME FRAME OF RESPONSE (DAYS) | COMMENTS                       |
|-----------------------|---|--|---------------------------|-------------------------------|--------------------------------|
| 7/06/2022             | Private Individual                      | Regional benefits of the sports stadium in Christchurch. | 9/06/2022                 | 2                             |                                |
| 7/06/2022             | Reporter<br>Radio New Zealand           | Communications/media staff employed by the Council       | 23/06/2022                | 12                            |                                |
| 21/06/2022            | Private Individual                      | Number of Building Consent applications received.        |                           |                               | Request still being processed  |
| <del>21/06/2022</del> | Private Individual                      | Downs Road - Easement                                    | <b>WITHDRAWN</b>          |                               | Request withdrawn by applicant |
| 30/06/2022            | Oxford Promotions Action Committee Inc. | Funding for road works on Main Street, Oxford            |                           |                               | Request still being processed  |
| 30/06/2022            | Researcher                              | Budget information for the 2022/23 financial year        |                           |                               | Request still being processed  |