



Annual Report

For the year ended

30 June 2010

www.waitaki.govt.nz

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Chief Executive Report

Chief Executive Report

KEY ISSUES – THE LONG TERM VIEW

The Annual Report 2009/10 details Council's progress in year one of the Long Term Council Community Plan 2009-19 (LTCCP). Council adopted the LTCCP on June 30, 2009 after extensive public consultation. The LTCCP "houses" the Annual Plans.

So this Annual Report reports on our progress towards the longer term direction set through the LTCCP. The 'direction' turns on a number of key issues Council identified during the LTCCP community consultations:

- **Investment in infrastructure** (what is the 'right' level of road and water infrastructure for our low population but geographically large District?);
- **Waste minimization, rubbish and recycling** (how can Council extend the operational life of the Oamaru Landfill and should Council compete against private rubbish collectors?);
- **Development of Community Assets** (the community wants to upgrade the Museum/Library and Forrester Gallery but funding will need to come largely from outside the District);
- **Service Level Reductions** (elected members want to set annual rates increases at or near consumer price inflation. What service levels should be cut to achieve low rate increases?);
- **How we pay – changes to rates and charges** (surveys of Waitaki residents show a strong preference for more 'user pays' over general rates).

The purpose of this report is to inform you about our progress on these key issues in 2009/10. The 'Year In Review' section details what we did on these key issues as well as the 'business as usual' matters.

Local government is full of surprises. This year was no exception;

- The District was buoyed by the announcement of central government funding of \$2.75 million for the 300km **Alps to Ocean" Cycle Trail** from Mt. Cook to Oamaru. The level of community support for the project is very high. Considerable work has already been done on this project – our staff and the Waitaki Development Board are closely engaged. Council has already completed the last 1.5km of the track at Oamaru Harbourside to signal its commitment. Prime Minister John Key opened the last section of the track in May 2010. Council also completed the long awaited Wansbeck Street extension;
- The 'once in a hundred years' **May 2010 floods** caused more than \$1.5 million damage to our roading and bridge networks. Prior to the floods, New Zealand Transport Agency (NZTA) had announced cuts of \$3 million to our roading budget over the next three years - especially to planned seal extensions;
- NZTA cuts and **tougher external funding environment** for community projects combined to cause a sharp drop in capital expenditure. 'New capital' expenditure by Council was \$3.0 million in 2009/10, much lower than the budget of \$9.2 million and the \$7.5 million spent in 2008/09;
- Council expected external funding to redevelop the **Forrester Gallery** in 2009/10. That funding did not eventuate as detailed design has yet to get Council approval. Grants from community organizations outside the District are much harder to access – and need detailed costings before grant applications can be made;

Chief Executive Report

- The **District Plan** finally became operative in August 2010 after submissions opened back in December 1996. Council staff worked through over 3000 submissions and 1300 appeals to get the Plan 'over the line'.

We can't deal with these kinds of surprises and challenges alone. We would like to take this opportunity to acknowledge and thank those Councillors, Community Board members and staff who contribute their vision, commitment and hard work to our District.

A special mention goes to all volunteers who strengthen the District in so many ways. Hundreds of volunteers serve the community through fire-fighting and Civil Defence teams. Volunteers work at the Forrester Gallery, North Otago Museum, Libraries, Opera House and other Council and community activities. Council acknowledges the voluntary work of community members serving on water and hall committees. We deeply appreciate all these contributions.

Even in difficult economic times, there is potential good news on the radar screen:

- The Waitaki will be boosted if Holcim go ahead with their \$400 million cement plant. As many as 400 jobs will be created. Latest indication is that Holcim will make their decision in November 2010;
- Dairy processing plants will enable us to add more value locally;
- Meridian's North Bank Tunnel scheme creates further growth prospects;
- The 'Alps to Ocean' cycleway will increase tourist arrivals to Waitaki.

We invite you to read on to find out more about how Council contributed in 2009/10 towards making the Waitaki District a great place to live.



A handwritten signature in dark ink, which appears to read 'Michael Ross'. The signature is stylized and fluid.

Michael Ross
Chief Executive

Council Only Financial Summary

Financial Statistics

Council Only	Actual 2010	Annual Plan 2010	Actual 2009
Proportion of rates to total income (%)	62%	53%	54%
Average rates per rateable property	\$1,714	\$1,706	\$1,666
Net public debt external (as a percentage of total assets)	0.0%	0.27%	0.14%
Net public debt internal (as a percentage of total assets)	3.4%	3.62%	3.72%
Net public debt external (per rateable property)	\$1	\$134	\$66
Net public debt internal (per rateable property)	\$1,785	\$1,800	\$1,813
Current ratio ¹	1.67	0.78	1.09
Liquid ratio ²	1.84	0.84	1.19
Net public debt per capita external	\$0.69	\$92	\$45
Net public debt per capita internal	\$1,208	\$1,240	\$1,240
Finance costs (as a percentage of total income)	0.11%	0.16%	0.21%

Five Year Financial Summary (\$'000)

Council Only	2010	2009	2008	2007	2006 (3)
Rates	23,884	23,046	21,583	20,096	18,530
Net surplus/(deficit)	(352)	6,905	11,202	4,305	2,613
Cashflows					
Operating Activities	14,283	12,467	10,600	11,319	9,307
Investing Activities	(12,690)	(11,450)	(12,995)	(17,081)	(12,889)
Financing Activities	(903)	(753)	1,647	(11)	(37)
Net (Decrease) /Increase in cash held	690	264	(748)	(5,773)	(3,619)
Net Public Debt – External	14	917	1,670	23	34
Net Public Debt – Internal	24,441	25,074	26,745	21,290	10,866
Total Assets	689,905	676,450	620,221	582,564	553,736

¹ Current ratio is the ratio of current assets to current liabilities

² Liquid ratio is the ratio of current liquid assets (cash and cash equivalents, trade and other receivables, other financial assets) to liquid liabilities (trade and other payables, borrowings)

³ These amounts were prepared under the accounting standards that applied at the time they were originally prepared and have not been adjusted to comply with NZIFRS.

Outcomes, Policies, Plans and Statements

Community Outcomes

Community Outcomes

In 2005 Council facilitated a process of gauging Community Outcomes, i.e. residents' aspirations for the District's future. These aspirations, that we call Community Outcomes, build the base for and have been included in the Waitaki Community Plan 2009-19.

Waitaki people are safe and healthy

- We feel safe in our homes and on our streets.
- We work together to protect people and property.
- We support policing, particularly in small and rural communities.
- We enjoy secure access to primary health services.
- Our existing Waitaki hospital services are retained and improved while out-of-District hospital services are easily accessed.
- Our people have easy access to social services and advice in times of need
- We have active, healthy lifestyles supported by easy access to a wide variety of physical recreation and health education.
- We promote hauora and holistic wellbeing for all our communities.
- We encourage and promote cycling and walking for health and commuting purposes by providing safe cycleways and walkways.

Waitaki rivers and water are managed for the future

- Workable plans for Waitaki catchments are in place.
- We have quality drinking water.
- We protect our water supplies and water bodies from pollution and contamination.
- We have reliable water supply for homes, farms and industries.
- We recognize the social and recreational values associated with our waterways.
- We recognize mana whenua values associated with our waterways, including respecting the mauri of waterways and ensuring access to mahika kai.

Waitaki's distinctive natural environment is valued and protected

- We enjoy access to our beaches, lakes and rivers, while respecting and upholding the rights of property owners.
- All land use is managed sustainably and sensitively, with particular attention to coastal and other areas of environmental and cultural significance.
- We maintain the integrity of our natural and cultural landscapes including waahi tapu and waahi taoka.
- We manage our waste stream to minimize residual waste to landfill.

Waitaki people have access to life-long learning

- Our pre-school children have access to a range of quality early childhood education and childcare facilities.
- We retain a network of quality primary and secondary schools enabling access for children within reasonable travelling distances.
- Schools remain an integral part of our communities.
- Our secondary, tertiary and employment training providers address the social, cultural and economic needs of the District.
- Our small and rural communities can access interactive distance learning.
- Our education system promotes learning of Maori culture and identity with the support and guidance of mana whenua.

Community Outcomes

Waitaki has a diverse, sustainable and growing economy

- Our economic development is in balance with social, cultural, environmental and mana whenua aspirations.
- We have low compliance costs for businesses.
- We provide support and advice for new and existing enterprises, especially small and medium-sized businesses.
- Our infrastructure enables and responds to economic growth.
- Sustainable well-paid employment provides whanau with a greater degree of self-determination.
- Our cultural and natural heritage and landscapes contribute significantly to economic diversity and success.

Waitaki's unique culture and heritage are preserved and celebrated

- All our communities share their culture and heritage with growing numbers of visitors.
- Our development in lower Thames Street and the Oamaru Harbourside area provides an attractive pedestrian-friendly destination that is sympathetic to the built heritage.
- A range of easily accessed facilities and events enable participation and enjoyment of sporting and cultural activity by all members of the community.
- We celebrate the unique heritage and culture of the mana whenua.

Waitaki is served by responsive and efficient government

- We can be involved in decisions that affect us.
- Central government enables more freedom for local decision-making.
- Our local and central governments demonstrate efficient and effective use of resources.
- We consider rates to be fair.
- We ensure that our communities' values and cultural imperatives are recognized and catered for.

Waitaki has strong and proud communities

- We have strong, well-supported community groups and recognize and value our volunteers.
- We value parenting and whanau and encourage strong, healthy relationships.
- We value cultural diversity.
- New residents are attracted and welcomed to the District.
- We ensure that our communities' values, including mana whenua values, are recognized and catered for.

Waitaki has essential transport networks and services

- We have affordable, reliable and accessible transport services that meet the needs of the community.
- We have a safe and affordable roading network.
- Regular air services are available at Oamaru airport.
- We respect cultural heritage and landscape values in our construction and maintenance of transport networks.

Community Outcomes Monitoring



Annual Monitoring

Council must report the results of any measurement undertaken during the year of progress towards the achievement of community outcomes in the Annual Report and to describe any effects that Council's activities have had on the social, economic, environmental or cultural wellbeing of the community. To that purpose, current results for 28 of the 47 outcome indicators are reported in this Annual Report. The rest of the measures can only be reported on by partners other than Council and will be monitored every three years.

The 28 indicators reported against have been grouped into Council's eight groups of activities.

They show how the Council contributed in 2009/10 towards achieving community outcomes.

Several indicators such as resident satisfaction ratings serve as both outcome indicators and performance measures. Those have been marked 'performance measure' and refer to the page they can be found on in this Annual Report to avoid duplication.

Community Outcomes Monitoring



Roads, Port and Airport Group of Activities

- Resurfaced 61.8km of roads and 10,796m² of footpaths
- Sealed Gardiners Road
- Commenced reviews of implementation procedures for a wide range of roading activities e.g. stock underpasses, extent of network, vehicle crossings, Oamaru Town Centre parking etc.
- Constructed kerb and channel in Jessop Street
- Completed the Wansbeck Street extension and cycleway from Humber Street to the Penguin Colony
- Repaired flood damage to roads and bridges following the May 2010 floods.

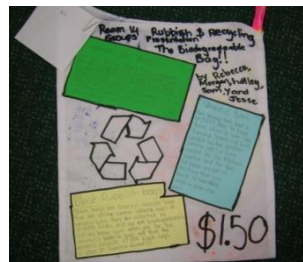
Roads, Port and Airport Group - Contribution to Community Outcomes

Joint Lead Agency: Waitaki has essential transport networks and services
 Lead Agency: Waitaki's unique culture and heritage are preserved and celebrated
 Support Agency: Waitaki people are safe and healthy, Waitaki has a diverse, sustainable and growing economy

Contributes to economic and social wellbeing

Outcome Indicator Selection	Outcome Snapshot Performance 2009/10
2.+ 44 Crashes / Casualties per 10,000 population	10 year moving average reduction on: Number of crashes; Number of fatal crashes; Number of severe injury crashes; Number of minor injury crashes
43. Resident satisfaction with roads and footpaths	Residents Survey 2010 recorded: 70% resident satisfaction with footpaths (70% in 2009) and 67% satisfaction with Council roads (65% in 2009).
45. Narrative indicator on developments at Oamaru Airport	Eagle Air ceased all commercial flights from the airport in December 2009. Council continues to maintain the terminal buildings.

Community Outcomes Monitoring



Water and Waste Group - Contribution to Community Outcomes

Support Agency: Waitaki people are safe and healthy
 Waitaki rivers and water are managed for the future
 Waitaki's distinctive natural environment is valued and protected
 Waitaki has a diverse, sustainable and growing economy

Contributes to social, environmental and economic wellbeing.

Outcome Indicator Selection	Outcome Snapshot Performance 2009/10
11. Drinking water quality (A, B, C, D, E grades; from A= completely satisfactory to E= unacceptable level of risk; according to the Ministry of Health drinking water grading system)	Achieved the highest possible water quality rating. Public Health South (PHS) graded the Oamaru Water Treatment Plant (WTP) and three of the five distribution zones in Oamaru. PHS awarded the Oamaru Water Treatment Plant an 'A' grading and the North End, South Hill and Tower zones were each awarded an 'a' grading. The 'Aa' grading is a major achievement for Oamaru and confirmation of value of the investment in the Oamaru WTP. Some rural water supplies continued to issue 'boil water' notices. The May 2010 floods exacerbated water quality problems. Council temporarily shut down some water supplies to avoid intake of dirty water. The planned upgrades to rural water treatment supplies will significantly improve drinking water quality outside of Oamaru.
17. Annual tonnage of residual waste disposed of at landfill	Reduced tonnage of waste going to Oamaru Landfill to 9,440 metric tonnes in 2009/10 compared to 11,084 metric tonnes the previous year.

Community Outcomes Monitoring



Planning Group – Contribution to Community Outcomes

Lead Agency: Waitaki is served by responsive and efficient government
 Support Agency: Waitaki's distinctive natural environment is valued and protected
 Waitaki has a diverse, sustainable and growing economy

Contributes to environmental, economic and social wellbeing

Outcome Indicator Selection	Outcome Snapshot Performance 2009/10
15. Narrative indicator on District Plan achievements	Performance measure – page 48
32. Resident satisfaction with level of consultation.	Performance measure – page 46

Community Outcomes Monitoring



Regulatory Group - Contribution to Community Outcomes

Support Agency: Waitaki people are safe and healthy

Contributes to social wellbeing

Outcome Indicator Selection

Outcome Snapshot Performance 2009/10

None of the outcome indicators/measures directly relate to these Council activities. For information on how Council performed in these areas, please see performance measures on pages 54 - 57.

Council also contributes to the first half of the outcome “Our existing Waitaki hospital services are retained and improved while out-of-District hospital services are easily accessed”, as Council operates the Oamaru Hospital through its 100% Council-controlled organisation Waitaki District Health Services Limited (WDHSL). WDHSL produce its own annual report, a summary of which can be found on pages 95 - 99 in this report.

Community Outcomes Monitoring



Parks & Recreation - Contribution to Community Outcomes

Support Agency: Waitaki people are safe and healthy, Waitaki's distinctive natural environment is valued and protected
 Lead Agency: Waitaki has strong and proud communities

Contributes to social wellbeing.

Outcome Indicator Selection

Outcome Snapshot Performance 2009/10

None of the outcome indicators/measures directly relate to these Council activities. For information on how Council performed in these areas, please see performance measures on pages 59 - 63.

Community Outcomes Monitoring



Arts, Heritage & Community Contribution to Community Outcomes

Lead Agency:	Waitaki's unique culture and heritage are preserved and celebrated Waitaki has strong and proud communities
Support Agency:	Waitaki people are safe and healthy Waitaki has a diverse, sustainable and growing economy Waitaki people have access to life-long learning

Contributes to social and economic wellbeing.

Outcome Indicator Selection	Outcome Snapshot Performance 2009/10
1. Perception of Safety	Residents' survey 2010 recorded 99% of residents perceive the Waitaki District is generally a safe place to live, compared with the target of 90% and the 2007 comparable survey result of 97%.
3. Community involvement in crime reduction activities	<p><i>Waitaki Alcohol Harm Reduction project:</i></p> <ul style="list-style-type: none"> Received two years funding from NZ Transport Agency to continue and evaluate the Recidivist Drink Drive Prevention programme. Our Community, Our Responsibility..... Continued working with the wider community such as the Pacific Island community, parents, youth, front line staff from licensed premises etc to reduce alcohol related harm. <p><i>Graffiti Eradication and Prevention project:</i></p> <ul style="list-style-type: none"> A dramatic decline in graffiti vandalism and an increase in prosecutions and reparation. 2010/11 will be the last year of the Ministry of Justice funding. Successful implementation of the TAG (students Totally Against Graffiti vandalism) programme in the schools. <p><i>Road Safety</i></p> <ul style="list-style-type: none"> Slight decline in fatal and injury crashes in Waitaki. Successful implementation of the Streetsmart programmes where 95% of the schools in Waitaki participated in activities. Successful 2 year funding from NZ Transport Agency for Waitaki Road Safety activities.



Community Outcomes Monitoring

Outcome Indicator Selection	Outcome Snapshot Performance 2009/10
30. Narrative indicator: Which parts of the Culture & Heritage Strategy have been implemented?	<p>Progress was made towards achieving outcomes in Council's three cultural facilities:</p> <ul style="list-style-type: none"> • North Otago Museum – several minor building projects, new computer system for collection management, support for other heritage providers/activities • Forrester Gallery – refinement of architectural brief for major redevelopment, improvements to artwork storage. Due to external funding difficulties, the redevelopment is behind schedule and could be cancelled if funding problems persist.

Outcome Indicator Selection	Outcome Snapshot Performance 2009/10
39. Narrative indicator on community development	<p>Youth Council Three members attended the Youth in Local Government Conference in Wellington.</p> <p>Community Development In the LTCCP, Council reduced its involvement in Community Development. This means previous levels of service provided through a dedicated Community Development Advisor were discontinued from 1 July 2009.</p>

Community Outcomes Monitoring



Economic Development Group – Contribution to Community Outcomes

Support Agency: Waitaki has a diverse, sustainable and growing economy (Lead Agency: Waitaki Development Board)
 Lead Agency: Waitaki's unique culture and heritage are preserved and celebrated

Contributes to economic wellbeing.

Outcome Indicator Selection	Outcome Snapshot Performance 2009/10
27. Guest nights: percentage change annually	Performance measures – page 78.

Council and Community Boards Group - Contribution to Community Outcomes

Lead Agency: Waitaki is served by responsive and efficient government

Contributes to all four wellbeings.

Outcome Indicator Selection	Outcome Snapshot Performance 2009/10
Only one of the outcome indicators is determined by these Council activities. For information on how Council performed in these areas, please see performance measures on page 82 - 84	

Audit Report and Statement of Compliance

Audit Report

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Audit Report

To the readers of Waitaki District Council and group's financial statements and service provision information for the year ended 30 June 2010

The Auditor-General is the auditor of Waitaki District Council (the District Council) and group. The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements, the service provision information and the District Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are included in the annual report of the District Council and group for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of the District Council and group on pages 104 to 144:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council and group's financial position as at 30 June 2010; and
 - the results of operations and cash flows for the year ended on that date.
- The service provision information of the District Council on pages 23 to 85:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service provision for the year ended 30 June 2010, including:
 - the levels of service provision as measured against the intended levels of service provision adopted in the long-term council community plan; and
 - the reasons for any significant variances between the actual service provision and the expected service provision.
- The District Council and group have complied with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report, and that are included in the District Council and group's financial statements and service provision information.

The audit was completed on 1 November 2010, and is the date at which our opinion is expressed.

Audit Report

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, the service provision information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, the service provision information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, the service provision information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether the significant management and system controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported financial and service provision data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied;
- determining the appropriateness of the reported service provision information within the Council's framework for reporting performance; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, the service provision information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, the service provision information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Audit Report

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements and service provision information in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2010. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The service provision information must fairly reflect the District Council's levels of service provision for the year ended 30 June 2010.

The Council is also responsible for meeting the other requirements of Schedule 10 of the Local Government Act 2002 and including that information in the annual report. The Council's responsibilities arise from section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, the [service provision information] and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit and in carrying out the audit of long-term council community plan, we have no relationship with or interests in the District Council or any of its subsidiaries.



John Mackey
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Statement of Compliance & Responsibility

Compliance

- Council and management confirm that all the statutory requirements of the Local Government Act 2002, regarding financial management and borrowing, have been complied with.

Responsibility

- Council and management accept responsibility for the preparation of the Annual Report Financial Statements and the judgements used in them.
- Council and management accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- In the opinion of Council and management, the Annual Report Financial Statements for the year ended 30 June 2010 fairly reflect the financial position and operations of Waitaki District Council and Group.



Michael Ross
Chief Executive

1 November 2010



Alex Familton
Mayor of Waitaki

1 November 2010

The Year In Review

The Year In Review

How did Council move the key issues forward in 2009/10?

Investment in infrastructure:

- Roading was problematic in 2009/10. The New Zealand Transport Agency (NZTA) cut funding to Waitaki – immediately *after* we had finalized the LTCCP. Cuts were heaviest to seal extension budgets. Council decided not to go ahead with unsubsidized road works – to “match” the NZTA cuts. Total operational and capital expenditure on roads was \$15.3 million in 2009/10 compared with the budget of \$18.9 million and the 2008/09 total of \$15.4 million.
What does this fall in actual outlays on roading mean for the ‘level of service’ from roads? Given the long life of roads and the complicated relationships between maintenance and capital expenditure, we think the answer to this question will become clearer over the next two years of further NZTA cuts (all up, the cuts total \$3 million). For now, the tentative conclusion is ‘no change to the level of service’;
- Water treatment is another activity where the need for large capital expenditures was identified in the LTCCP. We note the large lift in residents’ satisfaction with water supply after the upgrades to Oamaru water treatment. Now, mandatory upgrades to water drinking quality have irritated parts of the rural community. These users protested the compulsory nature of the upgrades during – and after – the LTCCP consultations. Council in 2009/10 re-prioritized the order of the upgrades to rural Water Schemes and found ways to save capital costs – by hooking Weston up to the Oamaru water supply for example. Council has proposed and is consulting on similar economies achievable by combining some smaller rural water supplies;
- Oamaru Port: Council made initial steps forward in 2009/10. The opening of the Harbourside Cycleway and completion of the Wansbeck Street extension were the first steps towards revitalization of the Harbour area. These substantive actions brought 20 years of talking to an end. Council also brought forward Coastal erosion work, by enriching the beach north of Holmes Wharf, to provide some protection to the penguin refuge. North of Oamaru Creek, Council let the contract to construct a seawall linked to the seawall protecting Tranzrail. Construction has begun. But the dredging of the Harbour entrance encountered technical problems. Council was able to improve the channel for last summer’s boating, but actual depth was less than the target service level of minimum four metres depth. Council is looking for a sustainable, repeatable solution to maintain the channel. We are now trialing a suction barge. User charges at the Port cover only a small fraction of operating costs. Oamaru urban ratepayers continue to subsidize the Port.

Waste minimization, rubbish and recycling:

- ‘Black bags’: Council committed in the LTCCP to stop selling ratepayer subsidized ‘black bags’ for kerbside collection (private contractors had taken most of the market). Council went ahead and stopped selling the bags late 2009. Savings to ratepayers will be \$1.3 million over the ten years of the LTCCP;
- Waste minimization through the pricing mechanism: Council is concerned at the high costs of opening a new landfill in Waitaki (up to \$20 million). So extending the life of the current landfill is essential. Council committed in the LTCCP to progressively “step up” the cost per tonne of depositing waste at the Oamaru Landfill. Council in 2009/10 did increase the charges and waste volumes fell for the second year. Profits are used to subsidize the Resource Recovery Park.

The Year In Review

Development of Community Assets:

- Council had to defer the planned Forrester Gallery extension in 2009/10 because of difficulties in attracting external funding. Council had planned to spend \$3.9 million in 'new capital' on the Forrester. Council has established a Committee to develop funding opportunities. Actual new capital for the Forrester in 2009/10 was just \$42,000.
- Timing effects meant that some capital expenditure on the Opera House drifted into 2009/10;
- Total new capital for 'Arts, Heritage and Community' was \$0.6 million in 2009/10 compared with the LTCCP budget of \$3.9 million;
- The New Zealand economy and capital markets are weak. Attracting external funding for community assets will likely be difficult over the next few years;
- Council worked closely with sports organisations to study user requirements at Whitestone Contracting Centennial Park. The study identified that a Sports House at the park would be an important strategic development. Council has developed plans and applied for funding. If Council attracts funding we will build the Sports House in 2011.

Service Level reductions:

- Council budgeted for \$462,000 of small service level reductions across many budgets. The actual results for 2009/10 show that Council was able to meet budget, therefore successfully achieving these service level reductions. Council received few complaints as a direct consequence of these service level reductions.

How we pay – changes to rates and charges:

- Council planned to introduce two major initiatives to rating methods. These were a 50% extension of the Oamaru Business Area and a change in the basis of collection of the Uniform Annual General Charge (UAGC). Both these policies were successfully implemented.

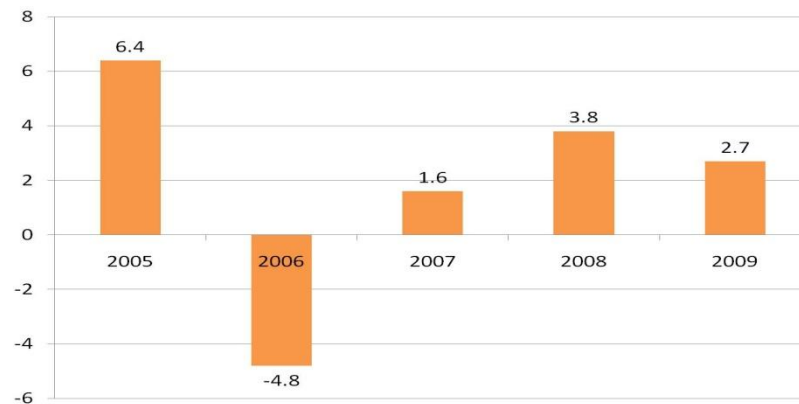
THE ECONOMY AND WAITAKI PEOPLE

The really good news for our District is that despite the economic recession in New Zealand, the Waitaki economy continued to expand. Waitaki Gross Domestic Product (GDP) grew by 2.7 per cent in 2009¹. New Zealand GDP shrank by 1.1 per cent over the same period. Waitaki continued to grow while the NZ economy went into reverse.

¹ One year to March 2009

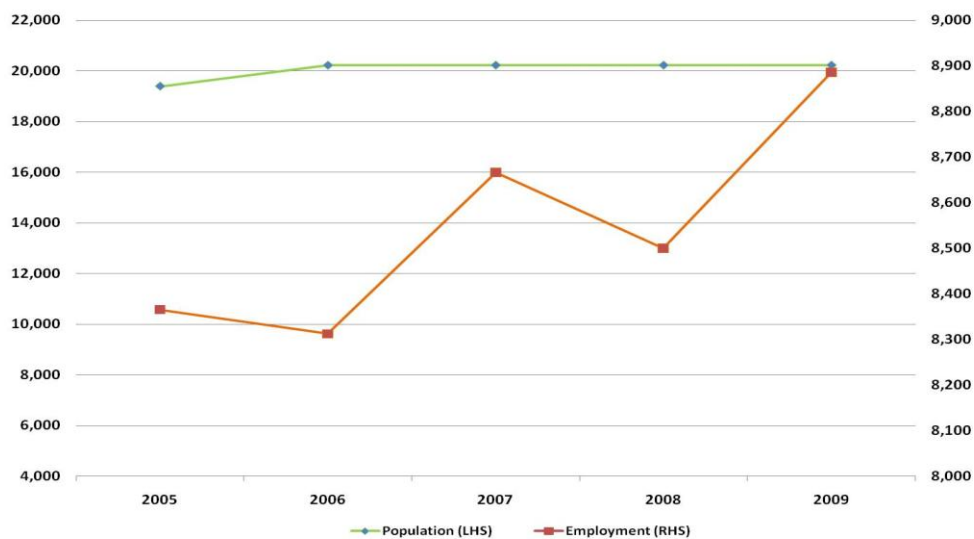
The Year In Review

Graph 1: Waitaki Real GDP Growth (per cent change)



Graph 1 shows that the Waitaki economy grew by 2.7 per cent in 2009 compared with 3.8 per cent in 2008. The pattern of growth differed in 2009 to the previous year. 'Personal and household goods wholesaling' grew strongly as did 'property services'. Agriculture and mining – the 'stars' of 2008 – fell marginally in 2009.

Graph 2: Waitaki People 2005 – 2009



Full time employment grew by 5.3 per cent in 2009 compared with growth of 0.7 per cent in NZ. Graph 2 shows record employment of nearly 8,900 people in Waitaki. Employment in business services and social services grew strongly in 2009.

Lack of population growth continues to constrain Waitaki's longer term prospects. Our large infrastructure costs – particularly roading and water supply – are spread over too few people. Graph 2 shows that the District population did not grow in 2009 and has 'plateaued' at just over 20,000 people since 2006.

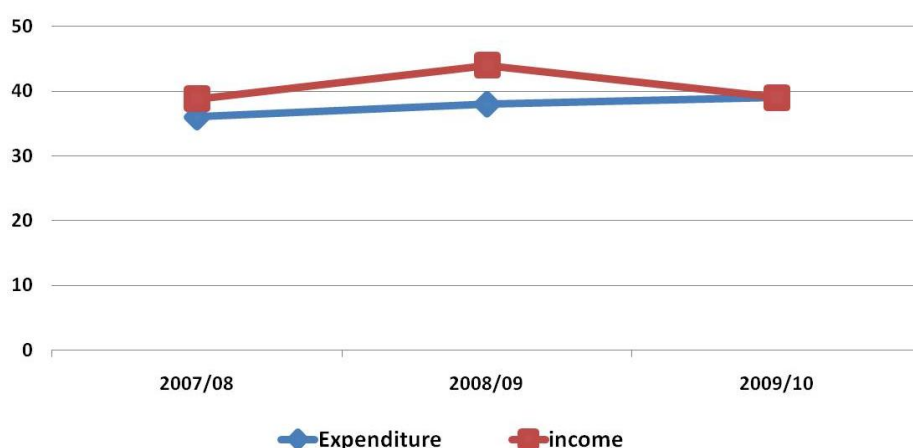
The Year In Review

THE BOTTOM LINE: FINANCIAL PERFORMANCE

Council exercised fiscal restraint compared with the original projections in the Community Plan. Rates increased by 3.6 per cent in 2009/10 compared with inflation of 1.8 per cent. Total operating expenditure increased by 2.8 per cent to \$ 38.9 million.

Over the past few years, Council's income (total revenue) has been higher than operating expenditure. The surplus has been used to pay for new assets and to repay internal debt. However, total revenue fell to \$38.6 million in 2009/10 compared with \$42.4 million in 2008/09 – a drop of \$3.8 million. Operating expenditure rose to \$38.9 million compared with \$37.8 million in 2008/09, an increase of \$1.1 million.

Graph 3: Council Income & Expenditure (\$ million)



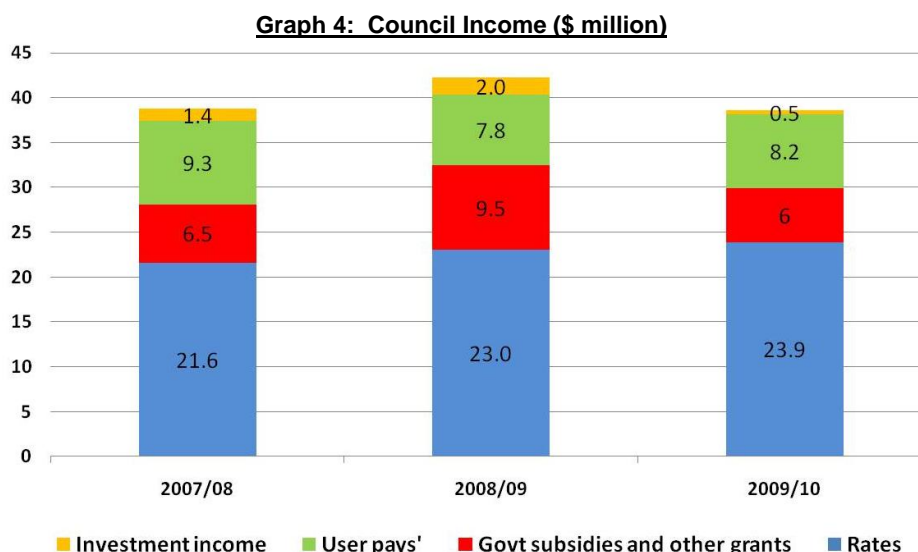
Graph 3 shows the operational result was a net deficit of \$0.3 million in 2009/10 compared with the net surplus of \$6.9 million in 2008/09. Why did total revenue drop so sharply and the operational result move into deficit in 2009/10?

A large part of the result was caused by timing of completion of the Opera House, receipts of external funding, and lower interest rates on Council investments.

If these effects are 'backed out' of the deficit for 2009/10, the underlying trend of operational surpluses would have continued in 2009/10.

Rates are the largest but not the only source of income. 'User pays' fees and charges contribute towards the cost of running some facilities and activities. Subsidies from the central government are especially important to roading where NZTA monies essentially double funds available for roads.

The Year In Review



Graph 4 breaks down Council income for the last three years. By far the largest variance was in 'government subsidies and other grants' which fell sharply as external funding for the Opera House construction finished. Rates income increased by 3.6 per cent to \$23.9 million in 2009/10, an increase of \$0.9 million on the previous year. 'User pays' charges increased to \$8.2 million in 2009/10 compared with \$7.8 million in the previous year.

Slower economic growth caused applications for building consents to fall. Council issued 701 building consents in 2009/10 compared with 726 in 2008/09. Development contributions and Resource Management Act (RMA) contributions paid to Council fell by 19 per cent to \$0.4 million over the same period.

OUR BALANCE SHEET

Council's total assets reached \$690 million by end June 2010, compared with \$676 million a year earlier. Most of the assets are property, plant and equipment (\$660 million): the bulk of these assets are infrastructure. Roads alone are valued at over \$400 million.

Total liabilities fell to \$7.3 million by end June 2010 down from \$8.6 million a year earlier. Nearly \$6 million of liabilities are 'accounts payable': money payable to vendors because Council has negotiated terms. Net assets or 'total public equity' increased to \$682 million by end June 2010, compared with \$668 million a year earlier. External debt (net public debt external) is \$0.69 per person or \$1 per rateable property. In Waitaki, Council's external debt is very low.

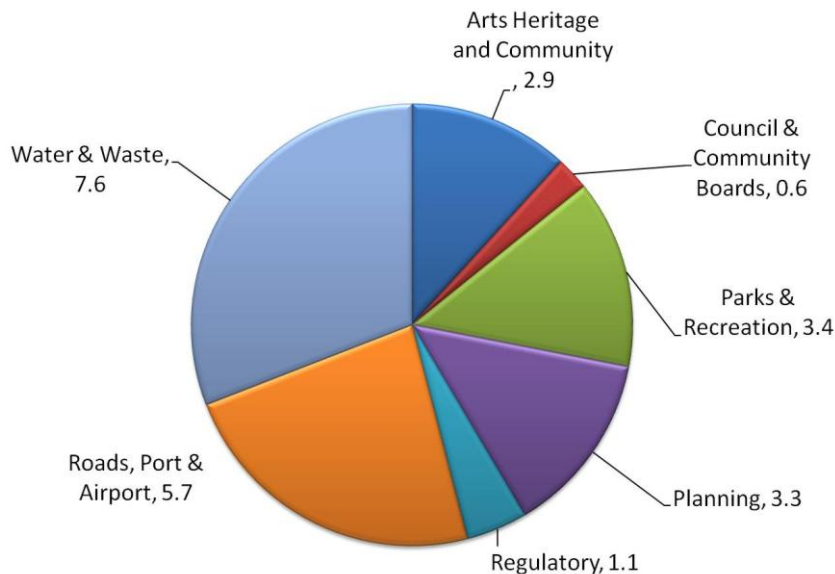
WHERE DO MY RATES GO?

Many ratepayers naturally want to know where Council spends the money collected from them. Council uses rates to operate essential services like roading, water, waste water, solid waste and emergency management, as well as community services for culture, recreation and sport.

Graph 5 shows Council rates collection in 2009/10. Total rates collection in 2009/10 was \$23.9 million compared with \$23.0 million in 2008/09, an increase of 3.6 per cent. The largest proportion of rates went to Water & Waste (\$7.6 million) followed by Roads, Port and Airport (\$5.7 million). Planning and Regulatory combined were funded by \$4.4 million of rates revenue.

The Year In Review

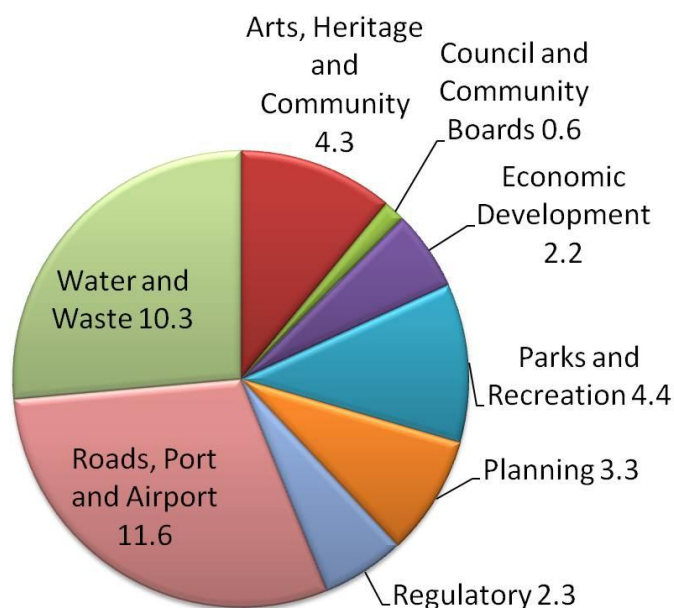
Graph 5: Council Rates Income 2009/10 (\$ million)



Council funds expenditure by a combination of rates, user fees and charges, government subsidies and depreciation reserves. The 'mix' differs between Council 'business units' or 'groups of activities'. Council operating expenditure was \$38.9 million in 2009/10 compared with \$37.8 million in 2008/09, an increase of 2.8 per cent.

The main driver of Council expenditure remains unchanged: the continuous requirement to maintain and invest in long term 'core' infrastructure (roads and water) - now valued at \$569 million. Mandatory asset revaluations continue to push up the replacement cost of these assets. The typical residential ratepayer now sees close to 40 per cent of their rates going into depreciation reserves, which in turn fund long term asset replacement and renewal.

Graph 6: Council Operating Expenditure 2009/10 (\$ million)



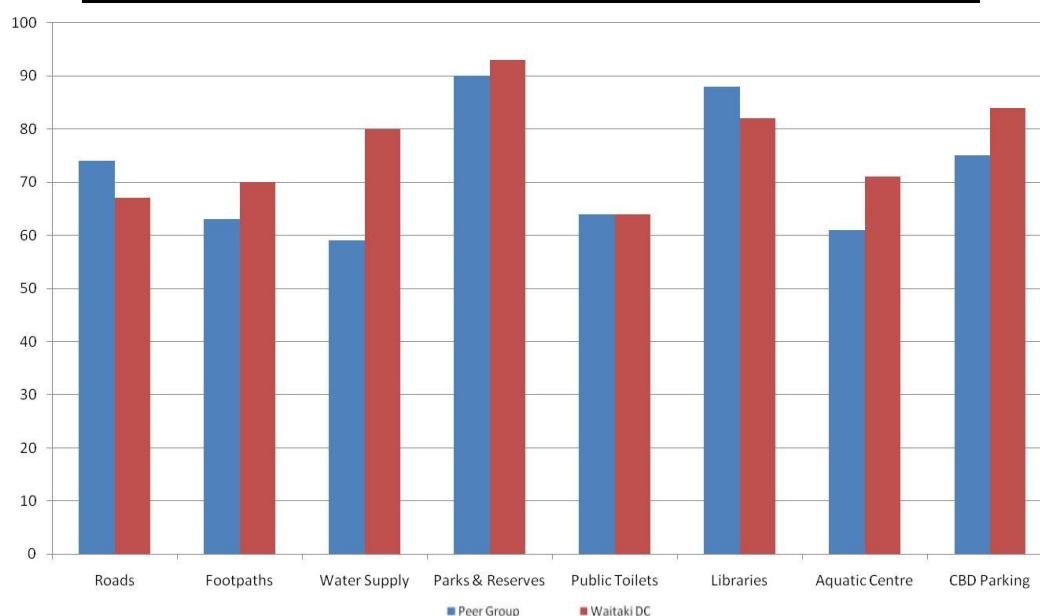
The Year In Review

Graph 6 breaks down Council operating expenditure by 'groups of activities'. The largest 'group' was Roads, Ports and Airports at \$11.6 million in 2009/10, an increase of 3.2 per cent compared to the previous year. 'Water & Waste' was Council's second largest area of expenditure. Expenditure on Water & Waste was \$10.3 million in 2009/10, a decrease of 5.3 per cent. The largest expenditure increase in percentage terms in 2009/10 was 'Regulatory' at \$2.3 million, an increase of 24 per cent on the previous year.

HOW IS COUNCIL PERFORMING IN THE EYES OF THE COMMUNITY?

Waitaki residents report high levels of satisfaction with Council services and operations. The Communitrak survey in July 2010 showed that six Council units - Forrester Gallery, Library, Parks & Reserves, Community Safety, Aquatic Centre and North Otago Museum - scored user satisfaction over 90 per cent. Overall, 10 of 13 Council business units showed higher residents' satisfaction than comparable Councils in New Zealand.

Graph 7: Waitaki Residents' Satisfaction with Council Services 2010 (per cent)



Economic and Funding Outlook

Looking ahead, the District faces a challenging economic environment. The New Zealand economy has grown – weakly – for the past five quarters. Technically, we are out of recession. The Bank of New Zealand is forecasting that the New Zealand economy will grow by 2.0 per cent in 2010 after contracting by 1.7 per cent in 2009. Unemployment will fall to 6.4 per cent in 2010 compared with 7.1 per cent in 2009.

Central government is tightening its belt and has already cut funding to our roading budget by \$3 million over the next three years. Central government is reviewing conditions for subsidies for the compulsory water quality upgrades. The combined effect of these cuts will be significant over the next few years.

Historically, Council has attracted significant amounts of 'outside' grants from Community Trusts and Foundations to build and refurbish our community assets like the Opera House and Aquatic Centre. These funding organisations have been hit hard by the collapse in global asset prices. Trusts throughout New Zealand are sharply reducing their grants for community projects. Council's plans to redevelop the Forrester Gallery, North Otago Museum and the Oamaru Library rely heavily on external funding to minimise burdens to ratepayers. Council is now delaying and may even need to cancel cultural facility upgrades if external grants are not available.

The Year In Review

Trying to predict when the funding environment will improve is notoriously difficult. However the implications for the redevelopment of our cultural assets like the Gallery, Museum and Library over the next few years are clear. Low rates increases achieved over the last two years will present challenges for the new Council, given the higher levels of expenditure committed to for the balance of the Long Term Council Community Plan 2009-19.

Groups of Activities

Roads, Port, Airport



The Roads, Port and Airport group of activities includes:

- Roads throughout the District, excluding state highways
- Oamaru Port
- Oamaru Airport

Roads and Land Transport Network

Waitaki District has one of the largest roading networks in New Zealand (over 1,800 kilometres). Nearly one third of Council's total budget is devoted to roading; most of this money is spent to maintain our current roading assets.

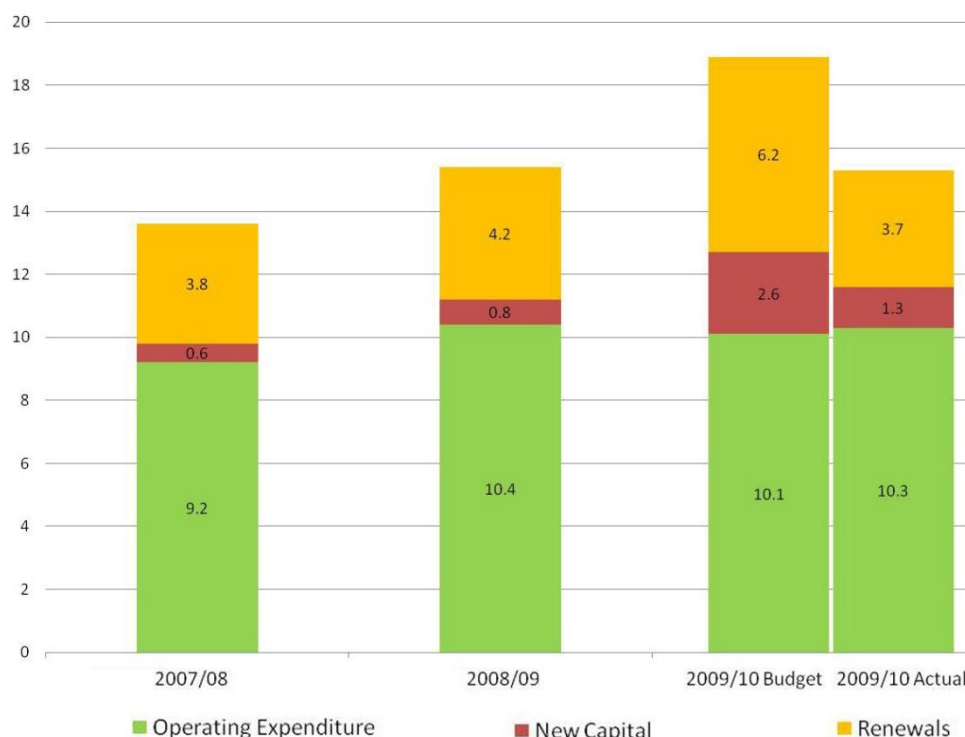
Residents' surveys consistently show that while 67% of respondents are satisfied with Waitaki's roading network, more than half expect Council to 'spend more on roading'.

Only 35 per cent of rural roads are sealed. There is a long list of requests for unsealed roads to be upgraded. Not all of these requests can be actioned - the cost of sealing one kilometre of road is around \$150,000.

During May and June flooding caused damage to the roading network of approximately \$1.5 million. Major damage included the Kakanui Valley bridge approach and massive scouring to Ngapara – Georgetown Road. Council is continuing to repair roads.

Roads, Port, Airport

Graph 8: Council Rooding Expenditure (\$ million)



Graph 8 shows that Council spent \$15.3 million on roads in 2009/10, compared with \$15.4 million in 2008/09. Council had budgeted total outlays of \$18.9 million in 2009/10 but the NZTA cuts caused the fall in actual expenditure 'year-on-year'.

We had planned to spend \$201 million on roading from 2009-19 by 'leveraging' NZTA subsidies. Council is reassessing our long term expenditure plans in the light of the NZTA cuts.

Roads - What we did

- Resurfaced 61.8km of roads and 10,796m² of footpaths
- Sealed Gardiners Road
- Commenced reviews of implementation procedures for a wide range of roading activities e.g. stock underpasses, extent of network, vehicle crossings, Oamaru Town Centre parking etc.
- Constructed kerb and channel in Jessop Street
- Completed the Wansbeck Street extension and cycleway from Humber Street to the Penguin Colony
- Repaired flood damage to roads and bridges



Roads, Port, Airport

Roads - How we performed

Roads Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Resident satisfaction with footpaths and roads	Residents' Survey 2010 recorded: 70% resident satisfaction with footpaths (70% in 2009) and 67% satisfaction with Council roads (65% in 2009).	65% resident satisfaction with footpaths. 70% resident satisfaction with roads.
Resident satisfaction with cycleways	Residents' Survey 2010 recorded: 60% resident satisfaction with cycleways	65% resident satisfaction with cycleways.
Incidence and severity of road crashes is declining	10 year moving average (tyma) reduction on: Number of Crashes: 2009 and 2008 data not available. Number of fatal crashes: 2009 tyma – 2.6 crashes, 2008 tyma – 2.8 crashes (achieved). Number of severe injury crashes: 2009 tyma – 23.2, 2008 tyma – 22.1 (not achieved). Number of minor injury crashes: 2009 tyma – 62.3, 2008 tyma – 58.9 (not achieved).	10 Year moving average reduction on: Number of crashes; Number of fatal crashes; Number of severe Injury crashes; Number of minor injury crashes
Complete planned roading maintenance and improvements.	4km pavement rehabilitation completed of 3km planned. 61.8km of road resurfacing is complete of 65km planned. 1.0km of kerb and channelling renewal complete of 2 km planned 10,796m ² of footpath resurfacing in townships is complete of 9,939m ² planned. 1.2km seal extension completed as planned.	100% completed.

Roads, Port, Airport

Roads Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Resident satisfaction with the availability and convenience of parking within the central business area.	Residents' Survey 2010 recorded: 84% satisfied (77% in 2009).	80%
Average road roughness for sealed roads is surveyed and compared with target roughness measures set by NZTA. ¹	Urban C: 120 Not achieved Urban D: 130 Not achieved Urban E: 122 Achieved Rural C: 72 Achieved Rural D: 75 Achieved Rural E: 84 Achieved Rural F: 91 Achieved This is performed on a two yearly basis as per NZTA requirements.. To be updated 2011/12	Urban C 110 Urban D 120 Urban E 140 Rural C 100 Rural D 110 Rural E 120 Rural F 140

Notes to snapshot performance:

NZTA have not provided data on total number of crashes. We are working with them to access data. The two 'not achieved' measures we believe are statistical anomalies. The increase in the 'tyma' reflects very low results in 1999 dropping out of the 2009 tyma and increasing the 2009 'tyma'. In fact, the 'single year' data for 2009 and 2008 show both severe and minor injury crashes *declining*. All data includes crashes on State highways – and most fatalities occur on SH1.

Pavement rehabilitation and footpath resurfacing were higher than planned because of very favourable quotes 'at the tender box' from contractors looking for work. A fixed dollar budget with lower than budgeted quotes from contractors means that some work is brought forward to take advantage of lower prices. The recent volatility in crude oil prices has affected contractor pricing and pushed work in and out of time periods.

Road resurfacing was lower than planned because of variances in the actual deterioration of specific roads compared to the forecast deterioration of those roads. In other words, the asset management plans assume a certain "economic life" of roads. The actual life of those roads will be longer or shorter than forecast. So actual road resurfacing will vary depending on the condition of the roads as our engineers evaluate them road-by-road.

Council did not achieve Urban C and D road roughness measures. We believe that the quality of "road reinstatement" by utility providers like water and electricity has slipped. These utilities are "re-patching" roads to a lower standard. Road engineering are working with the utility providers for a better finish of road reinstatement. Once the finish improves, we expect Urban C and D measures to improve".

¹ Road roughness measure = counts per kilometre. The higher the counts, the rougher the road.

Roads, Port, Airport

Port – What we did

- Oamaru Harbour dredging was partially completed but did not meet the minimum 4m depth standard – Please refer to the ‘Year in Review’ for more detail.
- Walkway/cycleway completed and opened.

Port - How we performed

Port Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Maintain wharves to a level that is appropriate for their use. As set out in the Harbour Development Plan	Breakwater, Holmes Mole and Normanby Wharf structures all fit for current use.	Holmes and Normanby Wharves remain operational.
Depth at port entrance $\geq 4\text{m}$	Council removed 4,000m ³ of gravel from Harbour entrance but port entrance depth less than 4m target, in most tides.	$\geq 4\text{m}$
Meet 100% of minimum safety requirements	Minimum safety requirements met. These include navigation lights for entrance to harbour and are set through the Maritime Safety Authority under the provisions of the Maritime Transport Act.	Harbour entrance lights and markers are maintained
Increase resident usage and satisfaction with Harbour area	We did not have available resources to establish benchmark.	Year one establish benchmark Years 2 and 3 increase usage and satisfaction by 5% annually
Implement Harbour Development Plan	Walking and cycling track completed. Wansbeck extension completed.	Roading, Walking and cycling infrastructure completed

Council may establish benchmark and include in annual Residents Survey subject to budget. We note anecdotally increased usage of Harbourside by families, joggers and bikers since the cycleway opened in 2009.

Airport – What we did

- Eagle Air ceased all commercial flights on 24 December 2009.
- The Waitaki Development Board is working on a possible solution for future use of the airport.
- Basic maintenance of the terminal building is being kept up to date.

Airport - How we performed

Airport Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Meet Civil Aviation Authority safety requirements.	All current safety requirements met.	100%
Satisfaction of users with facilities as monitored through a biennial survey	Commercial flights ceased. Therefore we did not measure user satisfaction.	User satisfaction > 80%

Roads, Port, Airport

		2009/10 Actual (\$'000)	2009/10 Budget (\$'000)	2008/09 Actual (\$'000)
Roads	(a)	10,255	10,124	10,428
Oamaru Port	(b)	1,036	754	560
Oamaru Airport		280	270	222
Operating Expenditure (see note 1 below)		11,571	11,148	11,210
Roads	(c)	5,494	7,730	5,239
Oamaru Port	(b)	107	213	118
Oamaru Airport	(d)	256	293	210
Operating Revenue		5,857	8,236	5,567
General Rates		185	185	161
District Services Rates		44	45	34
Ward Rates		520	517	499
Separate Activity Rates		4,913	4,888	4,479
Rates Revenue		5,662	5,635	5,173
Total Revenue		11,519	13,871	10,740
Net Surplus (Deficit)		(52)	2,723	(470)
Remove Effect Depreciation Not Funded		3,043	3,025	3,008
Net "Cash" Surplus (Deficit)		2,991	5,748	2,538
Capital and Reserves Funding Requirements				
<u>New Capital</u>				
Roads	(c)	1,262	2,632	761
Oamaru Port	(e)	42	350	35
Oamaru Airport		-	-	276
		1,304	2,982	1,072
<u>Renewals</u>				
Roads	(c)	3,657	6,185	4,177
Oamaru Port		10	20	-
Oamaru Airport	(f)	32	-	-
		3,699	6,205	4,177
Transfers to Reserves		1,284	447	441
Total Funding required		6,287	9,634	5,690
Funding Requirements met by:				
Operating "Cash" Surplus (Deficit)		2,991	5,748	2,538
Transfer from Reserves		1,153	1,284	1,034
Renewal Funding From Depreciation Reserves		2,143	2,602	2,118
		6,287	9,634	5,690
Note 1 - Operating Expenditure includes				
Depreciation		5,550	5,480	5,465
External Interest		-	-	-
Internal Interest		61	280	151

Roads, Port, Airport

Roads, Ports and Airport Financial Commentary

(a) Roads – Operating Expenditure

Several factors reduced roading expenditure compared to 2008/09. These factors and the reasons for them are discussed at the start of this activity and in 'The Year in Review' on page 23.

(b) Oamaru Port - Operating

Council had to resolve a number of issues that arose during the year. The major increase was the cost of the dredging work undertaken during the year. As noted earlier, although a large volume of material was removed, it did not fully meet the minimum depth requirement. The variance to budget and the prior year are a reflection of the cyclical nature of this expenditure. Because of the very high set up costs it is only economical to do this work every 3 – 4 years. The other major cost was work on the underlying legal status of some land and verification of property boundaries. This required legal and other professional input, resulting in higher costs and reduced usage and revenue.

(c) Roads – Operating Income and New Capital

As discussed elsewhere, including in the Chief Executive commentary, the changes NZTA made to the subsidy that was available to Council required changes to the overall roading programme. To accommodate the change several projects were deferred and others cancelled. Those changes affected the income that was budgeted to be received to fund these projects.

(d) Oamaru Airport Operating Income

Eagle Airways ceased scheduled flights from Oamaru to Christchurch in December 2009. Their decision reduced income for the balance of the year.

(e) Oamaru Port – New Capital

Expenditure to develop the Harbour/cycle and walkway. During the year the decision was made to concentrate on completing the extension to Wansbeck Street and Harbour walking and cycleway. This created a variance to budget as some other projects were deferred to allow this to happen.

(f) Oamaru Airport - Renewals

Work on the terminal done before the Eagle Airways termination announcement. Council spent money on its residential rental properties in the Airport area.

Water and Waste



The Water and Waste group of activities includes:

- Water supply schemes
- Waste water reticulation and treatment
- Storm water reticulation and treatment
- Solid Waste collection, recycling and disposal

Water - What we did

- Successfully replaced and upgraded the \$550,000 trunk water main supplying the north end of Oamaru, improving water pressures to more than 2,000 people and businesses.
- Renewed various minor pipes on the Stoneburn, Kurow, Otematata and Oamaru Water supplies and the Oamaru Sewerage Scheme
- Completed the Three Waters Asset Valuation. The results indicate a revised replacement cost of \$196 million and depreciated replacement cost of \$92 million, a 30% increase on the 2006 valuation, largely attributed to inflation and the construction of the Oamaru Water Treatment Plant.
- Initiated a successful 'Boil Water' promotion on the four supplies that have had permanent boil water notices (Ohau, Otematata, Otekaieke and Dunrobin).
- Renewed the wastewater discharge consents for Omarama, Otematata and Kurow.
- Developed and commenced the newly combined Urban and Rural reticulation maintenance contract.
- Sunk bores and secured sufficient water for the Lower Waitaki Water Supply, allowing the upgrade to progress.
- Commenced design on the Drinking Water Upgrades for Lower Waitaki, Weston, Enfield, Palmerston, Goodwood and Dunback water supplies.

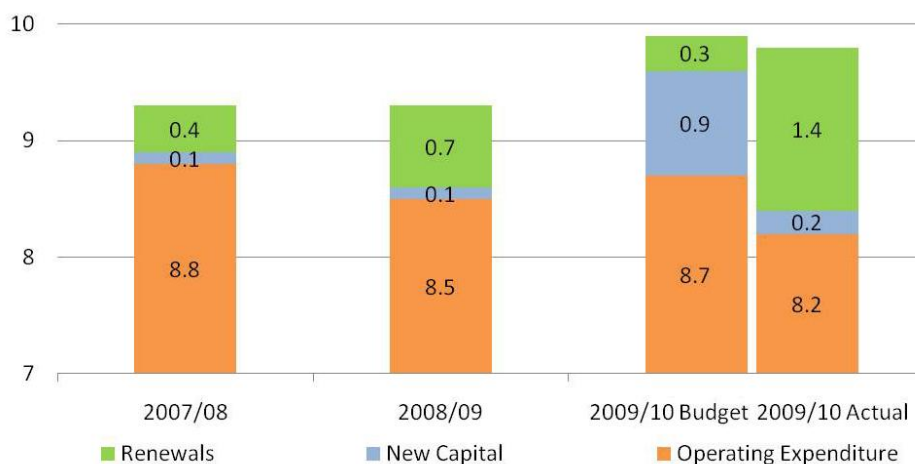


Council spent \$9.8 million on water and waste water in 2009/10 compared with \$9.3 million in 2008/09. Total expenditure in both years was considerably lower than in 2006/07 when Council invested in the new Oamaru Water Treatment Plant.

The main reason for the increase in expenditure was the renewal of the north end pipeline.

Water and Waste

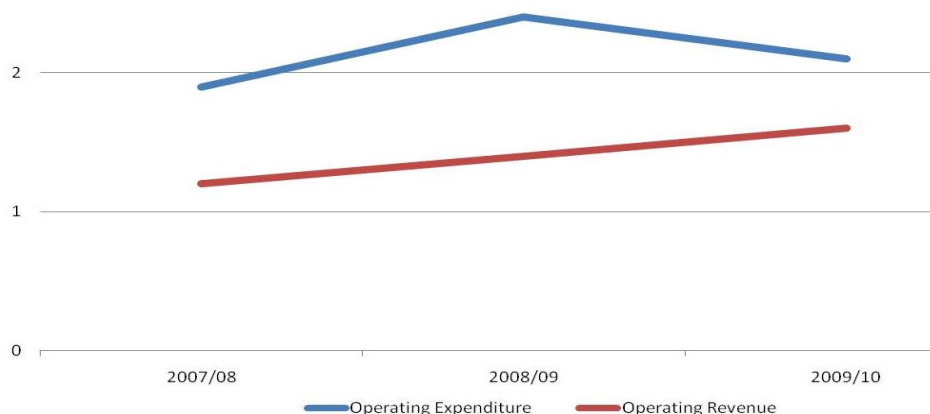
Graph 9: Council Water & Waste Water (\$ million)



Solid Waste - What we did

Waste management looms large as a key issue for our District. Central government continues to tighten environmental regulations. The costs of compliance are rising. The Oamaru Landfill on the South Hill is filling up rapidly. Current projections show there will be no more space left by 2013 or 2014. A new landfill that meets all the newer regulations on methane emissions, leachates, etc could cost up to \$20 million. So slowing the rate of landfill is critical both for environmental and financial reasons.

Graph 10: Council Rubbish & Recycling (\$ million)



Council spent \$2.1 million on rubbish & recycling in 2009/10, a drop of \$0.3 million compared with \$2.4 million in 2008/09.

'Demand management' is becoming more important to our Waste Minimisation Strategy. Council increased solid waste fees and charges again in 2009/10 to use the 'price mechanism' to incentivize people and businesses to reduce the amount of waste they generate. The 'demand management' strategy is working. Higher charges reduced residual waste sent to the Oamaru landfill to 9,440 tonnes in 2009/10 compared with 11,084 tonnes in 2008/09, a reduction of 14.8 per cent. The recession, too, has reduced the volume of waste generated.

Water and Waste

Council officers and Whitestone Contracting Ltd worked together to aggressively manage the amount of daily cover used at Oamaru Landfill. It looks like we can extend the life of Oamaru Landfill to 2014. The resource consent to operate the landfill expires in 2016.

- Waste Minimisation Education.
 - Established business Waste Education Programme.
 - Ran the 'Ditch Dirty Dumping' campaign.
 - Held the Waitaki Schools Waste Minimisation competition.
 - Organized the Steam Junk Competition and exhibition.
 - Ran the Home Compost Bin initiative.
- Reduced tonnage of waste going to Oamaru Landfill to 9,440 metric tonnes in 2009/10 compared to 11,084 metric tonnes the previous year.
- Undertook remediation work at Hampden Closed Landfill.
- Discontinued the Council black bag service
- Established a recycling drop off facility at Herbert.
- Lodged consent application with Otago Regional Council for the management of boron leachate at Palmerston Landfill.
- Conducted geotechnical investigations at Oamaru Landfill.
- Facilitated a solution for the Ohau Alpine Village waste when the black bag service ceased.

Solid Waste - How we performed

Rubbish & Recycling Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Facilities are open at the agreed time	1. 97% of residents are within 25 km of a transfer station or landfill 2. Oamaru Landfill open 5 days/week 3. Palmerston Landfill open 3 days/week 4. Resource Recovery Park open 7 days/week 5. Omarama T/Station Summer – 12 hrs/week Winter – 9 hrs/week 6. Otematata T/ Station Summer –12 hrs/week Winter -6 hrs/week 7. Kurow T/ Station Summer –12 hrs/week Winter -9 hrs/week 8. Hampden T/ Station Summer –9 hrs/week Winter -9 hrs/week Herbert Recycling Drop-off Facility operational. Hours were varied to meet community expectations and budget constraints	1. 97% of residents are within 25 km of a transfer station or landfill 2. Oamaru Landfill open 5 days/week 3. Palmerston Landfill open 3 days/week 4. Resource Recovery Park open 7 days/week 5. Omarama T/ Station Summer – 12 hrs/week Winter – 09 hrs/week 6. Otematata T/ Station Summer –12 hrs/week Winter -6 hrs/week 7. Kurow T/ Station Summer –12 hrs/week Winter -9 hrs/week 8. Hampden T/ Station Summer –9 hrs/week Winter -9 hrs/week
Lower cost alternatives are available e.g. greenwaste and recycling drop off	Lower cost alternatives are available e.g. greenwaste and recycling drop off	Lower cost drop off available at landfills , transfer stations, Resource Recovery park and rural recycling drop off points
Number of businesses that are provided support to develop waste minimisation programmes	Over 100 businesses and organisations visited as part of Waste Exchange. Mini-Miser series in newspapers.	5 businesses p.a.

Water and Waste

Rubbish & Recycling Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Bylaw rules in place to prevent the disposal of greenwaste and recyclables (for which there is a ready market) at landfill from 2010	Solid Waste Bylaw Review Working Party formed, including Council staff, a Councillor and waste industry representatives. Greenwaste bans are considered not practicable by working party.	Solid Waste Analysis Protocol shows decreasing levels of greenwaste over 3 year average from 2010 onwards
All resource consent conditions for landfills are met	An application to change consent conditions at Palmerston Landfill has been lodged with ORC. This application was granted after the end of the 2009/10 year. There was one minor non-compliance issue with Oamaru Landfill which has subsequently been rectified.	100% compliance for resource consents,

Notes to Performance Measures.

Reducing green waste going to the Oamaru Landfill is important. Council considered an outright ban on green waste at landfill, then asked the Bylaw Working Party to look at the workability of a ban. The Working Party determined that a ban was unworkable. Council could not hold contractors responsible for “wheelie bin” green waste generated by households. Council initiated “Greenwaste Saturdays” to get bulky greenwaste out of landfill and onto the landfill cover. Public response is encouraging.

Water - How we performed

Water Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Annual Survey	Residents' Survey 2010 recorded: 80% user satisfaction (89% in 2009). (Ahuriri Ward 65%; Corriedale Ward 70%; Oamaru Ward 93%; Waihemo Ward 61% - 2009).	≥ 70%
Compliance with the Drinking Water Standard NZ2005 in accordance with the timeframes of the Health (Drinking Water) Amendment Act 2007 Sampling to satisfy the DWSNZ 2005 requirements.	Of 1031 samples taken from Council-owned, chlorinated supplies, 999 returned complying results for <i>E.coli</i> bacteria (98%). Council met microbiological compliance in 97% of samples.	Compliance with the Drinking Water Standards 2005 criteria (11 current water supplies comply at the end of the third year of the plan). Compliance with the Drinking Water Standards 2005 criteria for <i>E.coli</i> bacteria 98% of the time.
Develop and implement upgrades, testing and monitoring as required	Council received no abatement notices from regional Councils. Council complied with all resource consent conditions.	Compliance with resource consents. Develop and implement upgrades, testing and monitoring as required.
Urban fire hydrant flows >12.5 l/s	The NZ Fire Service tests 5-10 per cent of hydrants intermittently. Council expects some testing in 2010/11.	Of the fire hydrants that are annually tested >90% meet target

See notes to performance measures

Water and Waste

Notes to Performance Measures

Rural water supply quality: Three percent of rural water samples do not comply with E.coli standards. How does Council respond to the non-compliance? Council issued temporary 'boil water' notices to some schemes. Other schemes are on permanent boil water notices. Council expects the rural water user satisfaction to increase over the next few years as we implement planned water treatment upgrades.

Waste Water - How we performed

Waste Water Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Quick and efficient response to notified blockages and complaints	No abatement notices received from either Environment Canterbury or Otago Regional Council for failure to comply with resource consents.	No abatement notices received for failure to comply with resource consents.
95% of complaints are responded to within 2 hours	Of the 27 reported blockages or overflows attended, Council responded to 26 (96%) within 2 hours.	Staff on-site within 2 hours of Council notification in 95% of cases.

Storm Water - How we performed

Waste Water Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Response to mains blockages and overflows.	No blockages or overflows recorded.	Staff on-site within 2 hours of Council notification in 95% of cases.
Managing flooding to prevent inundation into dwellings (in accordance with design standards).	No 'Requests for Service' regarding flooding of habitable floors were received.	No habitable floor dwellings constructed are inundated in residential areas by 1% AEP storm event (Annual Exceedance Probability).

Water and Waste

		2009/10 Actual \$(000)	2009/10 Budget \$(000)	2008/09 Actual \$(000)
Water Supplies	(a)	5,185	5,854	5,751
Rubbish and Recycling	(b)	2,080	3,088	2,397
Waste Water	(c)	3,012	2,848	2,701
Operating Expenditure (see note 1 below)		10,277	11,790	10,849
Water Supplies	(a)	1,029	1,595	1,150
Rubbish and Recycling	(b)	1,459	1,930	1,350
Waste Water	(c)	443	693	570
Operating Revenue		2,931	4,218	3,070
General Rates		-	-	-
District Services Rates		-	-	-
Uniform Annual General Charges		555	552	415
Separate Activity Rates		7,009	6,976	7,526
Rates Revenue		7,564	7,528	7,941
Total Revenue		10,495	11,746	11,011
Net Surplus (Deficit)		218	(44)	162
Remove Effect Depreciation Not Funded		488	424	396
Net "Cash" Surplus (Deficit)		706	380	558
Capital and Reserves Funding Requirements				
<u>New Capital</u>				
Water Supplies	(d)	201	580	107
Rubbish and Recycling		-	-	-
Waste Water	(e)	31	327	36
		232	907	143
<u>Renewals</u>				
Water Supplies	(f)	911	200	576
Rubbish and Recycling		-	-	-
Waste Water	(g)	536	68	113
		1,447	268	689
Loan Repayments		-	-	-
Transfers to Reserves	(h)	2,047	1,115	1,459
Total Funding required		3,726	2,290	2,291
Funding Requirements met by:				
Operating "Cash" Surplus (Deficit)		706	380	558
Capital Sales		2	-	-
Transfer from Reserves		1,474	1,692	1,140
Renewal Funding From Depreciation Reserves	(f)/(g)	1,544	218	593
		3,726	2,290	2,291
Note 1 - Operating Expenditure includes				
Depreciation		3,521	3,063	3,074
External Interest		-	-	-
Internal Interest		328	979	828

Water and Waste

Water and Waste Financial Commentary

(a) Water Supplies – Operating

Four costs created the variance from budget: interest, power, contractors and depreciation. Actual interest rates were lower than forecast. Power was higher due to market conditions. Contractor price increases were lower than expected, creating a positive variance. Depreciation was affected by the revaluation recognised at the start of the year. All matters were addressed as required when the 2010/11 Annual Plan was set. Some schemes are net investors of funds. These schemes had less interest income due to reduced market rates.

(b) Rubbish & Recycling - Operating

Both costs and revenue were lower than budget as Council's revised approach to waste management came into effect. In several cases lower cost solutions were found to address issues that had been identified. These revised solutions were reflected in the budgets set for the 2010/11 year.

(c) Waste Water - Operating

Waste Water schemes were affected by the same factors noted under (a). The main difference between the two areas was that as there were fewer new assets the impact of the revaluation was greater and therefore had more of an impact on the depreciation costs.

(d) Water Supplies – New Capital

Planned New Capital is work required to meet the Drinking Water Standards. As discussed in the commentary at the start of this section, Council reviewed the timing of these upgrades during the year to try and achieve better overall results. It also took more time to establish the optional solution for the first major upgrade, Weston and Enfield, but this has now been established and is underway with a significantly reduced budget needed to achieve the required result. In addition Council did not install the pipeline to the Northend Industrial Park. The developer has delayed the project because of funding difficulties.

(e) Waste Water – New Capital

Main area of expenditure was the planned upgrade to the Palmerston treatment plant. Upgrade technical issues pushed completion of the upgrade in to 2010/11.

(f) Water Supplies - Renewals

Council has a policy that allows renewal expenditure additional to budget if required and fundable from depreciation reserves.

During the year Council undertook a major renewal of the water main servicing North Oamaru. This was jointly with Network Waitaki to share trenching and other costs.

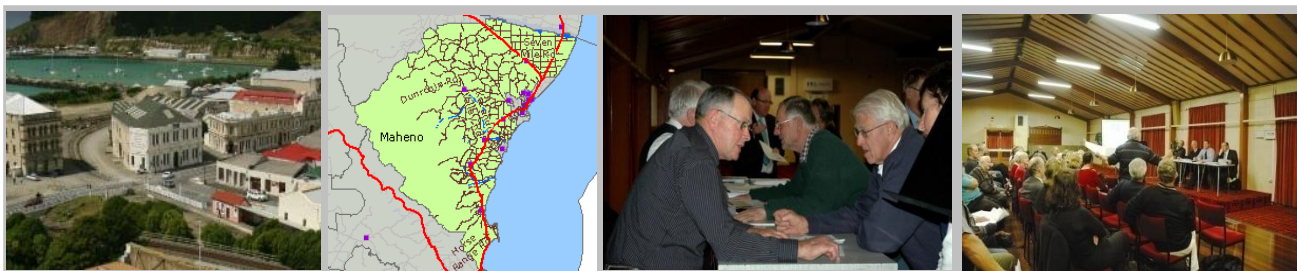
(g) Waste Water - Renewals

The same renewal policy described under (f) applies here. The work undertaken was the renewal of a sewer line under lower Thames Street, Oamaru. Costs greater than budget were incurred to renew consents for some schemes, particularly Otematata and Omarama.

(h) Transfer to Reserves

Additional principal repayments of internal loans. Interest savings were used to make additional principal repayments on table loans.

Planning



The Planning group of activities includes:

- Community Planning and Consultation
- District Planning

Community Planning – What we did

- Council adopted the Waitaki Liquor Ban Bylaw 2009. The revised Bylaw came into effect 24 November 2009 and included provisions for the enactment of temporary liquor bans;
- Council enacted a Temporary Liquor Ban during the Omarama Christmas Rodeo end – 2009;
- Council consulted widely with the community on the Draft 2010/11 Annual Plan. Four public meetings were held across the District and a second issue of the award winning 'Waitaki Express' was produced to summarize the 2010/11 Draft Annual Plan;
- Small radio ads during the Draft Annual Plan consultation period were used to highlight key issues. The ads and other promotion resulted in 219 submissions from 160 individual submitters;
- Council used online submissions for the first time as part of the Draft Annual Plan consultation. There were some kinks that have since been ironed out. The uptake of online submissions increased for the Draft Coastal Roads Strategy;
- Council consulted on the Draft Coastal Roads Strategy. Council took a different approach to consultation holding lunch time 'drop in' information sessions as a prelude to public submissions. This format showed a lot of promise;
- Council adopted the 2010/11 Annual Plan on 30 June 2010.

Community Planning – How we performed

Community Planning		
Performance Measures	Achievements 2009/10	Targets 2009-12
Statutory plans, reports and policies reviewed and adopted with legal timeframes	Council adopted its Annual Report for 2008/09 with an unqualified audit opinion at a meeting on 2 November 2009. Council adopted the 2010/11 Annual Plan on 30 June 2010. Both of these documents were adopted within the timeframe required under the Local Government Act 2002.	All within statutory timeframes.
Resident satisfaction with consultation.	The Residents' Survey 2010 indicated that 51% of residents were satisfied or very satisfied with how Council had consulted with them over the past 12 months. (39% in 2007).	Year 1 establish benchmark level of satisfaction.

Planning

Community Planning		
Performance Measures	Achievements 2009/10	Targets 2009-12
The successful delivery to the community of the Ten Year Waitaki Community Plan (LTCCP)	<p>The Waitaki Community Plan was adopted with an unqualified audit report on 30 June 2009.</p> <p>Council made no amendments to the Community Plan in 2009/10</p>	Waitaki Community Plans are adopted with unqualified audit reports
Provide useful information to the community about Council activities	<p>76% of residents have seen or read the Waitaki Link in the last 12 months.</p> <p>86% of residents think the Waitaki Link provides useful information about Council activities.</p> <p>This was monitored in 2009/10 survey.</p>	<p>70% of residents have read the Waitaki Link.</p> <p>65% of residents say the Waitaki Link provides useful and informative information about Council activities.</p>

Planning



District Planning - What we did

- The District Plan finally became operative in August 2010 after Council opened submissions in December 1996. Council staff worked through over 3,000 submissions and 1,300 appeals to get the Plan 'over the line';
- **Major Consent Matters.**
- The Otago Regional Council and Waitaki District Council's joint decision on the Holcim cement plant was upheld by the Environment Court after hearing an appeal lodged by several parties.
- Applications for resource consent and certificates of compliance were lodged and approved in September and October 2009 respectively for dairy farm and cropping activities as well as associated irrigation infrastructure. The approved applications were challenged through a High Court judicial review by the Environmental Defence Society. Their application was successful in that the decisions of the Council were quashed on the basis that the delegations to officers were incorrectly issued by the Council. The delegations were correctly issued in April 2010 by way of a resolution of Council.
- Council's decision on Variation 4 dealing with maximum height rule in the Cement Policy Area of the Rural General Zone was appealed by submitters. The Environment Court declined the appeal;
- The decision of New Zealand Railways Corporation for a notice of requirement for the Waiakeka Railway Line for the transport of cement from the Holcim site was not appealed.
- Harbourside Plan Change 4/Variation 9 was withdrawn by Council;
- The Hearing Panel issued a decision to approve an 18 lot notified subdivision consent – McGregor Holdings Ltd, Harlech Street, North Oamaru. The same Panel also approved a 2 lot notified subdivision consent and conversion of a visitor accommodation activity into a residence on Beach Road, Kakanui;
- An application to alter an existing designation for the switchyard at Benmore was made by Transpower to allow them to replace the existing Pole 1 converter system with new Pole 3 converter system and associated equipment. The converter system converts electricity from alternating current (AC) to direct current (DC) which enables more efficient transfer of power over the HVDC (high voltage direct current) link between the North and South Islands;
- An appeal to a resource consent for a camping ground at Kakanui (Jones) was heard by the Court on 15 and 16 February 2010. The Court issued a decision on 10 June 2010 that revoked the Council's decision and declined the consent;
- Council has responded to a declaration lodged to the Environment Court by Hay and McNab to various operations of Oceana Gold at Macraes. A pre-hearing conference was held on 23 April 2010 in the Environment Court, which set out information required from Hay and McNab;
- **Other Matters**
- An article by Jack Chandra and David Campbell titled "Heritage protection alternatives – the Waitaki experience" was published in the June 2010 issue of Planning Quarterly (the journal of the New Zealand Planning Institute).
- 'NZS 6806:2010 Acoustics - Road traffic noise - New and altered roads' was published April 2010. David Campbell was a member of the committee that formulated the draft standard, presented it at various workshops around the country, heard submissions and approved the final version.

Planning

District Planning - How we performed

District Planning		
Performance Measures	Achievements 2009/10	Targets 2009-12
Process resource consents within statutory timeframes	138 of 138 (100%) non-notified resource consents were issued within 20 working days. (133 of 138 (96%) in 2009). 2 of 3 (67%) of notified resource consent decisions were issued within 70 working days. (4 of 4 (100%) in 2009). One consent took longer than expected. We will need to look at staff levels for this activity.	Notified: 100% Non –notified: 90%
Notify and implement District Plan variations.	<ul style="list-style-type: none"> Hearings and draft decisions on Variations 2 and 3¹ were completed in June 2010. Appeal decision on Variation 4¹ was declined by the Environment Court. Harbourside Plan Change 4/Variation 9 was withdrawn by Council. Plan change 1/Variation 1, Plan Change 5, Variation 4, Variation 5, Variation 6, Variation 8/Plan Change 3 and Variation 9/Plan Change 4 have been made operative. Plan Change 6 (Private Plan Change Saleyards Road) was ready for hearing of submissions. 	Complete (in priority order): <ul style="list-style-type: none"> Variation 9 and plan change 4 – Harbourside Zone and Plan Change 5 – Heritage Related Policies. Variations 2 and 3 – Landscape and Visual Amenity as General Indigenous Vegetation Clearance. North Oamaru Industrial Park and Business 4 Zone Plan Change.
State of the Environment Reporting.	Reports for Energy and Utilities completed in 2010. Council has an Environmental Monitoring Strategy. This requires that two topics per year are monitored. There are thirteen topics. Council considers this approach meets the requirements of the RMA, which does not require annual monitoring of all topics.	Produce annually.
Monitor resource consents	100% of subdivision consents monitored through s224 RMA certification process 78% of notified landuse consents monitored (18 of 23) 2% of non-notified landuse consents monitored. The limited resources available for this function were put into consents that were considered higher risk.	100% of subdivision consents. 100% of notified land use consents 25% of non notified land use consents
Advice to public at counter	100% of the public were satisfied with advice given at the counter.	80% of public satisfied with advice given at the counter.

¹ ¹ District Plan Variations: 1 Omarama Airfield, 2 & Plan Change 2 Landscapes and Visual Amenity, 3 General Indigenous Vegetation Clearance Rule, 4 Exception to the Building Height Limit Rule for part of the Cement Policy Area/Rural General Zone, 5 Controlled Activity Status in the Rural Zones, 6 Building Setbacks from Roads in Rural Zone, 8 & Change 3 Amendments to the Site Development Standards on Building Coverage, 9/ Plan Change 4 Harbourside.

Planning

		2009/10 Actual (\$'000)	2009/10 Budget (\$'000)	2008/09 Actual (\$'000)
District Planning	(a)	830	980	977
Community Planning and Consultation	(b)	2,466	2,512	2,870
Operating Expenditure (see note 1 below)		3,296	3,492	3,847
District Planning	(a)	171	193	118
Community Planning and Consultation		7	-	110
Operating Revenue		178	193	228
General Rates		1,575	1,577	1,909
District Services Rates		688	685	884
Uniform Annual General Charges		1,068	1,059	506
Rates Revenue	(c)	3,331	3,321	3,299
Total Revenue		3,509	3,514	3,527
Net Surplus (Deficit)		213	22	(320)
Remove Effect Depreciation Not Funded		-	-	-
Net "Cash" Surplus (Deficit)		213	22	(320)
Capital and Reserves Funding Requirements				
<u>New Capital</u>				
District Planning		-	-	-
Community Planning and Consultation		1	-	-
		1	-	-
<u>Renewals</u>				
District Planning		-	-	-
Community Planning and Consultation		-	-	-
		-	-	-
Transfers to Reserves		216	25	1
Total Funding required		217	25	1
Funding Requirements met by:				
Operating "Cash" Surplus (Deficit)		213	22	(320)
Transfer from Reserves		4	3	321
Renewal Funding From Depreciation Reserves		-	-	-
		217	25	1
Note 1 - Operating Expenditure includes				
Depreciation		-	-	-
External Interest		-	-	-
Internal Interest		3	8	2

Planning

Planning Financial Commentary:

(a) District Planning - Operating

District planning activity decreased. Cost savings were made to allow for this reduced activity. Council also had to spend less responding to appeals that it did in the prior year. Costs in 2008/09 showed the impact of the Holcim application and appeal process.

(b) Community, Planning and Consultation – Operating

The reduction compared with the prior year primarily was the resulting cost being incurred in 2008/09 in relation to the LTCCP that was not reported in 2010.

(c) Rates Revenue

The change in the rise of rates used to fund this activity reflected changes made to funding policies in the 2009/10 LTCCP.

Regulatory



The Regulatory group of activities includes:

- Building Control
- Animal Control
- Environmental Health
- Emergency Management

The Regulatory Group contains four activities that compel people to act in certain ways: restaurant and bar owners and managers, dog owners, builders and other groups and individuals. Broadly, the Regulatory Group helps achieve one of the nine “high level” community outcomes – that “Waitaki people are safe and healthy”. Balanced against this ‘risk management’ are other high level community outcomes: “Waitaki has a diverse sustainable and growing economy”. (‘we have low compliance costs for business’) and “Waitaki is served by responsive and efficient government” (‘central government enables more freedom for local decision making’).

Many of our activities enforce central government legislation in building codes, health and liquor Acts and other statutes. There is an element of compulsion that cuts across the desired community outcome of ‘more freedom for local decision making’.

Total operating expenditure of Regulatory increased to \$2.3 million in 2009/10 compared with \$1.8 million in the previous year and the budget of \$2.1 million. The largest year-on-year increase was a 59 percent increase in expenses for Emergency Management to \$840k. Rural Fire fought a large number of fires in 2009/10. Not all of the costs have been recovered but Council is taking action on these amounts.

Operating revenue increased by nine percent to \$1.1 million. We seek to recover a portion of regulatory costs from regulated individuals and businesses. The percentage of total costs covered by operating revenue fell to 49 percent in 2009/10 compared with 55 percent the previous year. The ratio for Environmental Health was 32 percent in 2009/10.

Building Control – What we did

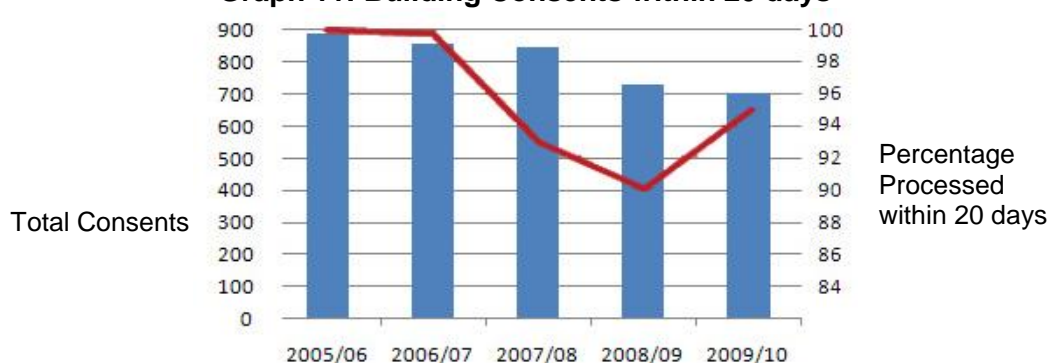
- Waitaki’s Building Control Authority extended its accreditation cover by satisfying International Accreditation New Zealand as to its processes, procedures and technical capability. It also gained accreditation under Regulation 17 of the Building Act Accreditation Regulations for its quality Assurance Programme.

Regulatory

Building Control – How we performed

Building Control Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Processing building consents.	663 out of 701 (95%) issued within the 20 day statutory time frame (90% in 2009).	95% within statutory timeframe.
Auditing Building Warrant of Fitness premises.	64 out of 320 (20%) buildings audited (20% in 2009). 20% is a larger sample than the minimum considered acceptable in the sector. High risk buildings (hotels) are checked more than once in every five years.	20% of premises audited annually.
Maintain registration as a Building Consent Authority and introduce Quality Assurance Systems as required by Building Accreditation Regulations	Fully IANZ accredited. Next audit June 2011	Maintain registration

Graph 11: Building Consents within 20 days



Animal Control – What we did

- By end 2009/10 Animal Control officers classified four dogs as dangerous and nine as menacing. Council requires dog owners to fence in dangerous dogs with no access to the public. Owners must pay increased registration fees. In addition, the dog must be muzzled in public, neutered and micro-chipped. Owners who breach the dangerous or menacing requirements can be either prosecuted or issued an infringement fine for each breach (\$300).

Regulatory

Animal Control – How we performed

Animal Control Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Resident satisfaction with dog control services.	Residents' Survey 2010 recorded: 75% satisfaction (88% in 2009).	70%
Registration of known dogs	5196 out of 5198 (100%) known dogs registered (100% in 2009).	100% by 31 December.
Response time for stock control complaints.	25 out of 25 (100%) stock call outs answered within 2 hours (100% in 2009).	Responded within 2 hours.
Minimise road accidents where dogs or wandering stock are a contributing factor	We did not establish a benchmark because of budget and resource constraints. Regulatory have been working with Police to get statistics but, Police do not compile statistics to this level.	Establish a benchmark in Year 1. Maintain or better this benchmark in Years 2 and 3
Complainants satisfied with complaint resolution process for animal control	Not surveyed in 2009/10	Survey once every three years

Environmental Health - What we did

- Workshops held in regard to voluntary food control plans for registered premises. The Food Bill has received its first reading and it is estimated that the Act will be in place late 2011.

Environmental Health - How we performed

Environmental Health Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Inspection of liquor licensed premises annually.	105 licensed premises out of 115 (91%) inspected (100% in 2008/09). More complicated inspection processes, the need to clear accumulated leave balances and unexpected sick leave saw regulatory miss this target.	95% of licensed premises to be inspected annually.
Inspection of food registered premises annually.	92% of Category 1 businesses inspected and 58% of Category 2 and 3 inspected	Full inspection annually of 100% of Category 1 premises (high risk food businesses) 50% of Category 2 and 3 premises inspected annually
Response time for complaints of excessive noise.	270 out of 272 (99.3%) complaints investigated within one hour (100% in 2008/09)	100% of incidents responded to within one hour of receiving complaint.

Regulatory

Emergency Management - What we did

- Bought a new fire tanker for the Waitaki Rural Fire Station.
- Trained 20 rural fire fighters for entry to the fire ground and 20 others in Flood Safety and Flood Response.
- Community/Council/Department of Conservation Fire Evacuation Plan being developed for Shag Point.
- Issued or extended 1,049 fire permits in 2009/10 (1,250 in 2008/09). This includes 10 weeks of minimal issue owing to dry summer weather and 6 weeks associated with the Prohibited fire season
- The Rural Fire Authority attended 161 calls in 2009/10 compared with 106 in 2008/09.
- Asphalted the front apron of the Kakanui Fire station.
- Rural Fire fighters and Civil Defence volunteers responded to the Civil Defence flooding event during May 2010 in the Waitaki District.
- 88 Civil Defence volunteers have been recruited in the Waitaki District this year.
- 24 Council/community personnel completed specialist Emergency Operations Centre training.
- Activated new Civil Defence sector posts at Duntroon and Hampden-Moeraki.
- Partial activations for Fiordland earthquake and South American Tsunami.
- Fully activated the Emergency Operations Centre from 24th-29th May for the Waitaki District Floods.

Emergency Management - How we performed

Emergency Management Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Response to emergency events. (See note at end of table)	Rural fire is directly linked to the 111 system. Civil Defence is monitored through Council's Customer Services Unit and the after hours call out system. (1)	100% of responses within 15 minutes.
Response to requests for fire permits.	94% of fire permits were issued within 2 days. Council does not currently measure how many days we take to issue all permits. (2)	100% of responses within 2 days.
Rural fire audit now called Performance Assessment Criteria (PAC).	Rural fire PAC is due after 2012. The last audit was in 2008.	Maintain standards required by national body.
Resident Satisfaction with level of service provided	Residents Survey 2010 recorded: 85% of residents are satisfied with emergency services.	70%
Retain existing level of volunteer assistance for rural fire	Currently 74 operational volunteers. Council believes that 74 volunteers are enough to retain functional rural fire service.	20% (96 volunteers)
Recruit community volunteers for civil defence	Currently 79 operational volunteers	20% (57 volunteers)

- (1) Emergency Operations Centre has a log of all calls but do not 'extract' and calculate data because of resource constraints.
- (2) Some Fire Permits require Department of Conservation input or approval. Some permits require our staff to travel hundreds of km to develop burn plans with farmers. Staff assess that the two day target is unrealistic. Some Councils have a five day target. We want to be aligned with other Councils and will look to change this performance target.

Regulatory

		2009/10 Actual \$(000)	2009/10 Budget \$(000)	2008/09 Actual \$(000)
Building Control	(a)	816	988	822
Environmental Health	(b)	496	425	390
Animal Control		120	135	94
Emergency Management	(c)	840	535	527
Operating Expenditure (see note 1 below)		2,272	2,083	1,833
Building Control	(a)	599	704	590
Environmental Health		160	157	152
Animal Control		120	135	122
Emergency Management	(c)	243	32	140
Operating Revenue		1,122	1,028	1,004
General Rates		(4)	(4)	(16)
District Services Rates		283	282	251
Uniform Annual General Charges		687	683	577
Separate Activity Rates		131	131	105
Rates Revenue		1,097	1,092	917
Total Revenue		2,219	2,120	1,921
Net Surplus (Deficit)		(53)	37	88
Remove Effect Depreciation Not Funded		-	-	-
Net "Cash" Surplus (Deficit)		(53)	37	88
Capital and Reserves Funding Requirements				
<u>New Capital</u>				
Building Control		1	-	-
Environmental Health		-	-	-
Animal Control		-	-	-
Emergency Management		29	37	140
		30	37	140
<u>Renewals</u>				
Building Control		-	-	-
Environmental Health		-	-	-
Animal Control		-	-	-
Emergency Management	(d)	94	60	1
		94	60	1
Transfers to Reserves		32	-	3
Total Funding required		156	97	144
Funding Requirements met by:				
Operating "Cash" Surplus (Deficit)		(53)	37	88
Transfer from Reserves		126	-	18
Renewal Funding From Depreciation Reserves		83	60	38
		156	97	144
Note 1 - Operating Expenditure includes				
Depreciation		34	31	35
External Interest		-	-	-
Internal Interest		-	-	-

Regulatory

Regulatory Financial Commentary:

(a) Building Control - Operating

This area experienced an overall decrease in activity, a reflection of what was happening in the wider economy. Cost savings were made to allow for this reduced activity.

(b) Environmental Health – Operating Expenditure

Council has improved the way it records time management spent on environmental health. The 'increase' in costs reflects more accurate costing. The change in allocating overheads has little net effect on costs for other reduced regulatory activities, particularly building control.

(c) Emergency Management - Operating

Two factors increased both operating costs and revenue. The first was responding to fires – Council received income to cover these costs. The second was Civil Defence costs of the May/June flooding in North Otago. The cost of repairs, mainly in roading and water, is recorded in those activities.

(d) Emergency Management - Renewals

Council received external funding to buy a higher standard of replacement vehicle. Some other safety equipment needed to be replaced from depreciation reserves.

Parks and Recreation



The Parks and Recreation group of activities includes:

- Gardens and Green Spaces: public gardens, lakes camping, cemeteries, public toilets
- Sports and Recreation: sports fields, playgrounds, grants to sports and recreation
- The Aquatic Centre in Oamaru

Parks and Recreation is an activity that links to a number of community outcomes including “Waitaki people are safe and healthy” and “Waitaki has strong and proud communities.”

Some of the facilities provided by this activity foster civic pride (the Oamaru Public Gardens for one) and are used by people outside of the District. Others – like the Aquatic Centre – were contentious when built – but have health and community benefits like preventing loss of life when children know how to swim.

Within the group, there are large variations in recovery from users. Some, like the Gardens, are free. Others – like the Aquatic Centre – charge users but do not achieve full cost recovery. The Aquatic Centre has exceeded the targeted level of cost recovery.

Gardens and Green Spaces - What we did

- Planted 190 new rose bushes in Oamaru Gardens (donated by Matthews Nurseries Ltd)
- Planted 30 deciduous trees planted in Oamaru Gardens (donated by Duncan & Davies Ltd)

Gardens and Green Spaces - How we performed

Gardens and Green Spaces Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
% of residential properties' within 1km of a public open space.	90%	90% of residential properties within 1km of a public open space
Customer satisfaction with the quality of the District's local and neighbourhood reserves	Residents' Survey 2010 recorded: 95% user/visitor satisfaction (96% in 2009) – those who had visited a park/reserve within the last 12 months	≥90%
Comply with relevant NZ Standards and Legislation	95%. Staff constraints mean we have not yet finalised our Reserve Management plans.	100%
The Gardens maintain status as 'Garden of Significance' (assessed every 3 years by New Zealand Gardens' Trust)	NZGT endorsement dated 1 September 2008. Next review 2011.	Maintain endorsement by the NZGT as a “Garden of Significance”
Number of trees in urban areas	No reduction	No reduction in number of trees in urban areas

Parks and Recreation

Gardens and Green Spaces Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Sufficient length of walking/biking tracks provided for recreational enjoyment.	Council made preliminary estimate of 20km of walking/cycling tracks in Waitaki District. Restructuring of Parks and Gardens limited further work to get exact measure. We plan to finalise measurement with GIS in 2010/11.	Determine length of walking/biking tracks provided for recreational enjoyment
Sufficient land is available for burials and ash interments determined by a review of cemetery capacity undertaken every 5 years	Staff reviewed available land in 2009/10. We continue to believe that adequate perpetuity land is available. Demand for ash burial has increased – we may bring forward date of next review.	Review of cemetery capacity completed
Funeral Directors' satisfaction with the quality of service for the District's cemeteries.	Resource constraints meant that we did not measure this in 2009/10	> 90%
Number and location of public toilets.	Toilets are provided in central Oamaru, at major sporting venues, in all townships of population greater than 300 people.	Toilets are provided in central Oamaru, at major sporting venues, in all townships of population greater than 300 people
Customer satisfaction with the quality of the District's public toilets.	Residents' Survey 2010 recorded: 74% user/visitor satisfaction (80% in 2009) – those who had used a public toilet within the last 12 months	≥ 70% user satisfaction with the quality of the District's public toilets
User satisfaction with the quality of the Waitaki Lakes camp grounds	We did not measure user satisfaction in 2009/10 due to lack of manpower and change in management.	User satisfaction with the quality of the Waitaki Lakes Camp Grounds - >70%

Sports and Recreation - What we did

- Otematata walkway installed
- Beautification strip West Road, Otematata vested as reserve.

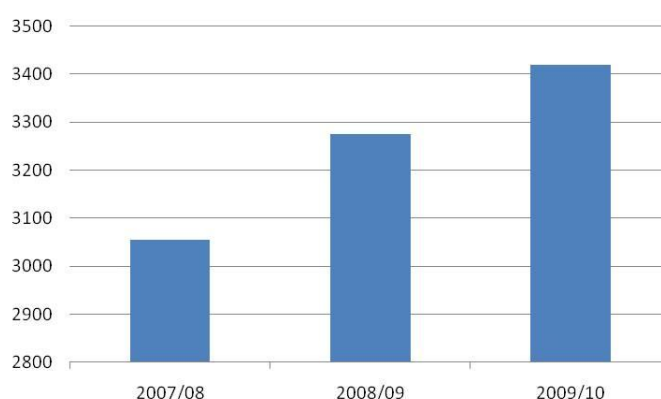
Parks and Recreation

Sports and Recreation - How we performed

Sports and Recreation Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Proportion of playgrounds compliant with NZ Safety Standards	Last independent audit 2007 31.5% Compliance work to improve rating undertaken	50%
Number of events called off due to sportsgrounds being unsafe	No events cancelled from sportsgrounds due to safety	No events called off due to sportsgrounds being unsafe.
Proportion of Communities >250 residents have playgrounds	Achieved in all communities except Moeraki but we started work on playground in 2009/10	100%
Proportion of Oamaru residents within 500m of a playground (includes school facilities)	Did not meet measure in North Oamaru. No land currently available to buy. GIS cannot measure population.	70%
Number of sporting events hosted	We do not have a computer system to track bookings. We have requested Council for software. Manual count for national: 7, Regional count - unknown	Venue is used for 3 regional, and 2 national sporting events.

Waitaki **Aquatic Centre** Swim School numbers increased yet again to a record 3,420 enrolments in 2009/10. Total visitors to the Waitaki Aquatic Centre were 148,734, an increase of 13 per cent in 2008/09. User satisfaction increased to 95 per cent in 2009/10 compared with 93 per cent the previous year. Operating expenditure increased by 13 per cent to \$1.2 million. Revenue increased by 16 per cent to \$0.5 million, leaving an operating loss of \$0.7 million.

Graph 12: Waitaki Aquatic Centre Swim & Style School



Aquatic Centre - What we did

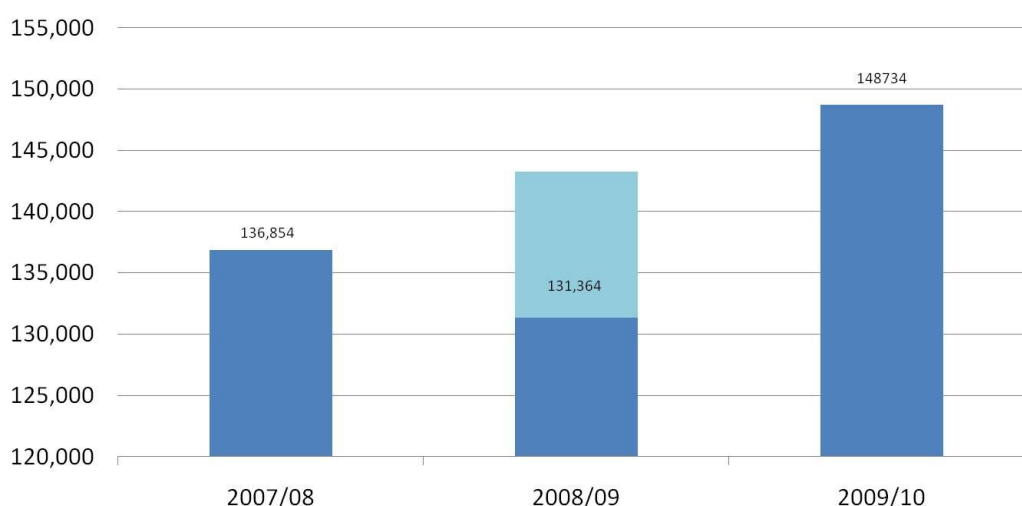
- Completed facility upgrade project and commissioning. Very positive feedback from staff and customers on the much improved water and air quality, consistent pool temperatures and better lighting and acoustics in the facility.
- 30% savings on energy use and cost for the year.
- Swim School numbers continue to grow – up 5% on previous year to 3,420 enrolments in weekly swimming lessons.
- Income exceeded budget by 12%.

Parks and Recreation

Aquatic Centre - How we performed

Aquatic Centre Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Aquatic Centre: Annual usage level.	148,734 visits to the Aquatic Centre achieved. Up 13% on previous year.	135,300 2009/10 target increase of 2% per annum thereafter.
Aquatic Centre: User/visitor satisfaction.	Residents' Survey 2010 recorded: 95% user/visitor satisfaction (93% in 2009) – used/visited in the last 12 months	85%
The Waitaki Aquatic Centre is appropriate for its intended use, and healthy and safe for users and staff	Waitaki Aquatic Centre gained accreditation again in 2009/10. The next review is scheduled for 2011/12.	Obtain National Accreditation (assessed by PoolSafe external assessment)

Graph 13: Waitaki Aquatic Centre Attendances



Attendances are lower for 2008/09 Aquatic Centre was closed for repairs during May.
The graph above shows projected attendances in light blue based on results for May the previous year

Parks and Recreation

		2009/10 Actual \$(000)	2009/10 Budget \$(000)	2008/09 Actual \$(000)
Gardens and Green Spaces		2,404	2,415	2,343
Sports and Recreation	(a)	767	829	670
Aquatic Centre	(b)	1,212	1,207	1,065
Operating Expenditure (see note 1 below)		4,383	4,451	4,078
Gardens and Green Spaces		139	128	223
Sports and Recreation	(a)	120	264	328
Aquatic Centre	(b)	524	470	453
Operating Revenue		783	862	1,004
General Rates		288	289	264
District Services Rates		185	185	179
Uniform Annual General Charges		486	483	434
Ward Rates		2,071	2,064	1,960
Separate Activity Rates		327	317	345
Rates Revenue		3,357	3,338	3,182
Total Revenue		4,140	4,200	4,186
Net Surplus (Deficit)		(243)	(251)	108
Remove Effect Depreciation Not Funded		420	420	365
Net "Cash" Surplus (Deficit)		177	169	473
Capital and Reserves Funding Requirements				
<u>New Capital</u>				
Gardens and Green Spaces	(c)	46	92	93
Sports and Recreation	(d)	76	140	49
Aquatic Centre	(e)	93	-	1,504
		215	232	1,646
<u>Renewals</u>				
Gardens and Green Spaces	(c)	31	-	1
Sports and Recreation	(d)	-	-	14
Aquatic Centre		32	45	42
		63	45	57
Transfers to Reserves		227	88	1,173
Total Funding required		505	365	2,876
Funding Requirements met by:				
Operating "Cash" Surplus (Deficit)		177	169	473
Transfer from Reserves		264	151	1,803
Renewal Funding From Depreciation Reserves		64	45	600
		505	365	2,876
Note 1 - Operating Expenditure includes				
Depreciation		722	631	627
External Interest		-	-	-
Internal Interest		32	131	49

Parks and Recreation

Parks and Recreation Financial Commentary

(a) Sports and Recreation – Operating

Council identified savings and efficiencies that reduced sportsfields and camping grounds costs. Savings were offset by reduced revenue from camping grounds. Increased prices, bad weather and the weak economy reduced revenue.

(b) Aquatic Centre – Operating

Aquatic Centre revenue and expenditure were above budget and 2008/09 actuals. Energy and water costs were lower than budget and the prior year due to the improvements made during last year's upgrade. Revenue and some other costs, including staff costs, were higher than the prior year because the Centre was closed for a month in 2008/09 to allow the improvements to take place.

(c) Gardens and Green Spaces – New Capital and Renewals

The Ahuriri and Waihemo Community Boards identified projects during the year that they wanted to advance. The projects were funded from available reserves. The projects led to higher than budgeted expenditure but no net increase in costs.

(d) Sports and Recreation – New Capital and Renewals

Playground improvements and 'renewals' were lower than budget. The approved work will be carried forward into 2010/11 to get better economics of scale for the work to be undertaken.

(e) Aquatic Centre – New Capital

The \$93k was to build a dry storage area. Work had been scheduled for 2009 but was pushed into 2010 to allow a focus on completing the improvements in that year.

Arts, Heritage and Community

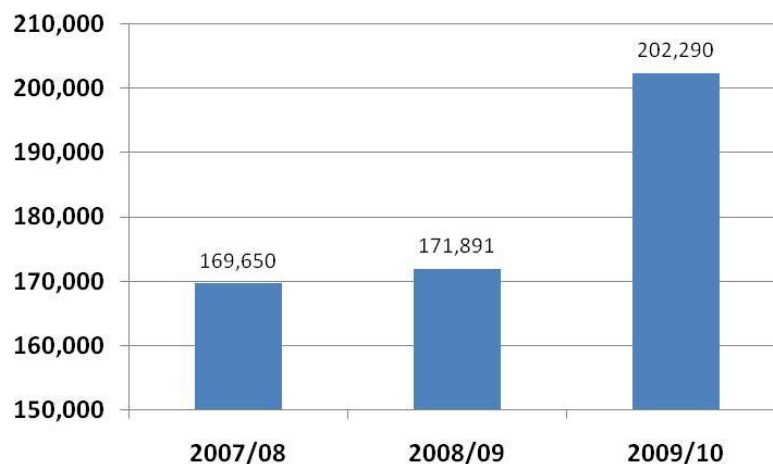


The Arts, Heritage and Community group of activities includes:

- Gallery and Museum
- Libraries
- Community Development
- Opera House
- Community Buildings

Waitaki District Community Facilities

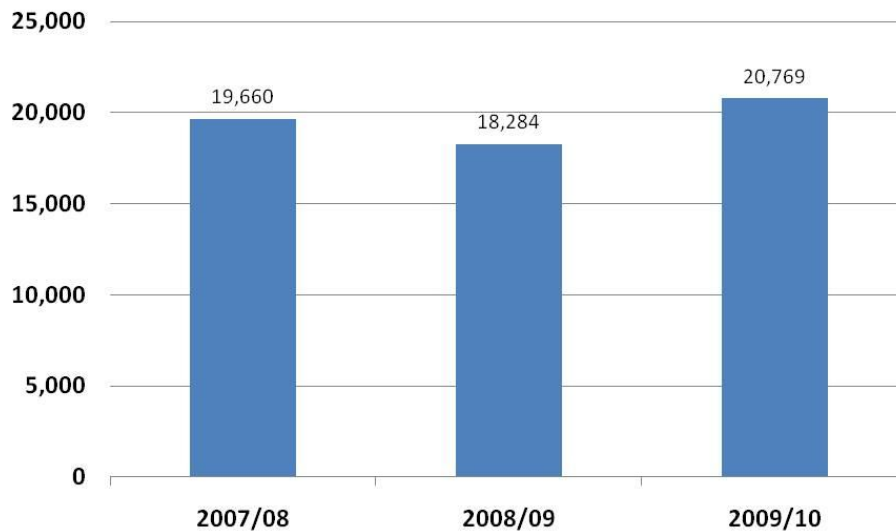
Graph 14: Oamaru & Palmerston Libraries Visitors



The total number of visitors to Oamaru and Palmerston libraries was 202,290 in 2009/10, an increase of 17 per cent on the previous year. The Residents' Survey 2010 showed that 95 per cent of visitors were 'very or fairly satisfied' with library services compared with Council's target of 90 per cent. The catalogue went on-line from July 1, 2009. Residents can now search the catalogue, place reserves and renew their books '24/7' from the convenience of their own home.

Arts, Heritage and Community

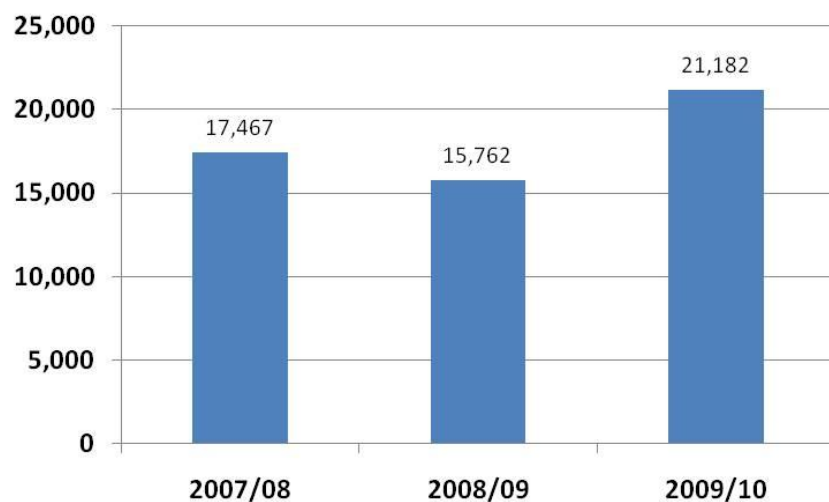
Graph 15: North Otago Museum Visitors



North Otago Museum hosted 20,769 visitors in the past year, an increase of 13 per cent on the previous year. 2,500 people accessed the archives. Forty-six education groups visited comprising 1,267 students. The Residents' Survey 2010 showed 91 per cent of visitors were 'very or fairly satisfied' with the Museum compared with 92 per cent in 2008.

The Museum held a number of exhibitions throughout the year including 'Sweat & Starch' and 'The Westland'. Professional liaison on collection management and project management was given to both the Waihemo Heritage Trust and the Nicol's Blacksmith Historic Trust. Operating expenses increased by 5.4 per cent to \$474,000.

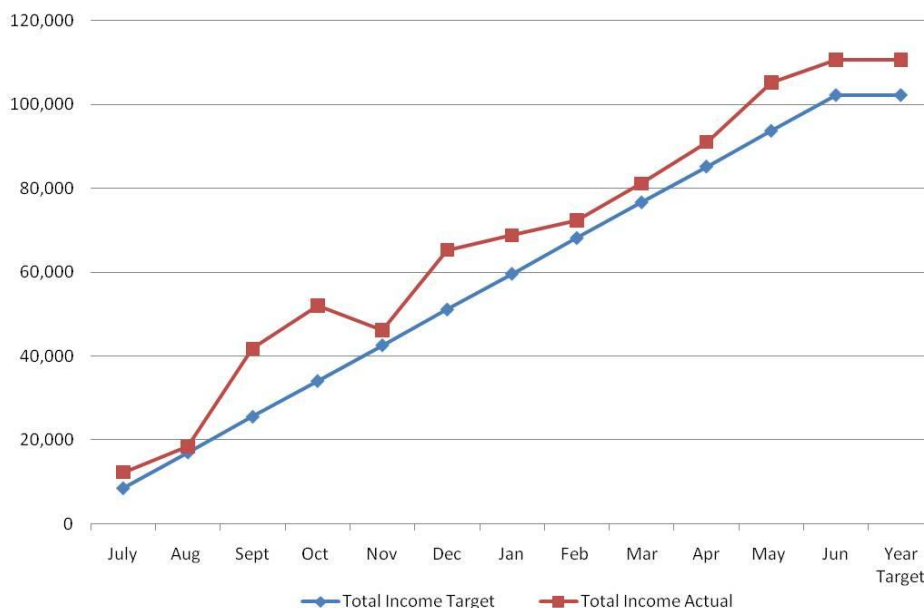
Graph 16: Forrester Gallery Visitors



Forrester Gallery organized a range of exhibitions during the year. The exhibitions were well attended and insightful. The Steampunk exhibition received an excellent and record breaking response with nearly 700 visitors on one day. Total exhibition attendance of 5,970. A total of 21,182 people visited the gallery in 2009/10 compared with the target of 13,000 and 15,762 visits in 2008/09. The 2010 Residents' Survey showed that 96 per cent of visitors were 'very or fairly satisfied' with the Gallery. Operating expenditure was flat at \$396,000 in 2009/10. Revenue increased to \$70,000.

Arts, Heritage and Community

Graph 17: Oamaru Opera House Income 2009/10 (\$)



Oamaru Opera House The Vision for the Oamaru Opera House is a high quality venue for performing arts, functions and conference activities that enhances the commercial, community and cultural growth of the Waitaki District.

The 2009/10 year saw the Oamaru Opera House present a diverse range of cultural, commercial and community events spanning theatre, conferences, meetings and social engagements. The facility had exceptional patronage and received very positive feedback from users.

Graph 17 shows that income from the Opera House exceeded the 2009/10 budget. Operating expenses were \$1.1 million in 2009/10 compared with the the budget of \$0.7million and \$0.8million in 2008/09. The notes to the financial statement give more detail.

The Opera House has advance bookings to 2013 fairly consistent with projections. Community groups regularly meet in the Green Room of the Footlights Stage. The Grand Foyer is a popular community gathering space.

Forrester Gallery – What we did

- Excellent and record-breaking response to *Steampunk* exhibition. Just under 700 visitors on one day and total exhibition attendance of 5,970!
- Record breaking 21,182 Gallery visits for 2009.
- Successful Wheeler panels book launch and positive schools/gallery relationship.
- Refurbishment of 1st floor exhibition spaces.
- Attending Museums Aotearoa New Plymouth conference.
- Lighting upgrade of first floor gallery spaces and refurbishment of the 1983 era basement collection store.
- Visitors continue to comment favourably on exhibition lighting.
- Friends of Forrester gift of wireless public address system.
- Presentation to Council of final redevelopment concept.

Arts, Heritage and Community

Forrester Gallery – How we performed

Gallery Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Gallery: Annual usage levels.	21,182 visits. (15,957 target for 2008/09). Target exceeded.	16,000
Gallery: Visitor satisfaction.	Residents' Survey 2010 recorded: 94% of visitors are satisfied (99% in 2009) – who have visited in the last 12 months. 74 visitor book comments were made during the year, all were positive.	≥ 90%
Gallery is accessible to users	Street level spaces only currently available to people with disabilities.	Street level spaces accessible to people with physical disabilities
Gallery is actively used for schools	Whole of year school visits 41, total student numbers 1,618. Not previously measured	Maintain number of school visits
Number of volunteers contributed to Gallery Operations	42 hours of volunteer input required and monitored. This was consistent with prior years as most input is for regular tasks.	Maintain current number of volunteer hours.

North Otago Museum- What we did

Exhibitions

- Sweat & Starch
- Waitaki Landscapes
- War Souvenirs
- Janet Frame
- The Westland

Education

- Forty-six education group visits with 1,267 students.

Oral History Projects

- Alliance Pukeuri Project: Danny Hailes (general manager), David McLean (slaughterman & union delegate), John Cunningham (slaughterman), Paddy Ford (slaughterman), Judy Te Aho (gut-house and offal room supervisor), Graeme Mills (meat workers union delegate).
- Arthur Wilson – Working up the Waitaki at Longslip Station and the Waitaki Dam.
- Jack Brown – Oamaru Trotting Club, later known as Oamaru Harness Racing Club & Oamaru Operatic & Musical Society.
- Aileen Woods – Working up the Waitaki, Wharekuri Hotel, Omarama Hotel.
- Czeslawa Panek – WWII refugee from Poland.
- Alan McLay – Oamaru Opera House project.

Professional Liaison

- Waihemo Heritage Trust
- Nicol's Blacksmith Historic Trust

Arts, Heritage and Community

North Otago Museum – How we performed

Museum Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Museum: Annual usage levels.	20,769 visits. (18,284 in 2008/09). Archive users 2,500 Volunteer hours 2,295 (15 regular volunteers)	Maintain current visitor numbers prior to redevelopment.
Museum: Visitor satisfaction. Survey of comments of Archive Use Register, Visitor Book.	Residents' Survey 2010 recorded: 88% of households who have visited in the last 12 months are satisfied (92% in 2009).	≥ 85%
Retain existing level of volunteer assistance at the Museum	2009/10 2,295 volunteer hours, 30% increase	Maintain current number of volunteer hours
Archive Storage complies with the Mandatory Archive Standard (2007)	<p>Archive storage does not comply with the Mandatory Archive Standard (2007)</p> <p>Areas of Non-compliance: Records are stored using appropriate packaging and shelving or storage equipment. Area of major concern – Maps & Plans, Photographs, Bound Volumes. Records are stored in environmental conditions which will ensure they are preserved for as long as they are required. Area of major concern – Photograph Collection. Storage areas must be protected against internal hazards. Area of major concern – internal water. Council is considering options but has made no decisions as to how to address these issues</p>	Archive storage complies with the Mandatory Archive Standard (2007)

Libraries – What we did

- Increased visitor numbers by 17.7% and issue numbers by 2.3% in 2009/10. The economic downturn, free internet access and the catalogue being online contributed to increased library usage.
- Installed ten APNK computers (provided by National Library) in Oamaru, Palmerston & Kurow Libraries. Council installed Wi-Fi in Oamaru and Palmerston and Public internet computers in Hampden and Otematata Libraries.
- Completed the branches cataloguing project, with 12,000 books added to the catalogue. Key features of this project were identification of books for de-selection and liaison with, and input from, the branch library staff and volunteers.
- Surveyed library customers during May-June, with 264 respondents – results are being evaluated.

Arts, Heritage and Community

- Special events included Poetry Day; Maori Language Week, with Kapa Haka performances; Library Week guest lecture on Cosmology; Conservation Week visiting naturalists' lectures on Sea Lions, Elephants and the Andaman Islands; a performance by The Oamaru Intergalactic Ukulele Ensemble for NZ Music Month; Puffin Books 70th Anniversary with author-illustrator Bob Darroch; and Heritage Week Steam Punk display and historic storytelling.
- Other events included hosting the Children's & Young Adults Librarians Conference, and giving a presentation on 'Being connected at your Library' to the Positive Ageing Forum.
- Regular popular events included the 'Snakes Alive' Summer Reading Challenge and other holiday programmes for young readers; Toddler-Time; Book-Chat; Heritage Radio slot; and Find-It tours of the Library.
- Palmerston Library received a bequest of \$5,000 from the estate of Mr J. V. Dunckley for the non-fiction collection. A further donation of \$1,685 from Council Waste Services department was provided for books and DVDs on compost for all the Libraries.

Libraries – How we performed

Libraries Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Library: Annual usage levels, Oamaru and Palmerston.	202,290 (Palmerston & Oamaru) Above target	172,000 visits per annum.
Library: User/visitor satisfaction.	Residents' Survey 2010 recorded 94% of visitors are satisfied (97% in 2009)- used in last 12 months.	92%
Issues borrowed per capita.	12.6 above target with 255,257 total issues	12 issues per capita.
Percentage of members who borrowed from library within last two years	59.2%	42%
Oamaru Library is open for 42 hours over 6 days per week. Palmerston Library is open for 41.5 hours over 5 days per week	99.8% Palmerston Library closed 9 hours (for staff to attend CSGM and Union meetings)	100% target opening hours attained
Percentage of surveyed borrowers satisfied with library service	Library staff conducted a survey through Survey Monkey in May – June 2010. This had 264 responses, with 98.5% being moderately or very satisfied.	80%
Number of items available at no cost as a % of total collection	96%	95% lending items are free

Arts, Heritage and Community

Community Development– What we did

Youth Council

- Two Youth Council representatives (Caleb Grove and Shaun Todd) attended the 'Youth in Local Government' Conference in Wellington.
- Youth Council members submitted on the Liquor Ban Bylaw.
- Three Youth Council representatives (Lisa Sturgess, Eilidh Blanchard and Nicole McCone) attended a combined Youth Council meeting in Dunedin with Dunedin and Clutha Youth Councils (see picture).
- Produced a 'What's On' brochure for youth in the District.
- Worked on information poster bollards in the town, one at the north end and one in the central business District.
- The Positive Ageing group held forums during the year including Community Housing and Emergency Services.



Waitaki Alcohol Harm Reduction project:

- Received two years funding from NZ Transport Agency to continue and evaluate the Recidivist Drink Drive Prevention programme.
- Our Community, Our Responsibility continued working with the wider community such as the Pacific Island community, parents, youth, front line staff from licensed premises etc to reduce alcohol related harm.



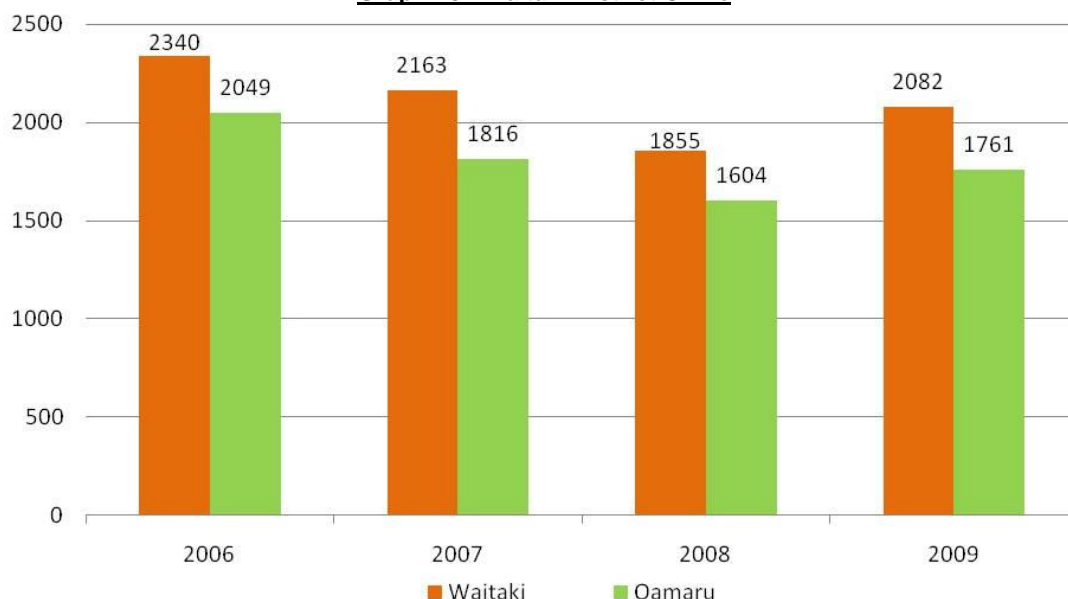
Graffiti Eradication and Prevention project:

- A dramatic decline in graffiti vandalism and an increase in prosecutions and reparation. 2010/11 will be the last year of the Ministry of Justice funding.
- Successful implementation of the TAG (students Totally Against Graffiti vandalism) programme in the schools.

Road Safety

- Slight decline in fatal and injury crashes in Waitaki.
- Successful implementation of the Streetsmart programmes where 95% of the schools in Waitaki participated in activities.
- Successful 2 year funding from NZ Transport Agency for Waitaki Road Safety activities.

Graph 18: Waitaki District Crime



Arts, Heritage and Community

Total crime in Waitaki increased to 2,082 incidents in 2009 compared with 1,855 incidents in 2008, an increase of 12 per cent. Violent offences increased by nine per cent to 349 incidents.

Waitaki Guardians completed 100 foot patrols, and dealt with 3,470 incidents, of which 1,085 were litter pickups. The Waitaki Guardians talked to people about drinking in a public place 639 times. The Guardians reported 22 people to the Police.

Alcohol-fuelled crime continues in Waitaki. Oamaru Police indicate that at least 80 per cent of crime in Oamaru involved alcohol. Council enacted a temporary liquor ban in public places in Omarama during the Christmas 2009 rodeo. Feedback from the Ahuriri Community Board indicates the ban was a success.

Community Development– How we performed

Community Development Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Community grants accountability.	23 successful applicants (96%) returned their accountability forms within 12 months.	90% of successful applicants return their accountability forms within the agreed period.
Resident perception of safety.	Residents' Survey 2010 recorded 99% of residents are satisfied that the Waitaki District is generally a safe place to be. (95% in 2009)	90% of residents perceive the District to be generally a safe place to live.

Opera House – How we performed

Opera House Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Community satisfaction with venue	Residents' survey 2010 recorded 75% of the community are satisfied with the venue	75% Satisfied.
Volunteer support	98% satisfied <6% inactive	75% Satisfied.
Providing entertainment, performing arts, and public spaces that meet the needs of the community	10,445 entertainment patrons (individual experiences). As this was the first year of full operation, this will serve as the benchmark.	Establish benchmark over 3 years
Providing facilities that meet the needs of community and commerce	Entertainment Hires: 37 performances Community meetings: 82 meetings Banquets: 11 banquets Conferences: 11 half days Total events for year = 181. As this was the first full year of operation, no comparative data is available.	Year One 50 Year Two 70 Year Three 100

Community Buildings – What we did

- Fully renovated Community Housing Units in Reed Street, Swale Street (2), Dacre Street (1), College Street (1), Hampden (1) and Palmerston (1), insulation and heat pumps at Hampden.
- Completed bathroom upgrades at Community Housing units in Swale Street, Usk Street and Dacre Street (1 each).
- Completed kitchen upgrades at Community Housing units in Reed Street (2), Swale Street (2) and College Street (1).

Arts, Heritage and Community

Community Buildings – How we performed

Community Buildings Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Community housing occupancy rates.	Actual occupancy 96%.	90%.
Community buildings annual building 'warrant of fitness'.	All operational buildings have warrant of fitness. 100% Target achieved.	100% receive warrant of fitness (1 August each year). 100% have fire evacuation procedures in place.
Tenancy of units consistent with policy	84%	80% of tenants meet Tenancy Policy criteria
Community Housing funding	Achieved	100%
Affordable housing policy	Average rental 24% of gross income in 2009/10	Average rental set at between 25% and 30% of gross income based on national superannuation
Tenants Welfare and Safety	Quarterly visits by Age Concern	100% of tenants visited by welfare partner. Units inspected for maintenance issues
% return on the capital value	Staff did not determine the benchmark. We did not have enough resources, we intend to benchmark in 2010	Benchmark to be determined in 2009. Attain the benchmark in years 2 - 3

Operational Buildings

Community Buildings Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Operational buildings – Increased level of energy efficiency for operational buildings	A new certified diesel tank installed at Waihemo Service Centre. Electricity usage monitored during the year with the assistance of an outside specialist to set base line usage. More effective alternatives identified for Oamaru Opera House, Aquatic Centre (LPG) and Waihemo Service Centre (improved diesel system).	Benchmark for energy efficiency is to be determined in 2009. Attain the benchmark in years 2 – 3. Further investigate and instigate energy efficiency practices where practicable
Unplanned service disruption	Achieved	No major unplanned disruptions to services in Council building
Buildings are well presented and maintained	Achieved	100% of operations and maintenance plans are in place and planned maintenance undertaken

Arts, Heritage and Community

		2009/10 Actual \$(000)	2009/10 Budget \$(000)	2008/09 Actual \$(000)
Forrester Gallery		396	380	393
North Otago Museum		474	472	451
Libraries		1,053	1,080	988
Community Development and Grants	(a)	499	558	462
Opera House	(b)	1,102	681	828
Community Buildings	(c)	806	598	935
Operating Expenditure (see note 1 below)		4,330	3,769	4,057
Forrester Gallery	(d)	70	3,243	57
North Otago Museum		41	32	31
Libraries		85	61	74
Community Development and Grants	(a)	313	286	280
Opera House	(b)	685	147	4,152
Community Buildings	(c)	417	437	642
Operating Revenue		1,611	4,206	5,236
General Rates		29	29	69
District Services Rates		118	117	-
Uniform Annual General Charges		107	106	97
Ward Rates		2,227	2,226	2,077
Separate Activity Rates		369	350	339
Rates Revenue		2,850	2,828	2,582
Total Revenue		4,461	7,034	7,818
Net Surplus (Deficit)		131	3,265	3,761
Remove Effect Depreciation Not Funded		132	-	-
Net "Cash" Surplus (Deficit)		263	3,265	3,761
Capital and Reserves Funding Requirements				
<u>New Capital</u>				
Forrester Gallery	(d)	42	3,944	5
North Otago Museum	(e)	21	-	4
Libraries		9	5	3
Community Development and Grants		1	-	-
Opera House	(f)	447	5	3,071
Community Buildings	(g)	76	-	333
		596	3,954	3,416
<u>Renewals</u>				
Forrester Gallery		-	-	10
North Otago Museum		2	-	8
Libraries		120	105	110
Community Buildings	(g)	340	128	207
		462	233	335
Loan Payments		3	3	3
Transfers to Reserves		292	146	1,553
Total Funding required		1,353	4,336	5,307
Funding Requirements met by:				
Operating "Cash" Surplus (Deficit)		263	3,264	3,761
Capital Sales		2	-	-
Transfer from Reserves		557	819	731
Renewal Funding From Depreciation Reserves		531	253	815
		1,353	4,336	5,307
Note 1 - Operating Expenditure includes				
Depreciation		1,036	849	858
External Interest		1	1	1
Internal Interest		15	61	210

Arts, Heritage and Community

Arts, Heritage and Community Financial Commentary

(a) Community Development and Grants – Operating

Community Safety – Because funding is contestable and confirmed during the year correctly estimating funding and expenditure is difficult.

(b) Oamaru Opera House (OOH) – Operating

2009/10 was the first full year of operation for the redeveloped OOH. Patronage was higher than forecast. Costs and revenues were above budget. Some costs – energy, depreciation and cleaning – were budgeted too low. Management has taken steps to control costs and adjust budgets. A full report on the year's activities was presented to Council in September 2010.

(c) Community Buildings

Two classes of building drove the variations, halls and community housing. The main reasons for variances from budget were increases in the depreciation cost of the Opera House, repairs to both halls and community housing units, and initial costs in relation to redeveloping Weston Hall.

(d) Forrester Gallery – Revenue and Capital Expenditure

The revenue budget included \$3.2m of external funding to finance the proposed upgrade to the Gallery. Because of the weak economy, external funding has tightened up. The project did not progress as budgeted with variances on both revenue and capital expenditure against budget.

(e) North Otago Museum – Capital Expenditure

Actual expenditure was on project planning to upgrade the Museum and Library. The plan had been budgeted for a prior year but started in 2010.

(f) Oamaru Opera House – Capital

Final expenditure to complete the redevelopment project \$454,000 flowed into 2009/10 due to timing of final payments to contractors.

(g) Community Buildings – Capital

Council renewed a number of community housing units. We did not specifically budget for the renovations. We renovated the units as required or as vacancies allowed. Council funds the 'renewals' from depreciation. Some of the expenditure has been treated as new capital, particularly the costs to improve heating and insulation in the units. Some external funding has been received to assist in funding these improvements.

Economic Development



The Economic Development group of activities includes:

- Tourism marketing and management
- Economic Development (including management of Visitor Information Centres (i-Sites) and Oamaru Blue Penguin Colony)

The Waitaki Development Board's key functions are to advance tourism and economic development within the Waitaki District by fostering a positive, diverse, sustainable and growing economy. Tourism has become a key focus over the last year with resounding visitor growth and the success of new product development.

Economic Development – What the Waitaki Development Board (WDB) did on behalf of Council

One of the key areas of focus for economic development has been to improve the liaison with existing businesses. The WDB has a list of 34 businesses and organisations, many of them Waitaki's bigger employers, which have been visited during the past 12 months, in some cases more than once. The visits have served several purposes: to interact with those businesses, to feed information regarding industry conditions back to the board, and to determine if there are any issues which the WDB can assist with.

The response has been very good and there has been a good level of information sharing. One of the less expected results has been the ability to connect some of these businesses with other people or organisations which have been able to help them in various ways. One example of this is connecting the Applied Design Research Centre with Waitaki businesses which has added value to our local business community.

Another initiative has been the facilitation of the 2010 Waitaki Careers Expo, held in May in Oamaru. This inaugural event showcased several local businesses as well as numerous training and education providers to the public. Almost 40 businesses and organisations took part. Approximately 500 secondary school pupils also attended. It is intended that the event will be repeated each year and it will grow with more exhibitors. The high schools have indicated this will encourage them to have more of their students attend the Waitaki event rather than travelling to the one held in Dunedin each year. Future Waitaki expos will feature more local businesses.

Economic Development – What Council Did?

- Management of Tourism Waitaki, Oamaru i-SITE and Oamaru Blue Penguin Colony

Economic Development

Economic Development – How we performed

The latest year saw varied performance for Waitaki. GDP in the District rose 2.7% on the previous year, which compares well with a decrease of 0.5% for Otago and a decrease of 1.1% for New Zealand.

BERL reports labour productivity (\$ per FTE) fell 2.6% compared to a national decrease of 1.9%. This is largely due to Waitaki increasing its workforce by 5.3%

Economic Development Service Level		
Performance Measures	Achievements 2009/10	Targets 2009/12
Population stable or increasing	2006 census = 20,226 End March 2009 = 20,190	≤ 0.1% or fewer than 20 people decrease annually. Population >20,200
Annual Gross Domestic Product (GDP) per capita higher than national average	End March 2008 = \$848 million End March 2009 = \$871 million which equates to 2.7% growth compared to -1.1% nationally	2%pa higher than national average.
90 day bill rate exceeded in each quarter	Achieved in commercial investments. No cash investment during the year	Exceed the average 90 day bill rate for commercial and cash investments

Note: The 2010 BERL Report details Waitaki's economic performance for year ended March 2009

Table 1: Waitaki District Economic Performance, 2009

	per cent change 2009	
	Waitaki District	National
Resident population	0.0	1.1
Real Value Added (GDP)	2.7	-1.1
GDP per capita	2.7	-2.2
Employment	5.3	0.7
Labour Productivity	-2.6	-1.9
Business units	0.8	0.3
Business size	4.4	-0.3

Source: BERL Regional Database, Statistics NZ

Waitaki had 8,886 FTEs in 2,877 businesses generating \$871 million in GDP in 2009.

- Waitaki had another strong year of economic growth in 2009, with a 2.7% increase compared to a decrease across New Zealand of 1.1%.
- Employment rose strongly by 5.3%, reversing the decrease experienced during the previous year. Strongest growth occurred in the areas of Social Services, Business Services and Manufacturing.
- Labour productivity suffered as the increase in employment was not met with a corresponding increase in GDP. Labour productivity stood at \$91,314 per FTE for the year, a decrease of 2.6% from the previous year.

Economic Development

Over the ten years since 1999, the economic performance of the Waitaki District has been mixed. In spite of recent improvements, over the past decade the District has underperformed New Zealand averages for growth in the most areas except for business size (number of employees per business).

Tourism – What Tourism Waitaki did on behalf of Council

- Alps to Ocean Cycle Trail funding has been approved which has resulted in \$2.75 million for the trail to be constructed from Mt Cook to Oamaru.
- Event development officer was appointed to develop new events for the District, assist with current events, and develop policies and procedures and source outside funding.
- Represented the District and operators at key trade and consumer events including TRENZ, ITOC trade day, Otago Southland Trade Day and Kirra Australia Roadshow.
- Partnered with Southern regions to develop a strategy for Rugby World Cup 2011. Worked on Waitaki District Rugby World Cup strategy for all businesses and the community and assisting with preparation for the Golden Oldies tournament.
- Produced marketing material and website for operators to promote their businesses including district brochures, maps, and flyers.
- Over 50 positive tourism media releases locally and nationally in the last six months.
- Researched markets and provided latest tourism research to operators.
- Increased communication with local tourism operators through surveys, monthly newsletters and site visits.
- Developed partnership with Aoraki Polytechnic to improve customer service standards within the industry.
- Regular communication with Community Boards, Council and key stakeholders.
- Currently developing a new 10 year tourism strategy for the District that will be launched in October/November.



Tourism – How we performed

Tourism Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Increase visitor bed nights purchased.	317,073 bed nights 2009/10 compared with 303,006 bed nights 2008/2009	Bed nights purchased ≤324,000.
Increase in average length of stay.	Virtually unchanged at 1.53 nights	Increase to 1.7 nights average by 2012
Visitors to Oamaru Blue Penguin Colony.	81,128 Overall visitor numbers 2009/10 compared with 75,515 overall visitor numbers 2008/09.	42,000 visitors annually to the OBPC by 2012.
Annual tourism GDP growth % higher than NZ average	Tourism GDP grew 0.3% in 2009 in Waitaki. Our BERL data does not give the NZ figure for 2009	Higher than NZ average

Economic Development

Notes:

New BERL research has been developed to be more accurate than previous tourism statistics and data. The results now measure full-time equivalents instead of number of workers because the tourism industry is characterized by a high proportion of casual/part time workers compared to other industries. The focus is now on GDP instead of tourist expenditure as GDP is a better representation of actual economic contribution. The direct impact and not total impact is also now reported in data as this allows comparison to different industries in the economy. Also used is composite total not individual industry because tourism is a composite sector where all tourism-related employment can occur across all industries in the economy. In an industry such as accommodation, cafes and restaurants we would expect a large proportion (but not all) of employment to be a result of tourism. Hence, tourism activity is a composite made up of the tourism related portion of activity in all other industries.

Tourism Statistics

BERL Data

The Waitaki District derives relatively more economic activity from tourism than nationally in relation to employment; and slightly less in terms of GDP. Tourism directly accounts for around 5.2 percent of all employment in New Zealand, but in Waitaki, the figure is 7.1 percent. Tourism directly contributes 4.1 percent of the region's GDP, through 6.4 percent of businesses.

Around 400 FTEs and almost \$17 million in GDP are generated directly within tourism-characteristic industries accounting for 4.3 percent of employment and 1.9 percent of GDP in Waitaki.

For the year ended June 2010 compared with the previous year:

- Guest nights up 16.3 percent to 317,073
- International guest nights up 2.3 percent to 104,978
- Domestic guest nights up 24.8 percent to 212,095
- Average length of stay unchanged at 1.53 nights
- Overall occupancy rate up from 13.2 percent to 14.5 percent
- Accommodation capacity, excluding holiday parks, up 4.4 percent.

Economic Development

		2009/10 Actual \$(000)	2009/10 Budget \$(000)	2008/09 Actual \$(000)
Tourism Development		543	548	423
Penguin Colony	(a)	864	672	706
Economic Development	(b)	184	327	443
Property	(c)	1,081	884	1,415
Treasury	(d)	(410)	(1,507)	(1,522)
Corporate		(20)	(48)	(11)
Operating Expenditure (see note 1 below)		2,242	876	1,454
Tourism Development		-	-	-
Penguin Colony	(a)	957	783	834
Economic Development		4	-	-
Property	(c)	319	310	384
Treasury	(d)	890	827	1,946
Corporate		63	27	60
Property Sales		-	-	-
Operating Revenue		2,233	1,947	3,224
General Rates		(473)	(473)	(468)
District Services Rates		(302)	(301)	(301)
Uniform Annual General Charges		166	165	146
Separate Activity Rates		56	54	60
Rates Revenue		(553)	(555)	(563)
Total Revenue		1,680	1,392	2,661
Net Surplus (Deficit)		(562)	516	1,207
Remove Effect Depreciation Not Funded		105	109	107
Net "Cash" Surplus (Deficit)		(457)	625	1,314
Capital and Reserves Funding Requirements				
<u>New Capital</u>				
Penguin Colony	(e)	17	500	-
Property		477	500	921
Corporate		101	75	202
		595	1,075	1,123
<u>Renewals</u>				
Property		-	-	21
Penguin Colony		14	17	-
Corporate	(f)	676	654	201
		690	671	222
Loan Repayments	(g)	900	1,000	750
Transfers to Reserves		2,672	3,462	4,095
Total Funding required		4,857	6,208	6,190
Funding Requirements met by:				
Operating "Cash" Surplus (Deficit)		(457)	625	1,414
Capital Sales	(h)	1,485	1,063	2,132
Loans Raised	(g)	-	1,850	-
Transfer from Reserves		3,192	1,999	2,477
Renewal Funding From Depreciation Reserves	(f)	637	671	267
		4,857	6,208	6,290
Note 1 - Operating Expenditure includes				
Depreciation		703	648	677
External Interest		2	69	88
Internal Interest		(439)	(1,459)	(1,240)

Economic Development

Economic Development Financial Commentary

(a) Oamaru Blue Penguin Colony – Operating

Both operating revenue and expenditure were higher than the Annual Plan budget due to increased activity, the net operating result was close to budget.

(b) Economic Development – Operating Expenditure

Council contracts to deliver this economic development service to the Waitaki Development Board. The Board changed its structure during the year and lowered expenditure. The Board kept Council fully informed of these changes.

(c) Property – Operating

'Property' includes properties held for economic rather than social or service delivery reasons. Operating revenue fell compared to 2008/09 because Council sold some under-performing commercial properties in 2009. The Lake Centre in Otematata had the largest over-expenditure in its first full year of operation. Some costs – particularly energy and compliance costs were above budget.

(d) Treasury – Operating

This item primarily reflects the impact of the internal loan/treasury function. Council is required to show internal treasury costs as a net amount for all Council. To do this requires that we need to show 'negative' expenditure amount in the treasury function. The net amount is lower than budget because the market based internal interest rate was far lower than forecast. 'Internal' interest costs were lower than budgeted. These lower than budgeted market rates also affected Council's external investments (mostly North Otago Irrigation Company). These returned a lower than budget income, affecting the overall Council result.

(e) Oamaru Blue Penguin Colony – New Capital

Council included a project in the Annual Plan for the OBPC to expand the services they can offer and increase the overall capacity of the facility. The project is still being developed.

(f) Corporate – Renewal Expenditure

The increase compared to 2008/09 was caused by the 'Authority LGIS' project to replace Council's core information systems with a single integrated system. The project will continue in 2010/11.

(g) Loans Repaid/Loans Raised

Borrowing was not required the amounts relate to external loans only. Council expected to repay and then borrow funds to finance its activities. We changed the timetable for a number of projects including the OBPC and Gallery developments. Council started the year in a better cash position than expected.

(h) Capital Sales

The level of sales varies from year to year depending on what Council has available for sale and market conditions.

Council & Community Boards



The Representation group of activities includes:

- Council
- Ahuriri and Waihemo Community Boards

Council and Community Boards are governance bodies. Both from the vital link between communities and Council staff who manage assets and activities. Council and Community Boards should be 'democracy in action'. Elections every three years give citizens the opportunity to express their opinion on how well Councillors and Community Boards have performed. Resident surveys and other measures below supplement the election decisions made by citizens of the District.

The ideals for this activity are captured under the high level community outcome "Waitaki is served by responsive and efficient government". The activity is regulated by central government through the Local Government Act (2002) and other mechanisms governing reporting and other matters. The Act directs how Council must consult with the public (for example, under "Special Consultative Procedure") so that "we (the community) can be involved in decisions that affect us".

Council & Community Boards – What we did

- After considering 160 public submissions, Council adopted Waitaki District Council's 2010/11 Annual Plan on 30 June 2010.
- Council adopted the Liquor Ban Bylaw on 24 November 2009.
- The Trade Waste Bylaw came into force on 6 July 2009.
- We noted with sadness the passing of a former Councillor – Bill Fraser, in July 2010.

Council & Community Boards – How we performed

Council and Community Boards Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Business conducted in public sessions.	353 items out of 407 items (86%) of Council and Community Board business were considered in public session (91% previous year). 54 items were considered in public excluded session (14%) (51 in previous year - 9%). A number of leaseholders proposed to buy property from Council or extend their leases. No items were considered urgent general business (None previous year)	95% or more resolutions are passed in public session. Fewer than 5% of items are considered as urgent general business.
Residents' assessment of performance of Mayor and Councillors.	Residents' Survey 2010 recorded: 50% of residents rated the performance of Mayor and Councillors as very good or fairly good (this compares with 40% in 2007 for the previous Council at a similar time in their term)	60% of residents assess the performance as very good or fairly good.

Council & Community Boards

Council and Community Boards Service Level		
Performance Measures	Achievements 2009/10	Targets 2009-12
Residents' assessment of performance of Community Boards'.	Residents' Survey 2010 recorded: 57% of residents rated the performance of the Waihemo and Ahuriri Boards over the past 12 months as very good or fairly good (this compares with 58% in 2007 for the previous Boards at a similar time in their term)	60% of residents assess the performance as very good or fairly good.
Number of submissions made to Council by Community Boards.	Elected members did not establish the benchmark as other events proved more pressing. Council will review this measure as part of its new order of business.	Establish benchmark in 2009. Benchmark attained in Years 2 and 3
Elections are undertaken as required with high voter participation	Elections took place on 9 October 2010. Voter turnout was 58% compared with 63% in 2007.	55% turnout in triennial elections
Degree of approachability	60% of residents rate the performance of the Mayor and Councillors as very good/fairly good.	Resident satisfaction with performance of Mayor and Councillors
Audit report on Annual Report	The Annual Report received an unqualified audit opinion.	Annual Reports receive unqualified audit opinions.
% of Annual Plan projects completed	208 projects of which 27 were completed (13%)– see note below table	100%

Note to project achievement

In practice, using an aggregate measure of project achievement to determine efficiency proved very difficult. Many projects started in 2009/10 but we did not expect to finish within the year (e.g. rural water quality upgrades). Others started in earlier years and were 'carried forward' into 2009/10 and so were not 2009/10 projects strictly speaking. The measure should assess projects started and finished within 2009/10. Still other projects were "ongoing" with no clear finish dates. Council needs to do more work to refine this measurement so that we can draw accurate conclusions from the data.

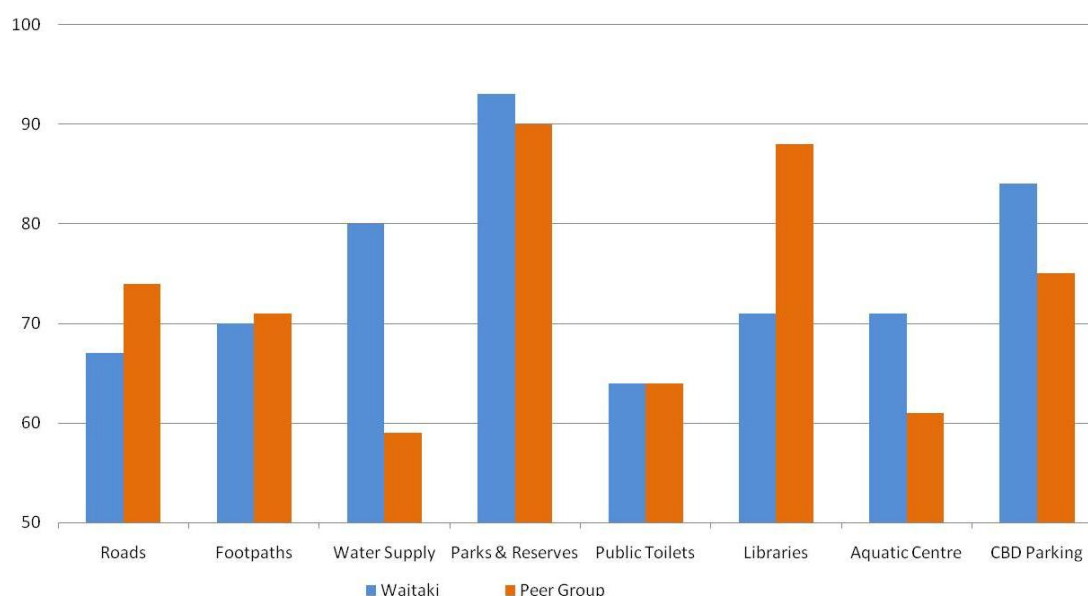
Council & Community Boards

	2009/10 Actual (\$'000)	2009/10 Budget (\$'000)	2008/09 Actual (\$'000)
Council	357	341	324
Community Boards	193	210	200
Operating Expenditure (see note 1 below)	550	551	524
Council	(a) 26	-	1
Community Boards	-	-	-
Operating Revenue	26	-	1
General Rates	219	219	194
District Services Rates	147	147	129
Ward Rates	210	210	192
Rates Revenue	576	576	515
Total Revenue	602	576	516
Net Surplus (Deficit)	52	25	(8)
Remove Effect Depreciation Not Funded	-	-	-
Net "Cash" Surplus (Deficit)	52	25	(8)
Capital and Reserves Funding Requirements			
<u>New Capital</u>			
All Activities	-	-	-
<u>Renewals</u>			
All Activities	-	-	-
Transfers to Reserves	52	25	32
Total Funding required	52	25	32
Funding Requirements met by:			
Operating "Cash" Surplus (Deficit)	52	25	(8)
Transfer from Reserves	-	-	40
Renewal Funding From Depreciation Reserves	-	-	-
	52	25	32
Note 1 - Operating Expenditure includes			
Depreciation	-	-	-
External Interest	-	-	-

(a) Council received income for running an election for the Oamaru Licensing Trust.

Performance Measure Comparisons

Graph 19: Waitaki Resident Satisfaction with Council Services 2010 (per cent)



Resident satisfaction is gauged through the annual Waitaki District Council Residents' Survey. These graphs provide a visual presentation of several performance measurements reported on earlier and provide additional information to compare Waitaki resident satisfaction with average resident satisfaction results of other Councils (2010 peer group results).

The peer group consists of similarly constituted local authorities. The rural peer group has been defined as those territorial authorities where less than 68% of meshblocks¹ belong within an urban area, as classified by Statistics New Zealand's 2006 Census data. Waitaki's peer group are those local authorities comprising a rural area, together with a town(s) or urban component.

¹ Meshblocks are the smallest statistical area units.

Notes on Council Activities

Performance Measures and Targets

Each group of activities contains performance measures and targets, to assess the actual levels of service provided against benchmarks. The benchmark levels of service, measures and targets were adopted by Council in Volume II of the Waitaki Community Plan 2009-19.

Residents' Survey 2010

A number of performance measures and targets refer to the 'residents' survey'. This is Waitaki District Council's residents' survey which was carried out by an independent local company in August 2010.

All interviewing was conducted by telephone, with 400 calls being made between 4.30pm and 8.30pm on weekdays and 9.30am and 8.30pm weekends.

The survey was carried out to monitor the satisfaction of residents aged 18 years and over with Council Services.

The survey was designed so that it is representative of the actual ward, gender and age groups in the District as of the 2006 Census.

Council Controlled Organisations

Council Controlled Organisations (CCO's)



Council holds shares in four Council-Controlled Organisations (CCO's). Each year Council reconsiders its reason for ownership by reviewing each company's Statement of Intent. The four CCOs are particularly diverse in their functions and objectives.

We promote and support economic development and tourism via Waitaki Development Board Limited and provide a local hospital through our company – Waitaki District Health Services Ltd. We support one of the world's best gliding centres by owning a 50% share in Omarama Airfield Ltd. This facility brings revenue and people into the District.

Whitestone Contracting Limited paid a dividend of \$50,000 in 2009/10. In 2008/09 no dividend was paid but the company made a subvention payment of \$114,500.

Table 2 - Council Controlled Organisations (2009/10, \$'000million)

	Operating Expenses	Total Revenue	Revenue from Council	Council Equity	Return on Equity (%)
Omarama Airfield	89	147	-	589 (50%)	5.0
Waitaki Development Board	841	857	675	55 (100%)	n/a
Waitaki District Health Services	10,696	10,812	-	13,915 (100%)	n/a
Whitestone Contracting	19,659	19,971	9,118	10,125	3.8

The above table summarises CCO operations in 2009/10. Council has \$10.1 million equity in Whitestone Contracting. Revenue from Council contracts increased to 52 per cent of Whitestone's total revenue. Waitaki District Health Services perform important social functions through the Oamaru Hospital. Omarama Airfield generates all revenue commercially and earned a 5.0 per cent return on equity.

Operating revenue at Whitestone fell below \$20.0 million in 2009/10 from \$21.5 million the previous year. Whitestone closed its Dunedin operation in December 2009. Salaries and wages rose by 4.3 per cent to \$9.0 million. The number of full time employees was 153 in 2009/10 compared to 169 in the previous year.

Omarama Airfield Limited

Omarama Airfield Limited was formed in 1993 to develop and operate the Omarama Airfield, which is renowned for its suitability for gliding activities. Council and Omarama Soaring Centre Inc. jointly own the Company with each shareholder owning 50% of the shares issued by the Company. Under the provisions of the Local Government Act 2002 the Company is deemed to be a Council Controlled Trading Organisation.



Council's primary objective for continued ownership is to maintain public access to the airfield for its transport and recreational facilities while encouraging the gliding facilities and activities which make use of the world class gliding environment of the Omarama area.

Objectives

The principal objective of the Company is to provide airfield facilities to support flying activities and opportunities in the Omarama area. The principal objective is advanced through:

- Public access to airfield facilities;
- Recreational flying activities;
- Commercial operations, and
- Competitions and events.

Shareholder Expectations

The Shareholders expect that in conducting the affairs of the Company, the directors shall ensure:

- Business activities are conducted in an efficient and effective manner.
- Assets and liabilities are prudently managed.
- Overall performance support Shareholders reasons for continued ownership.
- Appropriate decisions are made that enhance the achievement of the Company's long term needs and objectives.
- The Company acts as a good employer and as an environmentally conscious and responsible citizen.
- Transparent and collaborative relations are maintained with its shareholders.

Information to be reported to shareholders

Within two months after the end of each financial year, the Directors shall deliver to the shareholders an annual report that will include:

- A report on the operations of the Company to enable an informed assessment of the Company's performance, including variations from the business plan and achievements against performance targets.
- Audited financial statements as required under the Financial Reporting Act 1993.
- A report on performance against the Corporate Governance Statement.

Omarama Airfield Limited

Performance Measures

Performance measures for Omarama Airfield Limited are described in the Statement of Intent and are summarised as follows:

Measure	Target	Achievement at 30 June 2010
Financial Performance	Operate and provide planned services within budgeted income	Operating income was \$108,782 in 2009/10, a decrease of 6.9 per cent compared with 2008/09.
Financial Performance Cont'd	Achieve a breakeven or better result after prudent provision for assets depreciation and replacement, and for future trading requirements	Operating profit was \$20,051 in 2009/10 compared with \$23,608 in 2008/09, a decrease of 15 per cent. Operating surplus has allowed repayment of the remaining debentures to build the terminal building.
	Update the Company's business plan on an annual basis	The Company's business plan is completed in two phases. Annual budgets and long term projects.
Social / Community Impact Performance	Measure the economic benefits to Omarama and the Ahuriri community arising from the operation and development of the Airfield	The Omarama Soaring Centre has promoted and enabled the building of the last four new chalets during 2010. These will bring further aviators to Omarama, increase the use of local services and generate extra rate income for Council.

Omarama Airfield Limited

Financial Performance	2010 \$000	2009 \$000
Revenues		
Operating Revenue	79	98
Rental Income	15	15
Other Income	53	3
Total Revenue	147	116
Expenditure		
Operating Expenditure	72	65
Audit Fees	7	7
Depreciation	20	20
Directors' Fees	-	-
Total Expenditure	89	92
Net Surplus / (Deficit) Before Taxation	58	24
Provision for Taxation	71	-
Net Result After Taxation	(13)	24
Gain on Disposal	-	-
Net Surplus / (Deficit) for the Year	(13)	24

Financial Position	2010 \$000	2009 \$000
Shareholders Funds	1,178	\$1,191
<u>Represented By</u>		
Non-current Assets	669	614
Current Assets	590	609
Current Liabilities	(10)	(32)
Non-current Liabilities	(71)	-
<u>Net Assets</u>	1,178	1,191

The Company received an unqualified audit report for the year ended 30 June 2010 on 24 September 2010.

The above information is summarised from the Company's Annual Report and is provided to indicate the performance of Council's investment. A full copy of the Company's Annual Report is available at the Company's offices.

Waitaki Development Board Limited



Waitaki Development Board Limited was established in December 1996 and is 100% owned by Council. Under the provisions of the Local Government Act 2002 it is deemed to be a Council Controlled Organisation.

Council's primary objective for continued ownership and control of the Waitaki Development Board is to advance economic development within the District by fostering a strong, diverse, sustainable and growing economy.

Objectives

The principal objective of Waitaki Development Board Limited is to provide an environment conducive to the growth of the local economy, while having regard to social, environmental and cultural outcomes.

Other specific objectives include the attraction of grant funding, growth of the infant tourism industry within the District, management of a commercial enterprise i.e. the Oamaru Blue Penguin Colony and facilitating investment in the District, especially sustainable infrastructure investment.

Shareholder Expectations

Council expects that in conducting the affairs of the Company, the Directors shall ensure:

- Business activities are conducted in an efficient and effective manner.
- Assets and liabilities are prudently managed.
- Overall performance supports Council's reasons for continued ownership.
- Decisions are based on the achievement of long term strategic needs and objectives, not short term expediencies.
- The Company acts as a good employer and as an environmentally conscious and responsible citizen.
- The Company in its consultative practices, has due regard for Maori.
- Transparent and collaborative relations are maintained with the shareholder.

Information to Be Reported To Shareholders

Within three months after the end of each financial year, the Directors shall deliver to the shareholders an annual report and audited financial statements, with respect to the financial year, containing the following information as a minimum:

- A report on the operations of the Company to enable an informed assessment of the Company's performance including:
 - Performance against targets in the Statement of Intent.
 - Performance against the Corporate Governance Statement.
 - Audited financial statements as required under the Financial Reporting Act 1993.
 - A report on compliance with the Company's Tendering Policy.
 - Any grants awarded by the Waitaki Development Board to another party, including information measuring the effectiveness of the grant.

Waitaki Development Board Limited

Performance Measures

Performance measures for Waitaki Development Board Limited are described in the Statement of Intent, and summarised in the following table.

Measure	Targets	Achievements for Year Ending 30 June 2010
Overall performance against contracts and plans	Population numbers to decrease less than 0.1% (or by fewer than 20 people) annually	Census 2006 = 20,223 BERL report June 2008 = 20,225 Waitaki's population is holding with only a small decrease being recognized. Complete records will be available at the next census in 2011.
Measuring economic growth	Labour capacity to be increased and measured – 95% of advertised jobs to be filled within 3 months	This performance target has not been measured for 2009/10.
Tourism growth	<p>Increase visitor bed nights purchased to 340,000 by 2009/10</p> <p>Increase average length of stay to 1.8 nights by 2009/10</p> <p>Increase visitor numbers at the OBPC by 5% annually</p> <p>Maintain resident satisfaction with the Company's efforts to attract tourists to the District above the national average</p>	<p>317,073 bed nights July 09-June 10; up 16.3% from same period last year.</p> <p>Average 1.53 nights July 09-June 10; slight decrease from 1.55 nights on the same period last year.</p> <p>Evening visitor numbers for 2009/10 were 81,128 an increase on 2008/09 figure of 73,310.</p> <p>This performance target has not been measured for 2009/10.</p>

Waitaki Development Board Limited

Financial Performance	2010 \$000	2009 \$000
Revenues		
Waitaki District Council	675	875
Other Income and Grants	182	146
Total Revenue	857	1,021
Expenditure		
Operating Expenditure	787	935
Audit Fees	10	11
Depreciation	7	11
Directors' Fees	37	40
Total Expenditure	841	997
Net Surplus Before Taxation	16	24
Provision for Taxation	9	7
Net Surplus After Taxation	7	17

Financial Position	2010 \$000	2009 \$000
Shareholder's Funds	55	47
<u>Represented By</u>		
Non Current Assets	34	42
Current Assets	143	165
Current Liabilities	(122)	(160)
<u>Net Assets</u>	55	47

The Company received an unqualified audit report for the year ended 30 June 2010 on 21 September 2010.

The above information is summarised from the Company's Annual Report and is provided to indicate the performance of Council's investment. A full copy of the Company's Annual Report is available from the Company's offices.

Waitaki District Health Services Limited

Waitaki District Health Services Limited was established in 1997 for the charitable purpose of providing health services to the community and is 100% owned by Council. Under the provisions of the Local Government Act 2002, it is deemed to be a Council Controlled Organisation.

Council's primary objective for continued ownership and control is to ensure the healthcare needs and interests of the District are met through the provision of quality, locally based healthcare services (Oamaru Hospital).



Objectives

The principal objective of the Company is to operate a successful healthcare business by providing services to meet the healthcare needs of the District's community.

Shareholder Expectations

Council expects that in conducting the affairs of the Company, the Directors shall ensure:

- That the company shall ensure that Government responsibility for funding of health services for the District is maintained at all times and that no call will be made on Council to fund health services to the District.
- Business activities are conducted in an efficient and effective manner.
- Assets and liabilities are prudently managed.
- Overall performance supports Council's reasons for continued ownership.
- Expedient short-term decisions that may adversely impact on the achievement of future long term needs and objectives are avoided.
- The Company acts as a good employer and as an environmentally conscious and responsible citizen.
- Transparent and collaborative relations are maintained with the shareholder.
- Pursue all avenues of funding that may be available from time to time for Waitaki District Health Services funding.

Information to be Reported to Shareholders

Within three months after the end of each financial year, the Directors shall deliver to the shareholder an annual report and audited financial statements in respect of the financial year, containing the following information as a minimum:

- A report on the operations of the Company to enable an informed assessment of the Company's performance, including variations from the business plan and achievements against performance targets.
- Performance against the Corporate Governance Statement.
- Audited financial statements as required under the Financial Reporting Act 1993.
- A report on compliance with the Company's Tendering Policy.
- Activity statistics, with comparable figures for previous year.
- A report on service delivery issues and achievements.

Waitaki District Health Services Limited

Measure	Statement of Intent Target	Achievements at 30 June 2010
Efficient and effective management	Operate and provide planned services within budgeted income including services contract with District Health Board.	Net operating surplus before interest revenue, depreciation, taxation expense and GST payment. All planned services were provided. Budget \$(338,046) Actual \$116,407
Prudent management of assets and liabilities	Achieve a break-even or better result after prudent provision for assets depreciation and replacement and for future trading requirements.	Net surplus/(deficit) after depreciation expense, interest revenue and taxation expense, and before GST payment. Budget \$177,680 Actual \$741,507
Long-term planning	Update the Company's business plan annually.	The business plan is updated annually.
Loan repayment	Repay loan monies required to establish hospital and services within a ten-year period from loan commencement.	The Hospital has repaid all principal amounts.
Service performance	Meet and observe performance targets and service standards required under the Ministry of Health contractual arrangements with the Company.	Each department of the hospital has met their requirements under the Ministry of Health contract.

Waitaki District Health Services Limited

Measure	Statement of Intent Target	Achievements at 30 June 2010
Professional standards and transparent and collaborative relations with the shareholder	<p>Meet and observe adequate professional and technical standards in the delivery of Waitaki District Health Services and investigate, identify and implement appropriate measurement standards to ensure this is achieved.</p> <p>Implement and maintain a Quality Assurance Programme to ensure adequate standards of care and services are maintained to the Company's patients.</p> <p>Undertake ongoing monitoring of the Quality Assurance Programme to ensure an adequate performance in provision of health care services and adherence to all the applicable statutory and industry imposed regulations by the company.</p> <p>Establish, where appropriate, strategic alliances with business partners and community groups in order to achieve desired outcomes for health services.</p> <p>Report regularly to Council and to the Community through the Waitaki District Health Forum on community health achievements and outcomes.</p> <p>Maintain the Waitaki District Health Forum in accordance with a community approved protocol for the Forum's operation and objectives as a means of liaison and communication between the hospital and community related health groups.</p> <p>Enhance and develop good community health services outcomes, particularly with regard to the elderly.</p>	<p>The company has met all professional and technical standards. The hospital continues to implement and operate both a quality assurance programme and an accreditation programme to ensure that these standards continue to be met in future. Compliance is confirmed regularly by independent audits.</p> <p>The company continues to implement and operate both a quality assurance programme and an accreditation programme to ensure that these standards continue to be met in the future.</p> <p>The company has achieved 3 year certification under Health & Disability sector standards, Infection Control Standards, and Restraint & Minimisation Standards. Achieving these standards has enabled certification for the 3 years until 2013.</p> <p>Ongoing community health forum has been undertaken within the financial year. Forum participants include health related and other community organisations within the Waitaki District. GP forums and staff forums have also been undertaken.</p> <p>Community health forum meetings have been undertaken 3 times in the last year and minutes record the achievements in health service delivery. The Hospital reports 6-monthly and annually to the Council.</p> <p>Completion of Community Care Unit which has a strong focus on assessment, treatment and rehabilitation for the elderly.</p>

Waitaki District Health Services Limited

Measure	Statement of Intent Target	Achievements at 30 June 2010
	Work with all parties having a professional or business interest in health care in the Waitaki District to maintain and improve the range and quality of health care services in the District.	GP and staff forums held on a day to day basis and as required. Working in partnership and maintaining a close link with other health organisations such as Asthma Society, Stroke Support, Diabetes Society and St Johns. Supporting medical and nursing backup for Kurow. Partnership programme with Parent Centre for antenatal classes. Undertaken pandemic disaster planning with Civil Defence.

Waitaki District Health Services Limited

Financial Performance (Group)	2010 \$000	2009 \$000
Revenues		
Total Revenue	10,812	11,929
Expenditure		
Operating Expenditure	9,821	10,283
Audit Fees	23	21
Depreciation	756	750
Directors' Fees	96	98
Total Expenditure	10,696	11,152
Net Surplus Before Taxation	116	777
Provision for Taxation	-	-
Net Surplus After Taxation	116	777

Financial Performance (Group)	2010 \$000	2009 \$000
Total Equity	13,915	13,799
Represented By		
Non Current Assets	10,057	10,695
Current Assets	5,595	5,192
Non Current Liabilities	(8)	(8)
Current Liabilities	(1,729)	(2,080)
Net Assets	13,915	13,799

The Group comprises Waitaki District Health Services Limited and Waitaki District Health Services Trust.

Financial performance of the company exceeded expectations for the year under review. Factors which significantly impacted on the favourable result were:

1. Personnel costs were lower than anticipated due to lower numbers of staff than expected.
2. Interest revenue relating to the Trust was higher than budgeted.
3. Depreciation costs were higher than budget because of unforeseen asset replacement requirements.

The Company received an unqualified audit report for the year ended 30 June 2010 on 30 September 2010.

The above information is summarised from the Company's Annual Report and is provided to indicate the performance of Council's investment. A full copy of the Company's Annual Report is available at the Company's offices.

Whitestone Contracting Limited

Whitestone Contracting Limited (formerly Whitestone Limited) was established in 1991 and 100% owned by Council. Under the provisions of the Local Government Act 2002, it is deemed to be a Council Controlled Trading Organisation.



Council objectives for continued ownership and control and the Companies objectives were reviewed in the final months of 2007 and the Company's Statement of Intent was updated accordingly. These objectives became effective as of 1 July 2007 and are included in this report.

Council objectives for continued ownership and control include:

- Stimulating a competitive contracting sector in our District
- Supporting local opportunities for a diverse labour market
- Obtaining a good return on investment commensurate with the business risks of Whitestone Contracting Limited and the risk appetite of Council
- Providing emergency services support

Objectives

The principal objective of the Company is to operate as a successful business and the Company has a vision to be the contracting company of choice in the region.

In general, the Company is focused on continual improvement of our systems and processes to improve the way we operate and seeks to support local employment, the environment and the community while at the same time maximising profit and performance in a way that is sustainable and reflects Council's objectives for ownership.

In pursuing the principal objective the Company and Directors shall:

- Manage the Company's business activities in an efficient and effective manner
- Ensure assets and liabilities are prudently managed consistent with the nature of a contracting business
- Maximise the long term viability and profitability consistent with Council's objectives for ownership
- Manage the business with the objective of achieving agreed business growth
- Consolidate, and when financially advantageous, expand the Company operations in to the private and public sectors using the skill, abilities and management techniques that are available within the Company
- Maintain a diversified portfolio of work and clients to ensure continuity of returns to the shareholder
- Continue to review the Company structure to ensure the most efficient structure is in place to enhance profitability
- Be customer focussed and ensure good customer contract results as measured against contract specifications
- Be a good employer by:
 - Providing a work environment that recruits, fosters and maintains safe, competent, motivated, committed and productive employees
 - Recognising and rewarding excellent performance of any staff
- Act in an environmentally and socially responsible manner and implement sustainable business practices
- Ensure transparent and informed relationships are maintained with the shareholder within the spirit of 'no surprises'

Whitestone Contracting Limited

Information to be reported to Shareholders

Within two months after the end of each financial year, the Directors shall deliver to the shareholder an annual report and audited financial statements in respect of the financial year, containing the following information as a minimum:

- A report on the operations of the Company to enable an informed assessment of the Company's performance including: Performance against targets in this Statement of Intent
- Performance against the Corporate Governance Statement
- Audited financial statements as required under the Financial Reporting Act 1993

Performance measures for Whitestone Contracting Limited are described in the Statement of Intent, and summarised in the following table:

Measure	Target	Achievement at 30 June 2010
Profitability and return to shareholder	Achieve a before income tax return on opening shareholders' funds that is better than 10%.	Not achieved. Actual return 3.83%
Long term viability and profitability	Continue to diversify the portfolio of work and clients.	The number of clients spending over \$10,000 reduced from 120 clients to 80 clients. The top 10 clients made up 84% of revenue in 2010 an increase from 78% in 2009
Efficient and effective management	Continue to review the Company structure to ensure the most efficient structure is in place to enhance profitability. Continue to maintain a diversified portfolio of work and clients to ensure continuity of returns to the shareholder.	The company has significant contracts out of the Waitaki District and continues to work towards this target. The percentage revenue from the Waitaki District Council is 46% (2009 - 44%).
Acting as a good employer	Maintain a high standard of health and safety in relation to the Company's employees and the public, as measured by achieving ACC workplace safety management accreditation.	Maintained.

Whitestone Contracting Limited

Measure	Target	Achievement at 30 June 2010
Quality standards	<p>Maintain ISO 9001 registration and related quality assurance progresses.</p> <p>Obtained ISO 14001 Standard to ensure we have systems in place to environmental, legislative and regulatory requirements.</p>	<p>Maintained</p> <p>Obtained</p>
Responsibility and compliance	No major non compliance with Council and regulatory requirements.	Achieved. The company has complied with its tendering Policy during the period.
	Increase the percentage of revenue obtained from sources other than the Waitaki District Council.	Not achieved. The percentage of revenue from the Waitaki District Council is 46% (2009: 44%)
	Maintain a ratio of consolidated shareholder funds to total assets. In the range of 60% - 80%.	The current ratio is within the range. The ratio at 30 June 2010 is 74% (2009: 68%).

Whitestone Contracting Limited

Financial Performance	2010 \$000	2009 \$000
Revenues		
Operating Revenue	19,971	21,496
Expenditure		
Operating Expenditure	18,265	19,469
Audit Fees	22	22
Depreciation (net)	1,238	1,090
Directors' Fees	92	86
Interest Expense	41	61
Total Expenditure	19,659	20,728
Net Profit Before Taxation	312	768
Subvention Payment	-	1,145
Provision for Taxation	388	(66)
Net (loss)/profit After Taxation	(76)	311

Financial Position	2010 \$000	2009 \$000
Shareholders' Funds	10,125	9,552
<u>Represented By</u>		
Non Current Assets	9,197	9,340
Current Assets	4,525	4,763
Non Current Liabilities	610,638	(1,157)
Current Liabilities	2,986	(3,394)
<u>Net Assets</u>	10,125	9,552

The Company received an unqualified audit report for the year ended 30 June 2010 on 30 August 2010.

The above information is summarised from the Company Annual Report and is provided to indicate the performance of Council's investment. A full copy of the Company's Annual Report is available from the Company offices, or website www.whitestone.co.nz.

Financial Statements

Statement of Comprehensive Income

For the year ended 30 June 2010

		Consolidated			Council Only	
		2010	2009	2010	2010	2009
		\$000	\$000	\$000	budget	\$000
		\$000	\$000	\$000	\$000	\$000
Income						
Rates Revenue	1	23,874	23,046	23,884	23,764	23,046
Other Revenue	2	36,378	42,136	14,741	20,690	19,334
Other Gains/(Losses)	3	(9)	2,413	(56)	-	2,377
Total Income		60,243	67,595	38,569	44,454	44,757
Expenditure						
Activity Expenditure		60,129	60,104	38,918	38,091	37,763
Finance cost		44	150	3	70	89
Total Expenditure	4	60,173	60,254	38,921	38,161	37,852
Surplus from Operations		70	7,341	(352)	6,293	6,905
Income Tax Expense / (Refund)	5	433	(59)	-	-	-
Surplus / (Deficit) after tax		(363)	7,400	(352)	6,293	6,905
Other Comprehensive Income						
Gain/(Loss) on revaluation of Infrastructural Assets	6	14,873	50,468	14,873	16,860	50,468
Gain/(Loss) on revaluation of Properties	6	(100)	709	-	-	-
Other Comprehensive Income	6	-	156	-	-	-
Total Other Comprehensive Income		14,773	51,333	14,873	16,860	50,468
Total Comprehensive Income		14,410	58,733	14,521	23,153	57,373

Statement of Changes in Equity

For the year ended 30 June 2010

	Consolidated			Council Only	
	2010	2009	2010	2010	2009
	\$000	\$000	\$000	budget	\$000
	\$000	\$000	\$000	\$000	\$000
Public Equity at 1 July	687,510	628,777	667,820	664,003	610,447
Total Comprehensive Income	14,410	58,733	14,521	23,153	57,373
Public Equity at 30 June	701,920	687,510	682,341	687,156	667,820

The accompanying notes form part of these financial statements.

Balance Sheet

As at 30 June 2010

		Consolidated			Council Only	
		2010	2009	2010	2010	2009
					Budget	
		\$000	\$000	\$000	\$000	\$000
Public Equity						
Ratepayers' Equity	6	308,299	301,370	308,299	311,266	301,370
Revaluation Reserve	6	361,211	347,922	355,982	359,775	342,593
Operating Reserve	6	21,996	28,965	7,646	6,284	14,604
Other Reserves	6	10,414	9,253	10,414	9,831	9,253
Total Public Equity		701,920	687,510	682,341	687,156	667,820
Non-Current Assets						
Property Plant and Equipment	7	679,219	669,192	660,150	669,086	649,178
Intangible Assets	8	515	264	212	217	149
Forestry	9	859	710	859	650	710
Other Financial Assets	10	12,743	12,895	17,601	18,777	16,953
Trade and Other Receivables	11	107	65	107	972	65
		693,443	683,126	678,929	689,702	667,055
Current Assets						
Cash and Cash Equivalents	12	6,515	6,259	1,631	67	941
Trade and Other Receivables	11	6,815	10,051	4,331	4,920	7,178
Inventory	13	900	746	50	59	62
Work in Progress	14	186	74	-	-	-
Non-Current Assets held for Sale	15	445	445	445	1,900	445
Other Financial Assets	10	4,318	-	4,318	-	768
Provision for Tax paid in Advance		35	25	1	1	1
		19,214	17,600	10,776	6,947	9,395
Total Assets		712,657	700,726	689,705	696,649	676,450
Non-Current Liabilities						
Provisions	16	906	682	906	584	682
Employee Entitlement Liabilities	17	52	54	4	7	3
Borrowings	18	382	434	11	11	14
Deferred Tax Liability	5	271	(46)	-	-	-
		1,611	1,124	921	602	699
Current Liabilities						
Trade and Other Payables	19	6,290	7,666	5,816	6,077	6,034
Short Term Borrowings	18	3	913	3	1,853	903
Employee Entitlement Liabilities	17	2,788	3,251	609	670	738
Provisions	16	24	265	15	291	256
Provision for Taxation		21	(3)	-	-	-
		9,126	12,092	6,443	8,891	7,931
Total Liabilities		10,737	13,216	7,364	9,493	8,630
Net Assets		701,920	687,510	682,341	687,156	667,820

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 June 2010

		Consolidated 2010 \$000	2009 \$000	2010 \$000	Council Only 2010 budget \$000	2009 \$000
Cash flows from Operating Activities						
Receipts from Rates Revenue		23,878	22,916	23,878	23,764	22,916
Interest received		290	257	127	31	76
Dividends/Subvention payments received		4	8	54	150	1,153
Receipts from Other Revenues		38,369	40,642	16,929	19,540	16,259
Payments to Suppliers & Employees		(47,465)	(46,365)	(27,024)	(27,388)	(27,720)
Interest Paid		(44)	(153)	(3)	(70)	(92)
Income Tax Paid		(102)	(46)	-	-	-
Net GST		325	(691)	322	-	(125)
Net Cash from Operating Activities	27	15,255	16,568	14,283	16,027	12,467
Cash Flows from Investing Activities						
Proceeds from Sale of P.P. & E		1,621	2,248	1,489	1,063	2,136
Proceeds from Sale of Investments		498	-	498	28	-
Purchase of P.P. & E		(11,832)	(14,824)	(10,327)	(18,419)	(12,818)
Acquisition of Investments		(4,350)	(768)	(4,350)	(1,000)	(768)
Net Cash from Investing Activities		(14,063)	(13,344)	(12,690)	(18,328)	(11,450)
Cash Flows from Financing Activities						
Proceeds from Borrowing		-	510	-	1,850	-
Repayment of Borrowings		(936)	(753)	(903)	(3)	(753)
Net Cash from Financing Activities		(936)	(243)	(903)	1,847	(753)
Net Increase / (Decrease) in Cash		256	2,981	690	(454)	264
Total Cash Resources at 1 July		6,259	3,278	941	521	677
Total Cash Resources at 30 June	12	6,515	6,259	1,631	67	941

The accompanying notes form part of these financial statements

Statement of Accounting Policies

Reporting Entity

These financial statements of the Waitaki District Council are for the year ended 30 June 2010 and were authorised for issue by Council on 1 November 2010.

The Waitaki District Council (Council) is a territorial local authority governed by the provisions of the Local Government Act 2002.

Council's financial statements are for the Waitaki District Council as a separate entity. The Waitaki District Council group consists of the Waitaki District Council and its subsidiaries Whitestone Contracting Limited (100% owned), Waitaki District Health Services Limited (100% owned) and Waitaki Development Board Limited (100% owned). The investment in Omarama Airfield Limited (50% owned) is treated as a joint venture. All companies are incorporated in New Zealand.

The primary objective of Council is to provide services or goods for the community for social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Reporting Standards (NZ IFRS).

Basis of Preparation

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and the requirements of the Local Government Act 2002. These statements are produced under Section 98, Part 6, and Part 3 of Schedule 10 of the Act. They comply with NZ IFRS, and other applicable Financial Reporting Standards as appropriate for Public Benefit Entities.

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

The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain property, plant and equipment: land and buildings, certain infrastructural assets, and biological assets.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Council and the group is New Zealand dollars.

Basis of Consolidation

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

Council measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognized as goodwill. If Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized exceeds the cost of the business combination, the difference will be recognized immediately in the surplus or deficit.

Statement of Accounting Policies

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

Whitestone Contracting Limited, Waitaki Development Board Limited, Waitaki District Health Services Limited

These companies are Council Controlled Organisations, as defined by Part 5 of the Local Government Act 2002, with Whitestone Contracting Limited being a Council Controlled Trading Organisation. Council holds 100% of the shares. The companies' balance dates are 30 June. The accounts have been consolidated using the purchase method on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation. Whitestone Contracting Limited has two fully owned subsidiaries: Whitestone Quarries and Landfill Limited and Contract Cultivation (2006) Limited.

Council's investment in its subsidiaries is carried at cost in the Council's own parent entity financial statements.

Omarama Airfield Limited

This company is a Council Controlled Trading Organisation as defined by Part 5 of the Local Government Act 2002. The company's balance date is 30 June. Council holds 50% of the shares. The company is treated as a jointly controlled entity. Council's share of income and expenses, and its share of assets and liabilities have been incorporated using the proportionate method on a line-by-line basis.

Specific Accounting Policies

The following specific accounting policies that significantly affect the measurement of operating results, cash flows and financial position have been applied:

Income Recognition

Revenue is measured at the fair value of consideration received or receivable.

- Rates are recognised when set.
- Water billing revenue is recognised when invoices are issued.
- Government grants and subsidies are recognised when eligibility has been established.
- Operating revenues represent the gross revenue from commercial operations in the ordinary course of business and are recognised when earned.
- Fees and charges are recognised when invoiced.
- Rebates are recognised when received.
- Interest income is recognised when earned.
- Dividends are recognised when received.
- Vested Infrastructural Assets are recognised when Council accepts transfer from the subdivider. The value recognised is based on certified engineers' certificates.
- Development and financial contributions are recognised at the later of invoicing or the event that will give rise to a requirement for a development or financial contribution under the relevant legislation.
- Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale.

Construction Contracts

Profits on contracts are recognised progressively over the period of each contract. The amount included in the Statement of Comprehensive Income and the value of contract work in progress are established by assessment of individual contracts taking into account the proportion of work completed, cost analysis and estimated final results. Foreseeable losses on a contract are recognised immediately as an expense in the surplus or deficit. The method used to determine the proportion of the work completed is the proportion of the contract cost incurred for work performed to date in relation to the estimated total contract costs.

If payments received from customers exceed the income recognised, then the difference is presented as prepaid income in the balance sheet.

Statement of Accounting Policies

Borrowing Costs

The Council has elected to defer the application of NZ IAS 23 *Borrowing Costs (Revised 2008)* in accordance with paragraph NZ29.1 which is applicable to public benefit entities. Borrowing costs are recognised as an expense in the period in which they are incurred. No borrowing costs are capitalised.

Leases

Finance Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The leased assets and corresponding liabilities are recognised and the leased assets are depreciated over the period benefit is expected from their use.

Operating Leases:

Operating leases are all other leases, i.e. a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. These are charged on a straight-line basis over the term of the lease.

Trade and Other Receivables

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

Goods and Services Tax

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

Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the surplus or deficit, except when it relates to items charged or credited in other comprehensive income or directly to equity, in which case the tax is dealt with in equity.

Statement of Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. The carrying value of cash at bank and term deposits with maturities less than 3 months approximate fair value. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

Inventories

Inventories, comprising materials and work-in-progress, are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis. The write down from cost to net realisable value is recognised in the surplus or deficit.

Work in Progress

Work-in-progress includes materials and labour costs accumulated against jobs, but not invoiced as at balance date.

Financial Assets

Council classifies its financial assets into the following four categories: financial assets at fair value through the surplus or deficit, held to maturity investments, loans and receivables and fair value through other comprehensive income. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Techniques, such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments.

Of the four categories of financial assets, only two are relevant to Council.

- **Loans and receivables.**
These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans and receivables are classified as 'trade and other receivables' and "other financial assets" as appropriate in the balance sheet.
- **Fair Value through other Comprehensive Income.**
Available-for-sale financial assets are those that are designated as available-for-sale or are not classified in any of the other categories above.

This category encompasses:

- investments that Council intends to hold long-term but which may be realised before maturity; and
- shareholdings that Council holds for strategic purposes.

Council's investments in its subsidiaries are not included in this category as they are held at cost (as allowed by NZ IAS 27 *Consolidated and Separate Financial Statements* and NZ IAS 28 *Investments in Associates*) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value.

Statement of Accounting Policies

Gains and losses are recognised in other comprehensive income except for impairment losses, which are recognised in the surplus or deficit. In the event of impairment, any cumulative losses previously recognised in other comprehensive income will be reclassified from equity and recognised in the surplus or deficit even though the asset has not been de-recognised. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is recognised in the surplus or deficit

Impairment of Financial Assets

At each balance date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in surplus or deficit.

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

Financial Liabilities

Interest bearing borrowings are classified as other non-derivative financial instruments and are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortized cost using the effective interest rate method.

Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Investment Properties

Investment Properties are properties held to earn income or for capital appreciation. These do not include properties held for strategic purposes or to provide a social service. Initially, investment properties are measured at cost including transaction costs unless acquired at less than fair value when they are recognised at fair value.

There is no depreciation on investment properties. Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Gains or losses on de-recognition are recognised in the surplus or deficit in the year of de-recognition.

Council currently has no properties that it classifies as investment properties.

Non-current Assets Held for Sale

Non-current assets held for sale are separately recognised as a current asset when the sale of an asset is highly probable and management are committed to a plan to sell the asset, and that sale is expected to occur within one year. Non-current assets held for sale are valued at lower of the carrying value and the fair value less disposal costs.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated while they are classified as held for sale.

Forestry

Forestry is the estimated worth of the maturing tree stocks in Council's forests as at date of valuation. The valuation method adopted is Net Present Value based on the age and condition of the trees. Council's forests were last re-valued in June 2010 by Allan Laurie of Laurie Forestry Ltd.

Statement of Accounting Policies

The costs to maintain the forestry assets are included in the surplus or deficit.

Property, Plant and Equipment

Property, Plant and Equipment consists of:

Operational assets – these include land, buildings, landfill (post closure), library books, plant and equipment, furniture and fittings, and motor vehicles.

Restricted assets – restricted assets are parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets – infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When re-valued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Re-valuations

Certain classes of assets, as detailed below, are re-valued. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.

Land and Buildings:

Council contracted Quotable Value New Zealand to value all its property assets with effect as at 1 July 2007. Council has a policy to revalue every three years as a minimum.

Infrastructural Assets:

Infrastructural assets are utility assets that provide a continuing service to the community. They are recorded at valuation, based on optimised depreciated replacement cost, with subsequent additions recorded at cost until the next revaluation. Valuations are performed on a three yearly basis as a minimum.

At balance date Council assesses the carrying values of its infrastructural assets to ensure they do not differ materially from the assets fair values.

The roading network, including bridges, retaining structures and land under roads was valued as at 1 July 2008 by Wayne Hatcher, BE Civil (Hons) of Opus International Consultants Ltd. The water, waste and drainage assets were valued as at 1 July 2009 by Council. The valuation was peer reviewed by John Vessey, BE (Civil) FIPENZ of Opus International Consultants Limited.

Vested Infrastructural Assets are initially recorded at valuation based on engineers' certificates.

Statement of Accounting Policies

Harbour Assets:

Harbour wharves and structures and Oamaru Harbour Breakwater are valued at deemed cost. These assets are not re-valued. These assets were valued by Royds Garden Limited, Consulting Engineers as at June 1992. They are recorded at valuation based on depreciated replacement cost.

Library Collection:

Library collections are carried at depreciated replacement cost. Valuations are performed annually by the Head Librarian and are not subject to independent review because they are based on readily available market prices.

Cultural and Heritage Assets:

These assets provide a cultural or heritage service to the community. These include the North Otago Museum artefacts, Forrester Gallery art collection and the Libraries resources. They are recorded at valuation, based on net current value, with subsequent additions recorded at cost.

Accounting for Revaluations:

The results of revaluations of property, plant and equipment are credited or debited to other comprehensive income and are accumulated in an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value 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 other comprehensive income.

Depreciation

General:

Unless otherwise stated, all Council fixed assets are depreciated on a straight-line basis at rates that will write-off their cost or valuation, less any estimated realisable value, over their expected useful lives. Some members of the Group assets are depreciated on a diminishing value basis where this is considered the most appropriate method for that business.

Land:

Land is not depreciated.

Buildings:

Buildings are depreciated over their expected lives of 2 to 100 years, dependent on the method of construction.

Cultural and Heritage Assets:

Other than Library resources, Cultural and Heritage assets are not depreciated. Library resources are depreciated over their expected lives of 7 years.

Infrastructural Assets:

Depreciation has been calculated on a straight line basis as follows:

<u>Asset</u>	<u>Depreciation Base</u>
Infrastructural:	
- roading	
- formation, base course	not depreciated
- pavement structure	2 - 70 years
- surfacing	2 - 15 years
- drainage, footpaths	2 - 50 years
- bridges, retaining structures	2 - 100 years
- streetlights, railings	2 - 35 years
- water schemes	
- head works	2 - 75 years
- reservoirs	2 - 150 years
- pumps	2 - 20 years
- reticulation	2 - 80 years
- sewerage schemes	
- reticulation	2 - 80 years

Statement of Accounting Policies

- pumps	2 - 20 years
- treatment works	2 - 100 years
- stormwater reticulation	2 - 80 years
- transfer stations and landfill developments	2 - 20 years

Harbour Assets:

Wharves and Breakwater	40 – 100 years
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Other Assets:

Other assets are depreciated over their expected useful lives:

<u>Asset Category</u>	<u>Depreciation Base</u>
Motor vehicles	2 - 8 years
Office equipment	2 - 5 years
Office furniture and fittings	2 - 10 years

Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substance. The main categories of intangible assets are:

Software:

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring into use. Costs associated with maintaining computer software are recognised as an expense when incurred. The useful life of software is 3 to 5 years and is amortised on a straight line basis.

Other:

These are other intangible assets with an identifiable useful life of 25 years. These are amortised on a straight line basis.

Impairment of Property, Plant and Equipment, and Intangible Assets:

Intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indication of impairment the asset's recoverable amount is estimated. 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 assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service.

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

For assets not carried at a re-valued amount, the total impairment loss is recognised in the surplus or deficit.

Employee Entitlements

Short-term benefits:

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

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

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

Statement of Accounting Policies

Long service leave:

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

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows. A discount rate of 4.45% and an inflation factor of 3.0% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long term increase in remuneration for employees.

Superannuation Schemes:

Defined contribution schemes:

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Multi-employer defined benefit schemes:

Council belongs to a Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus or deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Provisions

Council recognises a provision for future expenditure of uncertain amount of 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 expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

The most significant provisions relate to landfill post closure costs. Council owns Oamaru and Palmerston operational landfills. Council is also responsible for a number of closed landfills throughout the Waitaki District. Council has a legal obligation to apply for resource consents when the landfills reach the end of their operating life and are to be closed.

These resource consents will set out the closure requirements and the requirements for ongoing maintenance and monitoring at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured on the present value of future cash flows expected, taking into account future events, including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure. The discount rate used is a rate that reflects the current market assessments of the time value of money and the risks specific to Council. The estimated future costs of meeting this obligation have been accrued and charged. The calculations assume no change in the legislative requirements for post-closure treatment.

Amounts provided for landfill post closure are capitalised to the landfill assets where they give rise to future economic benefits. The capitalised landfill asset is depreciated over the life of the landfill based on the anticipated capacity used.

Financial Instruments

The Group is party to financial instrument arrangements as part of everyday operations. These financial instruments include bank overdraft facilities and draw-down facilities, short-term deposits, investments, debtors and creditors.

Statement of Accounting Policies

All financial instruments are recognised in the Balance Sheet. Income and expenditures in relation to all financial instruments are recognised in the surplus or deficit.

Equity

Equity is the Community's interest in the Council and is measured as the difference between total assets and total liabilities. Public Equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that Council makes of its accumulated surpluses.

The components of equity are:

- Ratepayers Equity
- Restricted Reserves (Special Funds)
- Operating Reserves
- Asset Revaluation Reserves

Reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which the Council may not revise without reference to the Courts or third parties. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Operating reserves are reserves established by Council decision. The Council may alter them without reference to any third parties or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserves represent unrealised gains on assets owned by Council. The gains are held in the reserve until such time as the gain is realised and a transfer can be made to operating reserves.

Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves.

Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principal promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTCCP.

Budget Figures

The budget figures are those approved by Council at the beginning of the year in the LTCCP. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of these financial statements.

Statement of Accounting Policies

Groups of Activities

The Groups of Activities, as provided in the LTCCP, report the net cost of services for significant activities of the Council, and are represented by the costs of providing the service less all revenue that can be allocated to these activities:

Cost Allocation:

Council has derived the net cost of service for each significant activity of the Council, using the cost allocation system outlined below.

Cost Allocation Policy:

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity/usage information.

Criteria for Direct and Indirect Costs:

“Direct Costs” are those costs directly attributable to a significant activity. “Indirect Costs” are those costs that cannot be attributed in an economically feasible manner to a specific significant activity.

Cost Drivers for Allocation of Indirect Costs:

The cost of internal services that are not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers, and floor area.

Critical accounting estimates and assumptions

In preparing these financial statements Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Infrastructural Assets:

There are a number of assumptions and estimates used with the performing of depreciated replacement cost valuations of infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be affected by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of financial performance. To minimise this risk Council's infrastructural assets' useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Critical judgements in applying Council's accounting policies:

Management has exercised the following critical judgements in applying Council's accounting policies for the period ended 30 June 2010:

Statement of Accounting Policies

Classification of Property:

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of Council's social housing policy. These properties are accounted for as property, plant and equipment.

Council currently has unoccupied land in its ownership. Given the uncertainty over the future intended use of the land, Council in applying its judgement has not classified the property as investment property.

Investment Property:

The critical judgements applied to Investment Properties are detailed in Note 9.

Forestry:

The critical judgements applied to Forestry are detailed in Note 10.

Changes in accounting policies

There have been no changes in accounting policies during the year.

The Council has adopted the following revision to accounting standards during the financial year, which have had only a presentation or disclosure effect.

- NZ IAS 1 *Presentation of Financial Statements (revised 2007)* replaces NZ IAS 1 *Presentation of Financial Statements (issued 2004)*. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The Council has decided to prepare a single statement of comprehensive income for the year ended June 2010 under the revised standard. Financial statement information for the year ended 30 June 2009 has been restated accordingly. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.
- NZ IFRS 7 *Financial Instruments: Disclosures*. The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk. The transitional provisions of the amendment do not require disclosure of comparative information in the first year of application. The Council and group have elected not to disclose comparative information.
- NZ IAS 24 *Related Party Disclosures (Revised 2009)* replaces NZ IAS 24 *Related Party Disclosures (issued 2004)*. The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The Council and group have elected to early adopt the revised standard and its effect has been to disclose further information about commitments between related parties.

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Council and group, are:

NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. Waitaki District Council has not yet assessed the effect of the new standard and expects it will not be early adopted.

Notes to the Financial Statements

	Consolidated			Council Only	
	2010	2009	2010	2010 Budget	2009
	\$000	\$000	\$000	\$000	\$000

Note 1: Rates Revenue

General Rates	1,809	2,112	1,819	1,823	2,112
District Services Rate	1,163	1,177	1,163	1,160	1,177
Uniform Annual General Charge	3,069	2,175	3,069	3,048	2,175
Ward Rates	5,028	4,728	5,028	5,017	4,728
Separate Rates	12,805	12,854	12,805	12,716	12,854
Total	\$23,874	\$23,046	\$23,884	\$23,764	\$23,046

Council granted remissions of \$154,000 (2009 \$110,000). These remissions were primarily under Council's Bare Land Policy and were budgeted at \$125,000 for the year.

Note 2: Other Revenue

By Groups of Activities:

Arts, Heritage and Community	1,611	5,236	1,611	4,206	5,236
Council and Community Boards	26	1	26	-	1
Economic Development (a)	2,183	2,079	2,233	1,947	3,224
Parks and Recreation	783	1,004	783	862	1,004
Planning	178	228	178	193	228
Regulatory	1,122	1,004	1,122	1,028	1,004
Roads, Port and Airport	5,857	5,567	5,857	8,236	5,567
Water and Waste	2,931	3,070	2,931	4,218	3,070
	14,691	18,189	14,741	20,690	19,334

Other Entities	21,687	23,947	-	-	-
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Total	\$36,378	\$42,136	\$14,741	\$20,690	\$19,334
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By Revenue Type:

Government Grants and Subsidies	14,501	17,656	5,410	7,602	8,565
Other Grants and Donations	2,174	1,987	606	3,379	978
User Charges	16,640	17,390	6,057	5,926	5,610
Regulatory Revenue	1,052	953	1,052	1,132	953
Infringements & Fines	59	44	59	29	44
Petrol Tax	212	211	212	190	211
Interest Income	615	1,067	473	1,000	886
Dividend / Subvention Payment	4	8	54	150	1,153
Rents from Investment Properties	-	41	-	-	41
Development & RMA Contributions	382	471	382	963	471
Penalties	401	358	401	300	358
Other	338	1,950	35	19	64

Total	\$36,378	\$42,136	\$14,741	\$20,690	\$19,334
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Notes to the Financial Statements

	Consolidated			Council Only	
	2010	2009	2010	2010	2009
				Budget	
	\$000	\$000	\$000	\$000	\$000

Note 3: Other Gains / (Losses)

Gain on Forestry Asset	149	60	149	-	60
Gain / (Loss) on Disposal of Property, Plant & Equipment	(772)	(594)	(778)	-	(630)
Depreciation removed on disposal	41	-	-	-	-
Vested Assets and Parks Valuation	573	2,947	573	-	2,947
Total	(\$9)	\$2,413	(\$56)	\$-	\$2,377

Note 4: Operating Expenditure

By Groups of Activities:

Arts, Heritage and Community	4,330	4,057	4,330	3,770	4,057
Council and Community Boards	550	524	550	552	524
Economic Development	2,242	1,454	2,242	876	1,454
Parks and Recreation	4,383	4,078	4,383	4,450	4,078
Planning	3,296	3,847	3,296	3,492	3,847
Regulatory	2,272	1,833	2,272	2,083	1,833
Roads, Port and Airport	11,571	11,210	11,571	11,148	11,210
Water and Waste	10,277	10,849	10,277	11,790	10,849
Council Controlled Organisations	21,252	22,402	-	-	-
Total	\$60,173	\$60,254	\$38,921	\$38,161	\$37,852

By Type

Audit fees and expenses					
Audit New Zealand					
- for auditing the Annual Report	133	159	97	108	124
- for audit LTCCP and NZIFRS	-	73	-	-	73
Auditors of Other Entities					
- for auditing the Annual Report	22	22	-	-	-
- for other services	8	10	-	-	-
Directors' fees	225	224	-	-	-
Depreciation and Amortisation	13,640	12,647	11,572	10,739	10,742
Donation	3	3	-	-	-
Employee Benefit Expenses					
- Salaries & Wages	23,755	21,973	7,199	7,409	6,581
- Superannuation Contributions	233	153	121	116	93
- Change in Liability	(465)	413	128	-	64
Financing Costs	44	150	3	70	89
Investment Properties Direct Costs	-	9	-	-	9
Impairment of Receivables					
- written off	121	84	80	50	60
- recoveries	-	-	-	-	-
- changes in prov. for doubtful debt	299	128	333	-	112
Leasing & Renting	324	239	114	126	87
Other	21,831	23,967	19,530	19,573	19,821
Total	\$60,173	\$60,254	\$38,921	\$38,161	\$37,852

Notes to the Financial Statements

	Consolidated		Council Only	
	2010	2009	2010	2009
	\$000	\$000	\$000	\$000
Note 5: Taxation				
Relationship between tax expense and accounting profit				
Net surplus before taxation	122	7,341	(352)	6,905
Less: net income not subject to taxation	(250)	(6,049)	(133)	(5,273)
Net Taxable Income	(128)	1,292	(485)	1,632
Prima facie taxation at 30%	(43)	381	(146)	490
Plus/(Less):				
- tax effect of temporary differences current	9	(26)	-	-
- tax effect of temporary differences deferred	12	73	-	-
- permanent differences	301	3	146	(490)
- tax effect	8	-	-	-
- loss not recognised	146	(490)		
Income tax expense	\$433	\$(59)	\$0	\$0
This is represented by:				
Current taxation	116	211	-	-
Current taxation prior year adjustment	-	(279)	-	-
Deferred taxation liability/(benefit)	317	9	-	-
Deferred tax liability/(benefit) prior year adjustment	-	-	-	-
Income tax expense	\$433	\$(59)	\$0	\$0
<u>Deferred Taxation liability/(benefit)</u>				
Opening balance	(46)	(47)	-	-
Deferred position current year	317	1	-	-
Prior year adjustment	-	-	-	-
	\$271	\$(46)	\$0	\$0
<u>Deferred Taxation Asset Comprises</u>				
Short term temporary differences	271	(46)	-	-
Taxation losses carried forward	-	-	-	-
	\$271	\$(46)	\$0	\$0

Council has not recognised a deferred tax asset in relation to unused tax losses of \$584,000. These are available to carry forward and offset against future taxable income (2009, \$180,000).

Whitestone Contracting Limited has imputation credits of \$1,541,000 (2009, \$1,443,000). These can be used to impute dividend payments to Council. These amounts are not recorded in the financial statements.

The temporary differences are generated primarily from changes in accruals and tax versus accounting depreciation rates.

Notes to the Financial Statements

	Consolidated		Council Only	
	2010	2009	2010	2009
	\$000	\$000	\$000	\$000

Note 6: Public Equity

Public Equity represents the net worth of the Council as measured by the difference between the total assets of the Council and its total liabilities. It comprises both revenue and capital reserves: Ratepayers Equity, Revaluation Reserves, Operating Reserves, and Restricted Reserves.

Ratepayers Equity

Balance at 1 July	301,370	291,972	301,370	291,972
Transfer from Operating Reserves	6,929	9,398	6,929	9,398
Balance at 30 June	<u>\$308,299</u>	<u>\$301,370</u>	<u>\$308,299</u>	<u>\$301,370</u>

The transfer from Operating Reserves represents rates raised for capital purposes.

Revaluation Reserves

Balance at 1 July	347,922	297,067	342,593	292,447
Roading Increase	-	50,468	-	50,468
Roading Disposals (to operating reserve)	-	(71)	-	(71)
Water & Waste Increase	14,873	-	14,873	-
Water & Waste Disposals (to operating reserve)	(229)	(79)	(229)	(79)
Property Disposals (to operating reserve)	(1,255)	(172)	(1,255)	(172)
WDHSL Property Movement	-	709	-	-
WCL Property Movement	(100)	-	-	-
Balance at 30 June	<u>\$361,211</u>	<u>\$347,922</u>	<u>\$355,982</u>	<u>\$342,593</u>

Represented by

Infrastructural Assets	314,078	299,433	314,078	299,433
Council Property	41,779	43,035	41,779	43,035
Council Other (Museum)	125	125	125	125
WDHSL	3,857	3,857	-	-
WCL	1,372	1,472	-	-
Balance at 30 June	<u>\$361,211</u>	<u>\$347,922</u>	<u>\$355,982</u>	<u>\$342,593</u>

Revaluation Reserves represent the difference between the re-valued assets and the value of those assets originally incorporated in the Council's or other entities' financial statements.

Operating Reserves

Balance at 1 July	28,965	30,298	14,604	16,588
Net surplus	(363)	7,400	(352)	6,905
Transfer from Revaluation Reserves	1,484	322	1,484	322
Transfer from Other Reserves	832	2,361	832	2,361
Transfer to Other Reserves	(1,993)	(2,174)	(1,993)	(2,174)
Transfer to Equity	(6,929)	(9,398)	(6,929)	(9,398)
Other	-	156	-	-
Balance at 30 June	<u>\$21,996</u>	<u>\$28,965</u>	<u>\$7,646</u>	<u>\$14,604</u>

Operating Reserves represent the un-appropriated surpluses of the entities and as such are "paper" transactions and not totally represented by cash funds.

Notes to the Financial Statements

	Consolidated		Council Only	
	2010	2009	2010	2009
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 6: Public Equity (Continued)

Other Reserves

These consist of Reserves and Trust Funds that have been created or received by Council under terms that restrict the use of these funds. All such funds are available only for the purpose specified.

Restricted Reserves

Balance at 1 July	9,250	9,439	9,250	9,439
Deposits and Interest	1,969	2,148	1,969	2,148
To Operating Reserves to meet disbursements	(806)	(2,337)	(806)	(2,337)

Balance at 30 June	<u>10,413</u>	<u>9,250</u>	<u>10,413</u>	<u>9,250</u>
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Represented by				
Special Funds	8,431	7,268	8,431	7,268
Trust Funds	1,981	1,981	1,981	1,981
Loan Funds	1	1	1	1

Balance at 30 June	<u>10,413</u>	<u>9,250</u>	<u>10,413</u>	<u>9,250</u>
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Trust Funds

Balance at 1 July	3	1	3	1
Deposits and Interest	24	26	24	26
To Operating Reserves to meet disbursements	(26)	(24)	(26)	(24)

Balance at 30 June	<u>1</u>	<u>3</u>	<u>1</u>	<u>3</u>
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Represented by				
SPARC Commission Funds	-	2	-	2
Creative Communities Fund	1	1	1	1

	<u>1</u>	<u>3</u>	<u>1</u>	<u>3</u>
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Balance at 30 June

Total other reserves	<u>10,414</u>	<u>9,253</u>	<u>10,414</u>	<u>9,253</u>
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Notes to the Financial Statements

Note 7: Property, Plant and Equipment (Council Only)

2010 Council	Cost/ Valuation 1-Jul-09	Current Year Additions	Current Year Disposals	Reval	Cost/ Valuation 30-Jun-10	Accum Depn & Impairment Charges 1-Jul-09	Current Year Depn	Current Year Disposals	Reval	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-10	Book Value 1-Jul-09	Book Value 30-Jun-10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	46,464	125	-878		45,711							46,464	45,711
Buildings and Improvements	42,928	2,947	-1,056		44,819	3,366	1,878	-149			5,095	39,562	39,724
Infrastructural Assets													
- Roading	430,591	6,790			437,381	4,577	4,566				9,143	426,014	428,238
- Bridges	20,749	47			20,796	528	532				1,060	20,221	19,736
- Water Supply Schemes	47,755	1,298	-266	2,477	51,264	4,295	1,838	-14	-4,295		1,824	43,460	49,440
- Waste Schemes	32,079	604	-120	3,365	35,928	3,717	1,264	-22	-2,918		2,041	28,362	33,887
- Drainage Schemes	7,408	77		929	8,414	889	365		-889		365	6,519	8,049
- Oamaru Harbour	32,480	4			32,484	2,694	340				3,034	29,786	29,450
Total Infrastructural Assets	571,062	8,820	-386	6,771	586,267	16,700	8,905	-36	-8,102		17,467	554,362	568,800
Operational Assets													
- Plant, Equipment and Vehicles	2,192	227	-179		2,240	1,094	215	-115			1,194	1,098	1,046
- Office Equipment and Fittings	3,590	313	-1,364		2,539	2,435	406	-1,364			1,477	1,155	1,062
Total Operational Assets	5,782	540	-1,543		4,779	3,529	621	-1,479			2,671	2,253	2,108
Collections	2,421	115	-82		2,454	983	93	-77			999	1,438	1,455
Capital Works in Progress	5,099	1,308	-4,055		2,352							5,099	2,352
	673,756	13,855	-8,000	6,771	686,382	24,578	11,497	-1,741	-8,102		26,232	649,178	660,150

Note:
Accum = Accumulated
Depn = Depreciation
Reval = Revaluation

Notes to the Financial Statements

Note 7: Property, Plant and Equipment (Council Only) - continued

2009	Cost/ Valuation 1-Jul-08	Current Year Additions	Current Year Disposals	Reval	Cost/ Valuation 30-Jun-09	Accum Depn & Impairment Charges 1-Jul-08	Current Year Depn	Current Year Disposals	Reval	Current Yr Impairment & Impairment Charges	Accum Depn & Impairment Charges 30-Jun-09	Book Value 1-Jul-08	Book Value 30-Jun-09
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	45,010	1,920	-466		46,464							45,010	46,464
Buildings and Improvements	31,855	11,463	-390		42,928	1,840	1,629	-103			3,366	30,015	39,562
Infrastructural Assets													
- Roading	396,085	3,573	-96	31,029	430,591	10,997	4,493		-10,913		4,577	385,088	426,014
- Bridges	11,930	1,293		7,526	20,749	999	528		-999		528	10,931	20,221
- Water Supply Schemes	46,925	895	-65		47,755	2,649	1,658	-12			4,295	44,276	43,460
- Waste Schemes	31,898	254	-73		32,079	2,665	1,055	-3			3,717	29,233	28,362
- Drainage Schemes	7,060	349	-1		7,408	590	299				889	6,470	6,519
- Oamaru Harbour	32,457	23			32,480	2,357	337				2,694	30,100	29,786
Total Infrastructural Assets	526,355	6,387	-235	38,555	571,062	20,257	8,370	-15	-11,912		16,700	506,098	554,362
Operational Assets													
- Plant, Equipment and Vehicles	1,895	358	-61		2,192	911	227	-44			1,094	984	1,098
- Office Equipment and Fittings	3,181	618	-209		3,590	2,284	346	-195			2,435	897	1,155
Total Operational Assets	5,076	976	-270		5,782	3,195	573	-239			3,529	1,881	2,253
Collections	2,403	111	-93		2,421	956	94	-67			983	1,447	1,438
Capital Works in Progress	10,072	4,270	-9,243		5,099							10,072	5,099
	620,771	25,127	-10,697	38,555	673,756	26,248	10,666	-424	-11,912		24,578	594,523	649,178

Note:

Accum = Accumulated

Adj = Adjusted

Depn = Depreciation

Reval = Revaluation

Notes to the Financial Statements

Note 7: Property, Plant and Equipment (Consolidated)

2010 Consolidated	Cost/ Valuation 1-Jul-09 \$000	Current Year Additions \$000	Current Year Disposals \$000	Reval \$000	Cost/ Valuation 30-Jun-10 \$000	Accum Depn & Impairment Charges 1-Jul-09 \$000	Current Year Depn \$000	Current Year Disposals \$000	Reval \$000	Current Year Impairment Charges \$000	Accum Depn & Impairment Charges 30-Jun-10 \$000	Book Value 1-Jul-09 \$000	Book Value 30-Jun-10 \$000
Land	48,603	166	-927	-100	47,742	49		-49				48,554	47,742
Buildings and Improvements	53,558	2,983	-1,060		55,481	3,547	2,375	-153			5,769	50,011	49,712
Infrastructural Assets													
- Roading	430,591	6,790			437,381	4,577	4,566				9,143	426,014	428,238
- Bridges	20,749	47			20,796	528	532				1,060	20,221	19,736
- Water Supply Schemes	47,755	1,298	-266	2,477	51,264	4,295	1,838	-14	-4,295		1,824	43,460	49,440
- Waste Schemes	32,079	604	-120	3,365	35,928	3,717	1,264	-22	-2,918		2,041	28,362	33,887
- Drainage Schemes	7,408	77		929	8,414	889	365		-889		365	6,519	8,049
- Oamaru Harbour	32,480	4			32,484	2,694	340				3,034	29,786	29,450
Total Infrastructural Assets	571,062	8,820	-386	6,771	586,267	16,700	8,905	-36	-8,102		17,467	554,362	568,800
Operational Assets													
- Plant, Equipment and Vehicles	21,718	1,351	-1,782		21,287	13,371	1,644	-1,624			13,391	8,347	7,896
- Office Equipment and Fittings	4,646	402	-1,456		3,592	3,290	491	-1,451			2,330	1,356	1,262
Total Operational Assets	26,364	1,753	-3,238		24,879	16,661	2,135	-3,075			15,721	9,703	9,158
Collections	2,421	115	-82		2,454	983	93	-77			999	1,438	1,455
Capital Works in Progress	5,124	1,308	-4,080		2,352							5,124	2,352
	707,132	15,145	-9,773	6,671	719,175	37,940	13,508	-3,390	-8,102		39,956	669,192	679,219

Note:
Accum = Accumulated
Depn = Depreciation
Reval = Revaluation

Notes to the Financial Statements

Note 7: Property, Plant and Equipment (Consolidated) – continued

2009 Consolidated	Cost / Valuation 1-Jul-08	Current Year Additions	Current Year Disposals	Reval	Cost/ Valuation 30-Jun-09	Accum Depn & Impairment Charges 1-Jul-08	Current Year Depn	Current Year Disposals	Reval	Current Yr Impairment Charges	Accum Depn & Impairment Charges 30-Jun-09	Book Value 1-Jul-08	Book Value 30-Jun-09
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	47,054	1,932	-383		48,603	49					49	47,005	48,554
Buildings and Improvements	44,931	11,526	-390	-2,509	53,558	4,824	2,124	-103	-3,298		3,547	40,107	50,011
Infrastructural Assets													
- Roading	396,085	3,573	-96	31,029	430,591	10,997	4,493		-10,913		4,577	385,088	426,014
- Bridges	11,930	1,293		7,526	20,749	999	528		-999		528	10,931	20,221
- Water Supply Schemes	46,925	895	-65		47,755	2,649	1,658	-12			4,295	44,276	43,460
- Waste Schemes	31,898	254	-73		32,079	2,665	1,055	-3			3,717	29,233	28,362
- Drainage Schemes	7,060	349	-1		7,408	590	299				889	6,470	6,519
- Oamaru Harbour	32,457	23			32,480	2,357	337				2,694	30,100	29,786
Total Infrastructural Assets	526,355	6,387	-235	38,555	571,062	20,257	8,370	-15	-11,912		16,700	506,098	554,362
Operational Assets													
- Plant, Equipment and Vehicles	19,800	2,065	-147		21,718	11,925	1,519	-74		1	13,371	7,875	8,347
- Office Equipment and Fittings	4,173	682	-209		4,646	3,064	418	-195		3	3,290	1,109	1,356
Total Operational Assets	23,973	2,747	-356		26,364	14,989	1,937	-269		4	16,661	8,984	9,703
Collections	2,403	111	-93		2,421	956	94	-67			983	1,447	1,438
Capital Works in Progress	10,072	4,295	-9,243		5,124							10,072	5,124
	654,788	26,998	-10,700	38,046	707,132	41,075	12,525	-454	-15,210	4	37,940	613,713	669,192

Note:
 Accum = Accumulated
 Adj = Adjusted
 Depn = Depreciation
 Reval = Revaluation

Notes to the Financial Statements

	Consolidated		Council Only	
	2010	2009	2010	2009
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 7: Property, Plant and Equipment - continued

Fair Values

Council considers that current book values for fixed assets provide an accurate indication of their fair value overall.

Property and infrastructural assets are re-valued regularly in accordance with Council policy.

Oamaru Harbour

Oamaru Harbour includes the breakwater structure and wharves. Royds Garden Limited, Consulting Engineers of Dunedin valued these assets in 1992. Council brought these into its balance sheet for the first time at \$32m and deemed that value to be cost price. Since that time Council has not revalued these assets. The structures are depreciated in accordance with the stated accounting policies.

Council is required to assess at year end whether the value of these assets has been impaired. To make this assessment Council engaged Gary Teear, a Registered Engineer, of OCEL Consultants NZ Ltd, to perform a revaluation of the breakwater as at 30 June 2007. This exercise showed the value to be \$36.5m, so no adjustment has been made to the carrying value.

Note 8: Intangible Assets

Council Only

	Other	2010 Software	Total	Other	2009 Software	Total
Balance at 1 July						
Cost	165	718	883	165	705	870
Accumulated Amortisation	(95)	(639)	(734)	(89)	(583)	(672)
Opening Balance	<u>\$70</u>	<u>\$79</u>	<u>\$149</u>	<u>\$76</u>	<u>\$122</u>	<u>\$198</u>
Movement for the Year						
Additions	-	138	138	-	24	24
Disposals - cost	-	(260)	(260)	-	(11)	(11)
Amortisation Charge	(6)	(69)	(75)	(6)	(67)	(73)
Disposals – accumulated amortisation	-	260	260	-	11	11
Net movement for year	<u>(\$6)</u>	<u>\$69</u>	<u>\$63</u>	<u>(\$6)</u>	<u>(\$43)</u>	<u>(\$49)</u>
Balance at 30 June						
Cost	165	596	761	165	718	883
Accumulated Amortisation	<u>(102)</u>	<u>(448)</u>	<u>(550)</u>	<u>(95)</u>	<u>(639)</u>	<u>(734)</u>
Closing Balance	<u>\$64</u>	<u>\$148</u>	<u>\$212</u>	<u>\$70</u>	<u>\$79</u>	<u>\$149</u>

Notes to the Financial Statements

	Consolidated		Council Only	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000

Note 8: Intangible Assets (continued)

Consolidated

	Other	2010 Software	Total	Other	2009 Software	Total
Balance at 1 July						
Cost	329	718	1,047	194	705	899
Accumulated Amortisation	(144)	(639)	(783)	(89)	(583)	(672)
Opening Balance	\$185	\$79	\$264	\$105	\$122	\$227
Movement for the Year						
Additions	239	144	383	135	24	159
Disposals - cost		(260)	(260)	-	(11)	(11)
Amortisation Charge	58	(74)	(132)	(55)	(67)	(122)
Disposals – accumulated amortisation	-	260	260	-	11	11
Net movement for year	\$181	\$70	\$251	\$80	(\$43)	\$37
Balance at 30 June						
Cost	568	602	1,170	329	718	1,047
Accumulated Amortisation	(202)	(453)	(655)	(144)	(639)	(783)
Closing Balance	\$366	\$149	\$515	\$185	\$79	\$264

Note 9: Forestry Assets

Balance at 1 July	710	650	710	650
Gains / (losses) arising from changes in fair value less estimated point of sale costs	149	60	149	60
Balance at 30 June	\$859	\$710	\$859	\$710

Council owns 140.1ha of primarily *pinus radiata* in nine blocks in the Waitaki District. These are at varying stages of maturity mainly from 20 – 30 years. As stated in Council's Investment Policy, its involvement in forestry is primarily to meet aesthetic and land protection requirements.

The valuation was performed by Alan Laurie, MNZIF, of Laurie Forestry Limited, a registered forestry consultant and was dated 30 June 2010. A pre-tax discount rate of 8.5% has been used in discounting the present value of expected cash flows. All costs and prices used were based on current market information.

Council is exposed to financial risks arising from changes in timber prices. Council is a long term forest owner and has therefore not taken any measures to manage this risk.

Notes to the Financial Statements

	Consolidated		Council Only	
	2010	2009	2010	2009
	\$000	\$000	\$000	\$000
Note 10: Other Financial Assets				
Non-Current				
Available for sale				
Shares in other companies (see below)	90	90	90	90
Investments Carried at Cost				
Shares in Subsidiaries	-	-	4,858	4,058
Loans and Receivables				
Mortgages and Secured Loans	12,653	12,805	12,653	12,805
Total Non-Current Other Financial Assets	<u>\$12,743</u>	<u>\$12,895</u>	<u>\$17,601</u>	<u>\$16,953</u>
Current				
Investments	-	-	-	768
Deposits with maturities between 3 & 12 months	4,318	-	4,318	-
Total Current Other Financial Assets	<u>\$4,318</u>	<u>\$-</u>	<u>\$4,318</u>	<u>\$768</u>
Maturity Profile				
Within one year	4,318	-	4,318	768
One to two years	-	-	-	-
Two to five years	-	-	-	-
Five years and over	12,743	12,895	17,601	16,953
	<u>\$17,061</u>	<u>\$12,895</u>	<u>\$21,919</u>	<u>\$17,721</u>

The effective interest rate on loans at year end was 3.56% (2009: 3.7%)

Loans and Receivables

This balance is primarily made up of a loan to the North Otago Irrigation Company Limited.

- The interest on this loan is based on the 90 day bill rate and is reviewed quarterly.
- This was for a maximum period of 10 years from its start date in January 2006.
- The collateral for this loan is provided by a General Security Agreement between the Company and Council. This agreement covers all of the Company's assets and includes the Water Supply Contracts and Memorandum of Encumbrances between the Company and the Irrigators.

Shares in Other Companies Carried at Cost

Council holds shares in the following unlisted companies (latest date of published accounts in brackets):

New Zealand Local Government Insurance Co Limited (31 December)

Shares held	59	59	59	59
Percentage of Issued Shares	0.92%	0.92%	0.92%	0.92%
Book Value	59	59	59	59

Lower Waitaki Irrigation Co Limited (31 December)

Shares held	3	3	3	3
Percentage of Issued Shares	13.53%	13.53%	13.53%	13.53%
Book Value	31	31	31	31

As there is no market for shares in either of these companies, or any like market or shares for sale, no fair value can be accurately estimated for these holdings.

Notes to the Financial Statements

	Consolidated		Council Only	
	2010	2009	2010	2009
	\$000	\$000	\$000	\$000

Note 11: Trade and Other Receivables

Rates	1,357	1,250	1,357	1,250
Government Funding	1,375	4,897	1,375	4,897
Inter-company	-	-	63	30
Sundry	4,973	4,531	2,445	1,661
Community Loans	114	76	114	76
Prepayments	318	278	274	186
	8,137	11,032	5,628	8,100
Less Provision for Impairment	(1,215)	(916)	(1,190)	(857)
	\$6,922	\$10,116	\$4,438	\$7,243
Less Non-Current Portion				
Less Community Loans – non-current	107	65	107	65
Total Current Portion	\$6,815	\$10,051	\$4,331	\$7,178

There is no concentration of credit risk outside of the group other than the New Zealand Transport Agency. However, given the nature of this organisation this is assessed as very low.

As of 30 June, all overdue receivables have been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over general receivables. The impairment provision has been calculated based on expected losses for Council's pool of debtors. The expected losses are based on experience and a review of specific debtors.

Receivables Analysis

Not yet overdue	5,549	9,381	3,903	6,763
Overdue 0-30 Days	1,005	351	272	213
Overdue 31-60 Days	136	64	62	33
Overdue more than 61 Days	1,447	1,236	1,391	1,091
Total	\$8,137	\$11,032	\$5,628	\$8,100

Impairment Provision

At 1 July	916	788	857	745
Additional Provision Made During the Year	420	212	413	172
Receivables Written Off	(121)	(84)	(80)	(60)
Closing Balance	\$1,215	\$916	\$1,190	\$857

Amounts shown are GST inclusive if applicable. The face value of trade and other receivables approximates their fair value.

Notes to the Financial Statements

	Consolidated		Council Only	
	2010	2009	2010	2009
	\$000	\$000	\$000	\$000

Note 12: Cash and Cash Equivalents

Cash at bank and in hand	5,415	4,853	531	639
Deposits with maturities of 3 months or less	1,100	1,406	1,100	302
Cash Equivalents	<u>\$6,515</u>	<u>\$6,259</u>	<u>\$1,631</u>	<u>\$941</u>

Note 13: Inventories

Retail inventories	89	98	50	62
Metal and Soil Stocks	362	203	-	-
Other Supplies	469	465	-	-
Provision for Obsolescence	920	766	50	62
	(20)	(20)	-	-
Total	<u>\$900</u>	<u>\$746</u>	<u>\$50</u>	<u>\$62</u>

Note 14: Work in Progress

Cost	1,353	3,477	-	-
Profit Recognised to Date	139	87	-	-
Gross Construction WIP	1,492	3,564	-	-
Progress Billings	(1,451)	(3,616)	-	-
Net Construction WIP	41	(52)	-	-
Other Contracts	145	126	-	-
Total	<u>\$186</u>	<u>\$74</u>	<u>\$-</u>	<u>\$-</u>

Note 15: Non-current Assets Held for Sale

Council has an agreement in place to sell a piece of land to Omarama Airfield Limited during the coming year. It was expected that this transaction would have taken place three years ago; however, it was subject to a number of conditions that were not satisfied. Further progress has been made towards meeting those conditions since year end and this is now likely to occur in the year ended 30 June 2011.

Land	445	445	445	445
Total	<u>\$445</u>	<u>\$445</u>	<u>\$445</u>	<u>\$445</u>

Notes to the Financial Statements

	Consolidated		Council Only	
	2010	2009	2010	2009
	\$000	\$000	\$000	\$000

Note 16: Provisions

Aftercare and Site Restoration

Opening	947	882	938	875
Additions	236	113	236	111
Applied	(253)	(48)	(253)	(48)
	<u>\$930</u>	<u>\$947</u>	<u>\$921</u>	<u>\$938</u>
Analysed:				
Non-Current	906	682	906	682
Current	24	265	15	256
	<u>\$930</u>	<u>\$947</u>	<u>\$921</u>	<u>\$938</u>

Landfill Aftercare

Council operates landfills in Oamaru and Palmerston. Council is required by the consent conditions to provide on-going maintenance and monitoring of landfills after they are closed. This also includes provision to undertake clean up work at other potentially contaminated sites.

The calculation of this provision is based on the remaining expected life of the landfill based on expected volumes and the cost based on current methods and technologies. The costs are expected to be incurred over the next 30 years and are discounted back to a present value costs using a discount rate of 5.0% (2009:7.5%).

Site Restoration

This is to allow for the restoration of land used for quarrying and other processes.

Note 17: Employee Entitlements

Accrued Pay	521	1,068	109	227
Annual Leave	2,026	1,935	486	497
Long Service Leave	90	95	18	17
Sick Leave	46	82	-	-
Continuing Medical Entitlements	157	125	-	-
	<u>\$2,840</u>	<u>\$3,305</u>	<u>\$613</u>	<u>\$741</u>
Analysed:				
Non-Current	52	54	4	3
Current	2,788	3,251	609	738
	<u>\$2,840</u>	<u>\$3,305</u>	<u>\$613</u>	<u>\$741</u>

Notes to the Financial Statements

	Consolidated		Council Only	
	2010	2009	2010	2009
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 18: Borrowings

Non-Current Borrowing

Public Debt - secured	11	14	11	14
Other secured loans and debentures	371	420	-	-
Total	<u>\$382</u>	<u>\$434</u>	<u>\$11</u>	<u>\$14</u>

Current Borrowing

Overdraft	-	-	-	-
Committed Cash Facility (90 days or less)	-	900	-	900
Public Debt - secured	3	3	3	3
Public Debt - unsecured	-	-	-	-
Other secured loans and debentures	-	10	-	-
Total	<u>\$3</u>	<u>\$913</u>	<u>\$3</u>	<u>\$903</u>
Total Borrowings	<u>\$385</u>	<u>\$1,347</u>	<u>\$14</u>	<u>\$917</u>

Financing Costs

The fixed interest rate on public debt is 3.5% (2009: 3.5%) with maturities ranging to July 2015 with an average cost of borrowings for the ensuing 12 months of 3.5%.

The Committed Cash Facility can be drawn down for periods between 1 and 90 days and the costs are based on the 90-day rate plus a margin. This margin is consistent with that charged to similar organisations.

Security

Public debt recorded as secured relates to debt issued prior to 30 June 1999 and is secured by rates.

Whitestone Contracting Limited loans are secured against company assets.

Repayment Terms

The following is a maturity analysis of total debt.

Payable no later than one year	3	913	3	903
Later than one, not later than five years	382	162	10	12
Later than five years	-	272	1	2
	<u>\$385</u>	<u>\$1,347</u>	<u>\$14</u>	<u>\$917</u>

Internal Loans (Council Only)

Under Council's Liability, Management and Investment Policy, Council maintains an internal loan system where Council's cash reserves are used to fund loan funded activities prior to raising external debt. Using this policy Council has repaid almost all of its external debt. Council does however consider the internal loans as part of its ratepayer debt, as at some future date, when cash is required for the purpose for which it has been collected, external loans may be required. The internal loan balances at 30 June 2010 were \$24,441,000 (2009: \$25,074,000).

Notes to the Financial Statements

	Consolidated		Council Only	
	2010	2009	2010	2009
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Note 19: Trade and Other Payables				
Sundry Creditors	4,428	5,545	2,148	2,867
Accruals	580	1,241	122	601
Owing to Subsidiaries	-	-	2,340	1,705
Income charged in Advance	987	606	911	587
Deposits	295	274	295	274
	<u>\$6,290</u>	<u>\$7,666</u>	<u>\$5,816</u>	<u>\$6,034</u>
Analysed:				
Non-Current	-	-	-	-
Current	6,290	7,666	5,816	6,034
	<u>\$6,290</u>	<u>\$7,666</u>	<u>\$5,816</u>	<u>\$6,034</u>

Note 20: Commitments

Capital Commitments

Council	610	-	610	-
Whitestone Contracting Limited	-	347	-	-
	<u>\$610</u>	<u>\$347</u>	<u>\$610</u>	<u>\$-</u>

Contractual Commitments

Council has long-term contractual commitments with the following payment profile:

Not later than one year	288	200	5,988	3,936
Later than one year and not later than two	123	200	5,204	413
Later than two years	-	370	946	420
	<u>\$411</u>	<u>\$770</u>	<u>\$12,138</u>	<u>\$4,769</u>

Operating Leases

Council has the following future commitments with respect to non-cancellable operating leases:

Not later than one year	127	100	31	14
Later than one year and not later than five	67	109	10	-
Later than five years	16	80	-	-
	<u>\$210</u>	<u>\$289</u>	<u>\$41</u>	<u>\$14</u>

Notes to the Financial Statements

Consolidated		Council Only	
2010	2009	2010	2009
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 21: Guarantees and Contingencies

Council and Consolidated

- On 16 November 2004 Council resolved to provide a guarantee on a \$4 million (2009: \$4 million) loan raised by Benmore Irrigation Company. This guarantee was made to facilitate the development of the Company's irrigation scheme in the Ahuriri area. On 10 March 2010 Council resolved to extend the guarantee a further 5 years to facilitate the further expansion of the scheme. This guarantee was for \$3.6 million and expires on 31 March 2015. As there is no evidence that this guarantee will need to be exercised before the expiry date, the fair value of this has been assessed as \$Nil (2009 \$Nil).
- The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue of building consents and inspection of work done. At the date of this report, one matter under that Act with a potential liability that is still to be determined had been brought to Council's attention (2009:1). Council is defending this claim.

In association with other local authorities Council continues its membership of the NZ Mutual Liability Risk Pool established for the purpose of providing insurance for such claims.

- Council has no personal grievance claims outstanding (2009: 1)
- Council owns and manages a number of closed landfills throughout the District. The contents of these landfills are unknown. Closed landfill resource consents require regular monitoring of these landfills. With the exception of Hampden there are no known defects that could give rise to a claim. Amounts have been spent to address the known defects at Hampden. Changes in environmental conditions or land use may change this position.
- Council is a participating employer in the DBP Contributors Scheme (the Scheme) which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the Scheme, Council could be responsible for the entire deficit of the Scheme. Similarly, if a number of employers ceased to participate in the Scheme, Council could be responsible for an increased share of the deficit.

Insufficient information is available to use defined benefit accounting as it is not possible to determine, from the terms of the Scheme, the extent to which any deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

As at 31 March 2009, the Scheme had a past service surplus of \$15.321 million (5.7% of the liabilities). This amount is exclusive of Employer Superannuation Contribution Tax. This surplus was calculated using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of NZ IAS 19.

The Actuary of the Scheme has recommended the employer contribution continues at 1.0 times contributors' contributions. This contribution is inclusive of Specified Superannuation Contribution Withholding Tax.

Note 22: Financial Instruments

Council and the Group are party to financial instruments as part of its everyday operations. These include instruments such as bank balances, investments, trade accounts receivable, trade creditors and loans.

Notes to the Financial Statements

Consolidated		Council Only	
2010	2009	2010	2009
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 22: Financial Instruments continued

Interest Rate Risk

Council, Whitestone Contracting Limited and Waitaki District Health Services have a series of policies providing risk management for interest rates and the concentration of credit. They are all risk averse and seek to minimise exposure from their treasury activities. Their policies do not allow any transaction of a speculative nature to be entered into.

Financial Instrument Risks

Council has policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. The Company has established borrowing and investment policies. These policies do not allow any transactions that are of a speculative nature to be entered into.

Market Risk

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Council's exposure to fair value interest rate risk is limited to its borrowing, short-term bank deposits and short-term and term investments in other entities, particularly Whitestone Contracting Limited and North Otago Irrigation Company Limited.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowing and investments issued at variable interest rates expose Council to cash flow interest rate risk.

The Council's investment policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Council is not exposed to currency risk, as it does not enter into foreign currency transactions.

Credit Risk

Credit risk is the risk that a third party will default on its obligation causing Council to incur a loss.

Due to the timing of its cash inflows and outflows Council invests surplus cash with registered banks. Council's investment policy limits the amount of credit exposure to any one institution.

Council's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash equivalents, trade receivables and loans and receivables. There is no collateral held as security against cash equivalents and some short-term loans. Further details in Note 11.

In the normal course of business the Group incurs credit risk from debtors and financial institutions. NZTA owed 20% (2009: 14%) of debtors due to Council at balance date. The Southern District Health Board is the major debtor of Waitaki District Health Services. Council also has a significant concentration of credit risk in the Waitaki District of New Zealand. There are no other significant concentrations of credit risk. The Group does not require any collateral or security to support financial instruments of the financial institutions dealt with.

Notes to the Financial Statements

	Consolidated		Council Only	
	2010	2009	2010	2009
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 22: Financial Instruments continued

The Group has total bank overdraft and Letter of Credit facilities of \$2,100,000 (2009: \$2,100,000). In addition the Group has committed draw-down facilities of \$15,200,000 (2009: \$15,200,000) and Council has uncommitted facilities of \$10,000,000 (2009: \$10,000,000) for the purposes of meeting borrowing needs. Of these, \$Nil of the bank overdraft facility, \$Nil of the Letter of Credit facility and \$Nil (2009: \$900,000) of the committed draw-down facilities have been utilised by the Group at balance date. Subject to the continuance of satisfactory credit ratings, the facilities may be drawn down at any time.

Liquidity Risk

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

In meeting its liquidity requirements, the Company maintains a target level of investments that must mature within specified timeframes.

Council manages its borrowings in accordance with its Liability Management and Investment Policy.

Purchases and sales of financial assets are accounted for at trade date.

Other Matters

Council performed a sensitivity analysis and it was estimated a change of 1% in interest rates would increase or decrease Council's surplus by approximately \$155,000 (2009: \$120,000).

Maximum credit exposure for each class of financial instrument is consistent with the amounts disclosed in Note 23.

Credit Quality of financial assets that are neither past due nor impaired can be assessed by reference to credit rating or historic information about default rates.

Cash or at Standard & Poor's AA rated institutions	2,625	2,968	1,631	941
Other entities with no default history	3,890	3,291	-	-
Total Cash and Cash Equivalents	<u>\$6,515</u>	<u>\$6,259</u>	<u>\$1,631</u>	<u>\$941</u>

All other amounts are with entities with no default history. See Note 12 for further details. All deposits mature within three months of balance date.

Fair Values

The fair value of financial instruments is approximately equivalent to the carrying amount disclosed in the Balance Sheet. This is consistent with Council's Liability Management and Investment Policy.

Notes to the Financial Statements

Contractual maturity analysis of Financial Instruments

This table analyses the Council and Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at balance date to the maturity date. Amounts disclosed represent the undiscounted cash flows, and include future interest payments which have been estimated based either on the contracted fixed rate or the appropriate floating rate at balance date.

	Carrying Amount \$000	Contractual Cash flows \$000	Due within 1 Year \$000	Due between 1 & 2 Years \$000	Due between 2 & 5 Years \$000	Due later than 5 Years \$000
<u>Council only - 2010</u>						
<i>Non-current Assets</i>						
Other Financial Assets	17,601	18,875	-	-	-	18,875
Trade and Other Receivables	107	119	-	10	77	32
<i>Current Assets</i>						
Cash and Cash Equivalents	1,631	1,631	1,631	-	-	-
Trade and Other Receivables	4,331	4,331	4,331	-	-	-
Other Financial Assets	4,318	4,426	4,426	-	-	-
Total Financial Assets	27,988	29,382	10,388	10	77	18,907
<i>Non-current Liabilities</i>						
Borrowings	11	12	-	3	9	-
<i>Current Liabilities</i>						
Trade and Other Payables	5,816	5,816	5,816	-	-	-
Short Term Borrowings	3	3	3	-	-	-
Total Financial Liabilities	5,830	5,831	5,819	3	9	-
Net Liquidity	22,158	23,551	4,569	7	68	18,907
<u>Group - 2010</u>						
<i>Non-current Assets</i>						
Other Financial Assets	12,743	14,017	-	-	-	14,017
Trade and Other Receivables	107	119	-	10	77	32
<i>Current Assets</i>						
Cash and Cash Equivalents	6,515	6,515	6,515	-	-	-
Trade and Other Receivables	6,815	6,815	6,815	-	-	-
Other Financial Assets	4,318	4,426	4,426	-	-	-
Total Financial Assets	30,498	31,892	17,756	10	77	14,049
<i>Non-current Liabilities</i>						
Borrowings	382	417	-	114	303	-
<i>Current Liabilities</i>						
Trade and Other Payables	6,290	6,290	6,290	-	-	-
Short Term Borrowings	3	3	3	-	-	-
Total Financial Liabilities	6,675	6,710	6,293	114	303	-
Net Liquidity	23,823	25,182	11,463	(104)	(226)	14,049

Notes to the Financial Statements

	Consolidated		Council Only	
	2010	2009	2010	2009
	\$000	\$000	\$000	\$000

Note 23: Categories of Financial Assets and Liabilities

The carrying amounts of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:

Financial Assets

Shares in other companies (note 10)	90	90	90	90
Secured Loans (note 10)	12,653	12,805	12,653	12,805
Short Term Loans	-	-	-	768
Cash and Cash Equivalent (note 12)	6,515	6,259	1,631	941
Trade and other receivables (note 11)	6,922	10,116	4,438	7,243
	<u>\$26,180</u>	<u>\$29,270</u>	<u>\$18,812</u>	<u>\$21,847</u>

Financial liabilities measured at amortised cost

Trade and other payables (note 19)	6,290	7,666	5,816	6,034
Borrowings (note 18)	385	1,347	14	917
	<u>\$6,675</u>	<u>\$9,013</u>	<u>\$5,830</u>	<u>\$6,951</u>

Note 24: Members' Interest Transactions

Cr Gary Kircher operates the Encore Bar which is located in the Oamaru Opera House. Purchases by Council amounted to \$1,054 (2009: \$0). Rental and other services provided by Council amounted to \$849 (2009: \$0). All transactions are considered to have been completed at normal commercial rates.

Note 25: Remuneration and Severance Payments

Remuneration of the Chief Executive

The total remuneration paid to the Chief Executive during the year to 30 June 2010 was \$234,649 (2009 \$227,843).

Michael Ross is a Director of the Waitaki Development Board Limited (appointed by Council). He received a director fee of \$8,296 (2009 \$8,296), in addition to the above.

Michael Ross is also a Director of the North Otago Irrigation Company Limited (appointed by Council) and received a director fee of \$6,000 (2009: \$6,000).

Key Management Personnel Compensation

In addition to the Chief Executive, Council had 5 and the Group had 15 (2009: 14) employees who received remuneration in excess of \$100,000 per annum.

The key management personnel for Council are the Chief Executive and the four Group Managers. The other key personnel in the Group are described in the individual Annual Reports but are generally the Chief Executive, Directors and senior managers.

Notes to the Financial Statements

	Consolidated		Council Only	
	2010	2009	2010	2009
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 25: Remuneration and Severance Payments continued

Salaries and other short term benefits	1,806	1,865	753	755
Post-employment benefits	31	23	31	23
Other benefits	-	-	-	-
	<u>\$1,837</u>	<u>\$1,888</u>	<u>\$784</u>	<u>\$778</u>

Severance Payments

The Local Government Act 2002 requires disclosure of the number and cost of any severance payments made during the year. There was one severance payment of \$20,000 made during the year (2009 – one of \$21,000).

Members Remuneration

The total remuneration including travel allowances, received by elected members was as follows:

	2010 \$000	2009 \$000
Mayor Alex Familton	72	69
Councillors		
Rod Bidois	19	18
Kathy Dennison	23	18
Peter Garvan	19	18
Jim Hopkins	18	17
Gary Kircher	25	23
Alistair Mavor	23	21
Struan Munro	37	36
Pam Spite	24	23
Helen Stead	18	17
Peter Twiss	23	21
Total	<u>\$301</u>	<u>\$281</u>

Note 26: Related Party Transactions

2010 \$000	2009 \$000
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Council is the ultimate parent of the Group and controls four entities, being Whitestone Contracting Limited, Waitaki District Health Services Limited, Waitaki Development Board Limited and Omarama Airfield Limited. Through shared Directorships and other relationships there are a number of other related parties.

Waitaki District Health Services Limited

The Company purchased services from Council	51	51
Amount outstanding at year end	3	3

Notes to the Financial Statements

	Consolidated		Council Only	
	2010	2009	2010	2009
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Note 26: Related Party Transactions (continued)			2010	2009
			\$000	\$000
Waitaki Development Board Limited				
The Company purchased services from Council			36	36
Services provided to Council (operating grants from Council)			675	875
At balance date the Company owed Council the following amounts			22	2
Waitaki Development Board Limited manages the Oamaru Blue Penguin Colony on Council's behalf. These transactions are included in the Economic Development activity.				
Whitestone Limited Group of Companies				
Services provided to Council			9,114	9,466
Balance outstanding from Council at year end			1,771	1,136
Services provided by Council during the year			108	105
Amounts outstanding to Council at year end			38	20
Loan outstanding from Council at year end			-	768
Dividends provided to Council			50	-
Subvention payment provided to Council			-	1,146
The Group performs various works for Council either by preferential right pursuant to Establishment Plans, non-public tendered contracts or by public tender				
All transactions between the parties are payable under normal contract terms or in the month following supply				
Directors and Councillors have purchased goods and services from the company on a normal commercial basis				
The Group transacted with Waitaki Development Board Limited and Waitaki District Health Services Limited on a normal commercial basis. These transactions were not considered material by Council.				
Omarama Airfield Limited				
Services provided by Council during the year			38	12
Sale of easement to Council			37	-
Balance receivable from Council			569	569
All Directors of the Company paid landing fees for use of the airfield				
On 5 June 2007, the Company and Council completed the transfer a 3.8ha block of land to Council in exchange for the repayment of the \$140,000 loan, payment of runway designation costs of \$100,000 and agreed to transfer to the Company a 16ha block of land at a price of \$568,919, to allow for the extension of the runway / flight path to Prohibition Road.				
North Otago Irrigation Company Limited				
Interest charged by Council during the year			346	810
Loan from Council			12,653	12,805
Network Waitaki Limited (including Network Waitaki Contracting Limited)				
Services provided by Council during the year			160	120
Balance outstanding from Council at year end			-	57
Services provided to Council during the year			19	27

Notes to the Financial Statements

	Consolidated		Council Only	
	2010	2009	2010	2009
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 26: Related Party Transactions (continued)

Council

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as payment of rates)

Close family members of key management personnel may be employed by the Council and group from time to time. The terms and conditions of those arrangements are no more favourable than the Council and group would have adopted if there were no relationship to key management personnel.

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or other receivables to related parties (2009 \$nil).

No provision has been required, nor any expense recognised for impairment of any loans or other receivables to related parties (2009 \$Nil).

Note 27: Reconciliation of Net Operating Surplus to Cash Flows from Operating Activities

	Consolidated		Council Only	
	2010	2009	2010	2009
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Net operating surplus after Taxation	(363)	7,400	(352)	6,905
<u>Add/(less) non-cash items</u>				
Depreciation / Amortisation	13,640	12,647	11,572	10,739
Interest Compounded	(346)	(807)	(346)	(807)
(Decrease)/Increase in Doubtful Debts Provision	299	128	333	112
(Decrease)/Increase in Landfill Closure & Other Provisions	(16)	64	(16)	64
Net (profit)/loss on Sale of Assets	623	570	629	570
Vested Assets	(573)	(2,947)	(573)	(2,947)
Adjustments to Assets	(31)	(30)	-	-
(Decrease)/Increase in Deferred Tax Provision	317	(1)	-	-
	13,550	17,024	11,247	14,636
<u>Add/(less) Movements in Other Working Capital Items</u>				
Decrease/(Increase) in Trade & Other Receivables	2,218	(1,391)	2,472	(1,505)
Decrease/(Increase) in Inventories	(154)	124	12	(3)
Decrease/(Increase) in Work in Progress	(112)	613	-	-
(Decrease)/Increase in Trade & Other Payables	198	5	681	(724)
(Decrease)/Increase in Employee Entitlements	(468)	298	(129)	63
(Decrease)/Increase in Provision for Taxation	24	(105)	-	-
	1,705	(456)	3,036	(2,169)
Net Cash Inflow from Operating Activities	<u>\$15,255</u>	<u>\$16,568</u>	<u>\$14,283</u>	<u>\$12,467</u>

Notes to the Financial Statements

Consolidated		Council Only	
2010	2009	2010	2009
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 28: Explanation of Major Variances Against Budget

Explanations for major variations from the estimated figures in the 2009-19 LTCCP are as follows:

The variances in income and expenditure to the prior year and to budget are covered in detail in the financial commentary in each activity area.

There were a number of movements and variances in the Balance Sheet.

The major movements in assets were a result of the water infrastructure revaluation. This is just part of the revaluation cycle and reflects the increased cost Council has faced over the last three years. The other major asset movement was in receivables. Government Grants at 30 June 2009 included the final Lotteries grant for the Oamaru Opera House of \$3,835,000. This is shown in more detail in note 11.

The last major variance was the variation between the level of expected external debt versus actual external debt. It was expected that Council would have required borrowings of \$1.8 million by the end of the year. However, due to good cashflows during the year, and a significant number of projects being behind plan, no borrowing was required.

Note 29: Events Subsequent To Balance Date

The GST rate changed from 12.5% to 15.0% on 1 October 2010. Council allowed for this change by setting rate exclusive of GST and then adding the appropriate rate based on the "time of supply rates".

The triennial election was held on Saturday 9 October 2010. The election result saw 6 new members elected to the Council.

There were no other events arising since balance date relating to Council activities that require adjustment to these financial statements or inclusion in this Annual Report.

Managing Our People

Managing our People

Recruitment and Retention

The combination of the world-wide recession and the restructuring of Auckland's Councils has resulted in Council's vacancies being easier to fill than in at least the past six or seven years. Positions which have been traditionally difficult to recruit candidates for have been filled more quickly, and high-calibre applicants are applying from around the country. As a result, the length of time to recruit for most positions has decreased, and the quality of successful recruits is very high.

Employee Workplace Survey

The Best Workplaces staff survey was undertaken again during 2009. This survey continues to be an important source of information on how we can improve and enhance working life at Council, and to improve employee retention and productivity. We continue to identify and act upon improvement measures identified through the survey.

Training and Development

Training and developing staff remains a priority for Council, as much of the training undertaken stems from statutory requirements or changes to processes and procedures beyond our control. Managers have been proactive in sourcing the best options available to ensure our staff are competent, knowledgeable, accurate and reliable when dealing with our customers.

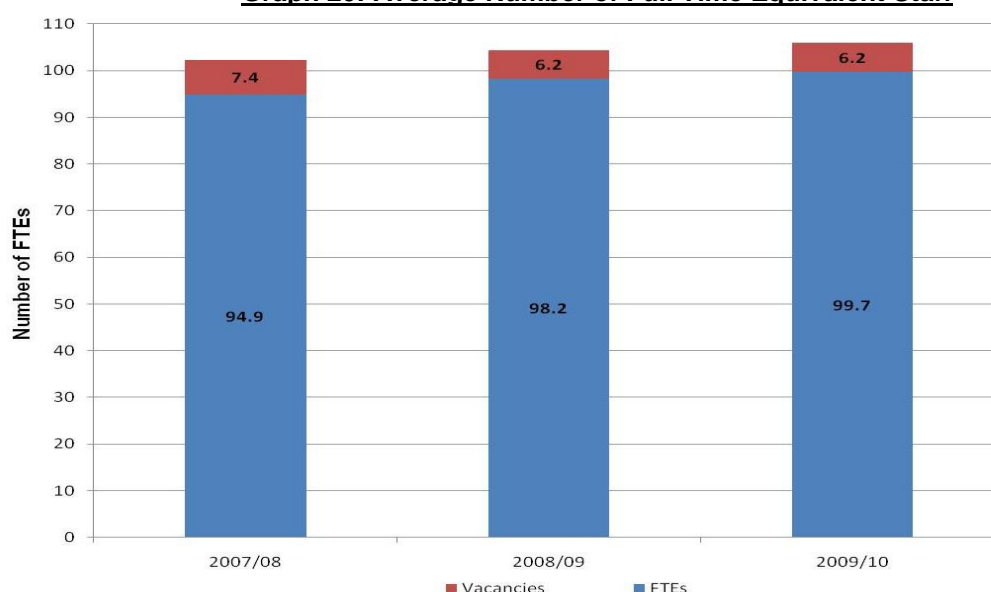
Employee Headcount and Turnover

The employee headcount continues to be recorded, with information for preceding years providing trends. Information is provided in graphs below.

Total employee turnover was 9.0%, down from the 2008/09 year (10.5%). Full-time employee turnover was 12.4% (2008/09: 9.8%), while part-time turnover was 4.3% (2008/09: 11.6%). It is probable that the current economic climate is contributing to the lower staff turnover, and this is expected to continue through 2010/11.

The 2009/10 year saw an average of 99.7 FTE staff employed, with an average of 6.2 FTE vacancies over the period (average 6.2 vacancies during 2008/09). The total average full time equivalent staff (including vacant positions) for the year was 105.9 (104.4 for 2008/09).

Graph 20: Average Number of Full Time Equivalent Staff



Governance Statement

When the Local Government Act 2002 was passed, it became the legal duty of every Council in New Zealand to publish a Governance Statement. The Governance Statement must explain the roles in Council of elected members and staff and how these roles are different. The Governance Statement should also tell people how the Council operates so people are able to deal more effectively with Council. Those facts, and others, can be found below in the Waitaki District Council's Governance Statement.

Waitaki District Council Governance Statement

Council exists so that local, democratic decision-making can happen. The Local Government Act 2002 states that the purpose of that local, democratic decision-making is to promote the social, economic, environmental and cultural well-being of the District today and in the future.

In order to promote the social, economic, environmental and cultural well-being of the District, Council has a number of roles:

- Finding (or helping to find) workable solutions for local needs
- Speaking on behalf of the local community to central government as well as other local authorities and agencies
- Developing local resources
- Building, maintaining and monitoring important local infrastructure (for example, roads, footpaths, water supplies, sewage plants, pipes, drains and rubbish dumps) as well as other community assets like parks, gardens, libraries and museums
- Looking after the environment by using the Resource Management Act to ensure the adverse effects of any developments are avoided, remedied or mitigated
- Making plans for the future growth (and needs) of the District
- Encouraging economic development

To help it perform this role, the Central Government has given Council clear powers and responsibilities. These are spelt out in various Acts of Parliament such as the Local Government Act 2002 and the Resource Management Act 1991, as well as some very specific local laws:

- The Oamaru Town Management Ordinance, 1872 and
- The Oamaru Town Hall, Gasworks Sites and Recreation Reserves Act, 1875

Electoral System

Every three years, the Council has to review its system for voting.

This review of the voting system comes down to a choice between FPP (First Past the Post) and STV (Single Transferable Voting). In 2009, the Council decided to use FPP voting in the 2010 elections and this was not challenged or disputed by local people. The process a Council must follow when it chooses a voting system is laid out in the Local Electoral Act 2001.

Council Numbers

At least once every 6 years, Council also has to review its own size.

Council must decide how many Councillors and Community Board members there should be and how many Wards are needed to serve different communities. Deciding how many Councillors should come from each Ward is another part of this process. In 2006/07, Council suggested some changes which the community supported. As a result, in the 2007 election, the Mayor was elected by voters throughout the District and 10 Councillors were elected in 4 different Wards:

Governance Statement

- Ahuriri Ward..... 1 Councillor
- Corriedale Ward..... 2 Councillors
- Oamaru Ward..... 6 Councillors
- Waihemo Ward..... 1 Councillor

The District has two Community Boards - for Ahuriri Ward and Waihemo Ward. Each Board has five elected members and one member appointed by Council. The Board chooses the Chairperson at its first post election meeting.

The two Community Boards:

- Represent the interests of their communities.
- Consider any issues referred to them by Council and then give a report. (The Boards can also consider any issues of interest or concern to them).
- Give Council a submission each year on spending in their area.
- Monitor the range and quality of services provided by Council for their communities.
- Talk with and listen to community associations and groups.
- Do whatever extra tasks Council may request.

Members' Roles and Conduct

Waitaki's Mayor and Councillors:

- Decide what policies Council will adopt. These policies become the rules that Council staff must follow.
- Oversee Council's performance, which includes checking finances and the progress of projects.
- Try to work in the best interests of the District. When elected, every Councillor makes a formal declaration that they will "perform their duties faithfully and impartially, and according to their best skill and judgment, in the best interests of the District".
- Hire the Chief Executive and oversee his or her work. The Local Government Act states that Council employs the Chief Executive *but* the Chief Executive employs all other Council staff.

The Mayor is elected by voters throughout the District - unlike the other Councillors who are elected in four separate Wards (Ahuriri, Corriedale, Oamaru and Waihemo). The Mayor has the responsibilities of a Councillor, and additional duties to perform:

- Chairperson of Council meetings. It is the Mayor's job to ensure that meetings run properly and smoothly. The Mayor relies on his or her personal skill as a Chairperson and 'Standing Orders' - rules that set out how meetings will be run.
- Advocate and champion for the District and its communities. This may involve promoting the District or promoting activities that will enhance it and being a strong and effective positive voice whenever an opportunity arises. This role as an advocate and champion is most successful with Council support.
- The leadership role within Council, promoting ideas and giving feedback and suggestions to other Councillors.
- Ceremonial leader of Council, attending functions, making speeches, greeting official visitors and representing the District at important events.

Governance Statement

The Deputy Mayor is elected by all Councillors at their first Council post election meeting. Because Councillors elect the Deputy Mayor, he or she can be removed by a majority Council vote. The Deputy Mayor has the same responsibilities as the other Councillors but also has a number of other duties to perform:-

- If the Mayor is absent or ill or for any other reason unable to carry on, the Deputy Mayor must perform all the Mayor's roles and duties with the authority and powers of the Mayor.
- The same applies if the Mayor has resigned, died or for any other reason left office.

Council can create committees to oversee different activities and operations. Each committee has a Chairperson who runs meetings and ensures the Committee acts within the powers given by Council. These powers are called Delegations and are set out in a Delegations Manual. All Councillors, committee members and Council staff know their authority limits. A committee Chairperson is elected by Council vote and may be removed from office the same way.

Over the years, various Governments have passed laws which lay down very clear rules that all Councillors and Community Board members must follow. These rules can be found in the following pieces of legislation:-

- Schedule 7 of the Local Government Act 2002 which makes it clear that Councillors "*must*" act as good employers when hiring and dealing with a Chief Executive and must also behave according to the rules spelt out in the current Code of Conduct and Standing Orders.
- The Local Authorities (Members' Interests) Act 1968 makes clear how elected members should behave in any situation where there is, or where there could be, a conflict of interest between their duties as an elected member and their private financial interest (either direct or indirect).
- The Secret Commissions Act 1910 which clearly bans elected members from accepting any gift or reward that could be seen to influence them in any way while carrying out their Council duties.
- The Crimes Act 1961 which makes it clear that elected members must not accept gifts of any sort as a reward for acting in a certain way and also bars elected members from using official information for their own private profit.

Every elected member's behaviour must meet the standards set out in a Code of Conduct. One of the requirements of the Local Government Act 2002 is that all Councils must adopt a Code of Conduct. Once a Code has been adopted, any change must be given a 75% vote of support. The Code of Conduct spells out how the Mayor and Councillors will behave when dealing with each other, with Council staff, the media and with the public. There are also rules about sharing information that Councillors receive, because there are times when this should remain confidential to protect the Council and its ratepayers. The Code also makes clear what actions can be taken if an elected member breaks its rules. You can collect a copy of the Waitaki District Council's Code of Conduct as well as its Standing Orders from the Council's offices.

Council Structures

After each three yearly local body election, Council discusses and reviews its own organisation and decides how many committees it wants to set up. The Waitaki District Council did this in December 2008 and again in June 2009. As a result, the following Committees and subcommittees, listed in alphabetical order, are currently overseeing particular parts of Council's operations:-

Governance Statement

Council Committees

- Assets Committee (Chairperson: Alistair Mavor)
- Community Service Committee (Chairperson: Pam Spite)
- Corporate Services Committee (Chairperson: Peter Twiss)
- Development Contributions Committee (Chairperson: Peter Twiss)
- Executive Committee (Chairperson: Alex FAMILTON)
- Hearings Committee (Chairperson: Struan Munro)
- Property Committee (Chairperson: Peter Twiss)
- Strategy Committee (Chairperson: Struan Munro)

Council subcommittees

- Grants and Awards (Chairperson: Rod Bidois)
- Harbour (Chairperson: Gary Kircher)
- Opera House and Opera House Sponsorship (Chairperson: Peter Garvan)
- Rural Water Schemes (Various Chairpersons)
- Waitaki Water (Chairperson: Alistair Mavor)
- Youth Council (Chairperson: George Ferguson)

The committees hold their own meetings, usually in weeks when there is no full Council meeting. More information about the Council's committees, including the areas they deal with, the powers they have and the times of their meetings is available at the Council's offices.

Meetings

All Council and Council committee meetings must be open to the public - unless there are confidential issues which need to be considered in a Public Excluded session. There are strict rules about what can and cannot be discussed in a Public Excluded session and the Local Government Official Information and Meetings Act 1987 sets out the circumstances where Councils may consider items with the public excluded. These circumstances usually involve protecting someone's personal privacy or ensuring that commercially sensitive or professionally privileged information stays confidential. The need to maintain public health, safety and order is another reason to consider items in a Public Excluded session.

Except for any Public Excluded sessions, every other part of any Council or Council committee meeting is open to the public. Any person has the right to attend but that does not mean members of the public have speaking rights at a meeting unless it has previously been agreed they would have such rights.

The legal requirements that Councils must follow when holding a meeting are set out in the Local Government Act 2002 and the Local Government Official Information and Meetings Act 1987.

At any meeting, it is the Mayor or Chairperson's job to maintain order. If the Mayor or Chairperson considers any member of the public is behaving in a disorderly fashion, they have the authority to order the removal of that person from the Council Chamber or meeting room. The Mayor or Chairperson can also order the removal of any elected member who does not follow the rules set out in Standing Orders.

As already explained, the Mayor and Councillors must follow the rules in Standing Orders when at meetings although, if 75% of those present vote to do so, Standing Orders can be suspended.

Governance Statement

Council must keep Minutes of its meetings so there is a record of what took place. These Minutes must also be available to the public, as indicated in the Local Government Official Information and Meetings Act 1987.

The public (and elected members) must be given at least 14 days notice of the time and place at which any ordinary meeting of Council will be held. Extraordinary meetings can generally be called with 3 working days notice.

Consultation

Every decision Council makes affects its residents and ratepayers. So people need to have opportunities to make their views known before decisions are made. Council has a moral and a legal duty to consult with the public when making important decisions. There are clear principles and processes of consultation - set out in the Local Government Act 2002 - which the Council must follow. The principles, as well as the details of a **Special Consultative Procedure** can be found in Sections 82-90 of the Local Government Act 2002.

It is important to note that Council does not rely only on this Special Consultative Procedure. It can and does consult with the public in other ways. For example, when it is adopting its Long Term Council Community Plan, its Annual Plan or its District Plan, the Council does hold formal and informal meetings with community groups, interested parties and members of the public. At these meetings, the Council seeks views on a range of important matters and also notes the issues of concern to the community.

Like every other local authority in the country, the Waitaki District Council now has a statutory responsibility to consult with Maori. The Waitaki Community Plan includes a statement which explains how the Council is meeting this responsibility. There is also a report on this matter in the Council's Annual Plan.

Council Organisations and Council-controlled Organisations

Council chooses and appoints the trustees and directors of several companies and trusts. Generally if the number of representatives appointed by Council to an organisation is less than half the total number of people on the governing body, then that organisation is called a Council Organisation or CO. If Council appoints more than half the directors or trustees of an organisation, it becomes a Council-controlled Organisation, or CCO.

Because the Council is always accountable to the public, it uses good policies and sound processes to make sure it chooses people with the right skills and abilities whenever it appoints trustees or directors to CO's and CCO's, which are listed below:

Council Organisations (in alphabetical order)

The Donald and Nellye Malcolm Trust
The Oamaru Whitestone Civic Trust
The Waitaki Community Recreation Centre Trust
The Waitaki District Community House Trust

Council-Controlled Organisations (in alphabetical order)

Omarama Airfield Limited
Waitaki Development Board Limited
Waitaki District Health Services Limited
Whitestone Contracting Limited

Governance Statement

The Chief Executive

As mentioned earlier, Council's Chief Executive is the *only* person who is hired by the Mayor and Councillors. This is made clear in the Local Government Act 2002. Once Council has employed a Chief Executive, it becomes the Chief Executive's responsibility to employ all other Council staff as well as advise Council and implement its decisions.

The Chief Executive is appointed by Council with terms and conditions that are set out in Section 42 and Clauses 33 and 34 of Schedule 7 of the Local Government Act 2002. The Chief Executive has to put Council's policies into action, manage all the work that is done as part of putting those policies into action and also stay within any of the financial limits set in Council's budgets. Section 42 of the Local Government Act 2002 spells out the Chief Executive's responsibilities:-

- To implement Council's decisions.
- To give advice to Council and Community boards.
- To make sure that all responsibilities, duties and powers delegated to the Chief Executive or to any person employed by the Chief Executive or imposed or conferred by any Act, regulation or bylaw are properly performed or exercised.
- To manage the activities of Council effectively and efficiently.
- To maintain systems that enable effective planning and accurate reporting of the financial and service performance of Council.
- To provide leadership for the staff of Council.
- To employ staff - including negotiation of the terms of employment for staff.

Management Structure

As explained above, Council employs its Chief Executive and the Chief Executive then employs all other Council staff. It is made clear in the Local Government Act 2002 that the Chief Executive is the only person who has the legal right to give instructions to a Council staff member so any complaints about individual Council staff members should first be made to the Chief Executive and not to the Mayor or Councillors.

The management structure is described on page 164 of this Annual Report.

Equal Employment Opportunities

Council is committed to being an equal opportunities employer. The key principles of equal employment opportunities (EEO) are:-

- Every current employee and every future employee will be given an equal opportunity to enjoy the benefits of employment in a job that suits their level of skill.
- Nobody will be discriminated against.

As part of its commitment to EEO, Council's goals are:-

- To create an equal employment opportunity environment.
- To make equal employment opportunity best practice the norm in the workplace.
- To provide a workplace that is free of harassment.
- Wherever possible, to have a labour force profile (different groups and ages) which matches the greater labour market.

Governance Statement

Key Planning and Policy Documents

The Waitaki Community Plan (WCP) gives people general information about Council's plans, activities, projects and services for the next 10 years. It also gives detailed information about any activities, projects and services planned for the next 3 years. The WCP shows the expected cost of those activities, projects and services and explains how they will be paid for. It also includes a number of statutory policies.

The Revenue and Financing Policy is part of the WCP and explains who will pay for Council's activities and services and what the nature of those payments will be.

The Funding Impact Statement is also part of the WCP and tells people what type of rates or rating systems will be used by Council to fund its activities.

The Annual Plan gives people information about what changes or variations to the WCP will be made in any particular year.

The District Plan is prepared by Council as a key part of the role it has to perform under the Resource Management Act 1991. The District Plan is the document which gives detailed information about how the District's natural and physical resources will be used, developed and protected now and in the future.

Other key plans include Bylaws, Asset Management Plans (including Water, Roads and Solid Waste), the Culture and Heritage Strategy 2005, the Economic Development Strategy 2005 and the Tourism Strategy 2006.

Council also has a **Policy on Significance** which must be considered when issues are being discussed or decisions made. The Policy on Significance ranks issues and decisions in terms of their importance to the community and sets out what kind of consultation, if any, should occur in each case. It also makes clear when the Special Consultative Procedure should be used.

All of these key planning and policy documents can be reviewed and amended, sometimes because new Parliamentary legislation means that Councils must change the way they carry out their role. Any review of or change to a key planning or policy document is likely to involve a Special Consultative Procedure.

Official Information Requests

It is made clear in the Local Government Official Information and Meetings Act 1987 that any person can ask for information from the Council. All requests for information are regarded as requests made under the Local Government Official Information and Meetings Act. People do not have to mention the Act when they make a request.

When a request for information is made, the Council must supply that information unless there is a legitimate reason not to do so. The Local Government Official Information and Meetings Act 1987 say that information can only be withheld if its release would:-

- Endanger the safety of any person.
- Prejudice the maintenance of the law.
- Compromise the privacy of any person.
- Reveal confidential or commercially sensitive information.

Governance Statement

- Cause offence to Tikunga Maori or disclose the location of waahi tapu.
- Prejudice public health or safety.
- Compromise legal professional privilege.
- Disadvantage the local authority while it is carrying out negotiations or commercial activities.
- Allow information to be used for improper gain or advantage.

In most cases, Council must reply to requests for information within 20 working days but there are some situations where this time-frame can be extended. Council can charge for information it provides but if it does it must follow guidelines set down by the Ministry of Justice.

Public Access to Council and its Elected Members

Council has its own website - www.waitaki.govt.nz

All emails to the Council should be addressed - service@waitaki.govt.nz

Council's main Customer Service Centre is at 20 Thames Street, Oamaru. Free phone 0800 108 081, Ph (03) 433 0300, Fax (03) 433 0301.

Council also has a Customer Service Centre at 54 Tiverton Street, Palmerston, Ph (03) 465 1106.

Contact details for the Mayor and Councillors

Please refer to the list on page 161 of this Annual Report.

Opportunities for Maori to Contribute to the Decision Making Process

2008/09 was the first year of implementation of the Memorandum of Understanding (MoU) between Council and Te Runanga o Moeraki (TROM). The Memorandum of Understanding identifies the principles of the relationship between the Runanga and Council, and clarifies how this will work at an operational level.

The test for the MoU was how it was going to work for Council staff who wanted to engage with TROM on specific projects or issues, and there were a number of times when this consultation was undertaken. Some examples are:

- Opportunity for input into the library signage translation into Te Reo Maori
- Representation at the 2 day workshop with StoryInc on the Museum concept plan
- Input into walking and cycling track priorities including an audit of the tracks in Moeraki
- Participation in the Opera House opening
- Discussion regarding the consent application for the closed landfill at Hampden
- Advice on a facilitator to deliver Treaty workshops to Council staff and the voluntary sector
- Early consultation on the right debate topics for the LTCCP and the wording for the Statement of Maori Contribution to Decision-making
- A heads up on the Lighthouse Road issue with DoC
- Discussion regarding the establishment of a Multicultural Society for the District
- Input into community safety programmes
- Liaison on the resource consent for car parks at the Maori Rock Art sites.

It has been identified that sometimes Council staff are not aware of the appropriate tikanga and kawa (customs and procedures) for liaising with Tangata Whenua, and to address this TROM will be working in partnership with Council to provide workshops for staff next year.

TROM have representation on the Harbour and Heritage Sub-committee, the Physical Activity and Walking & Cycling Strategy Implementation Group, the North Otago Museum Advisory Group, the Grants and Awards Sub-committee, and the Culture and Heritage Group.

TROM are a key partner in the community outcomes process and as a result of their involvement in identifying community outcomes in 2005, mana whenua values have been incorporated into the outcome statements, which are valid until the next community outcomes process is due in 2011.

General Information

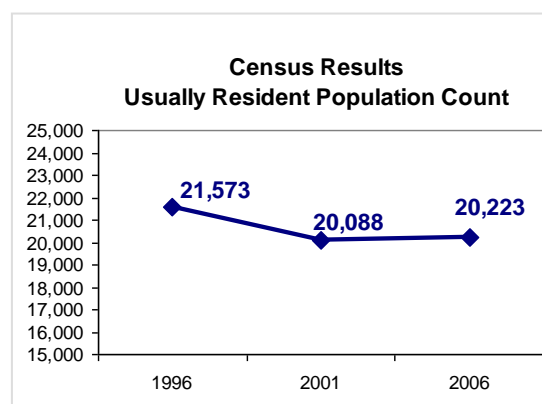
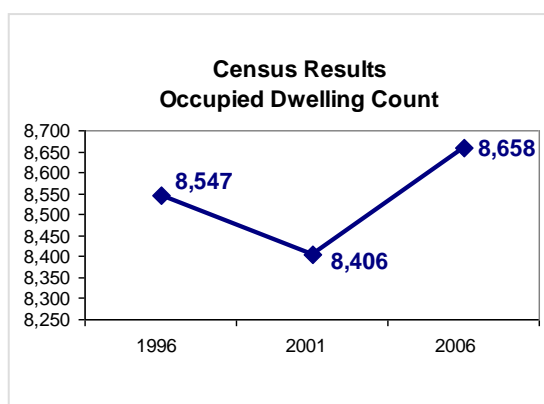
Overview

The Waitaki District Council was established in 1989. Council's operations extend over a total area of 8,990km². The northern-western portion of the District, 4,315km² lies in the Canterbury Region. The remaining 4,675km² lies in Otago. The population density (people per square kilometre) is very low in Waitaki at 2.8 (NZ 15)⁷.

People

The District population (as at 2006 census) was 20,223⁸ (estimated to be 20,700 as at 30 June 2007), with about 12,600 people living in Oamaru. The District's total population has been fairly stable since 2001 whereas the number of dwellings has increased.

Graphs 21 & 22: Census Results Occupied Dwelling Count & Usually Resident Population Count

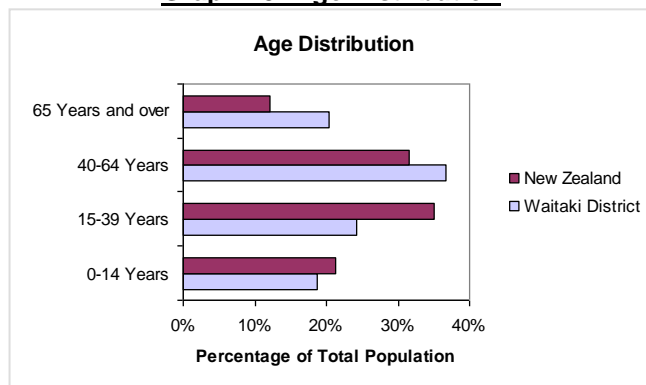


The ethnic breakdown of the District is 97.2% New Zealander and European (NZ: 67.6%), 5.5% Maori (NZ: 14.6%), 1.8% Asian (NZ: 9.2%) and Pacific peoples 1.1% (NZ: 6.9%). Percentages do not add up to 100%, as some people identify with more than one ethnic group.

The Waitaki population is older compared to the national distribution of age groups: The census 2006 results show that 17.2% of Waitaki people are aged 60 to 74 and 9.4% are aged over 75. The age distribution (estimated as at 30 June 2006) is as follows: 0-14 Years 18.8% (NZ 21.2%); 15-39 Years 24.2% (NZ 35%); 40-64 Years 36.7% (NZ 31.6%); 65 Years and over 20.3% (NZ 12.2%).

The next national census will be undertaken by Statistics NZ in 2011.

Graph 23: Age Distribution



⁷ NZ = New Zealand averages.

⁸ All data from Statistics New Zealand 2006 Census if not stated otherwise.

Overview

Economy

The following economic analysis is based on a report to 'Waitaki Development Board – Waitaki District Economic Performance 1988 to 2008' which was published in March 2009, using the ten year period ending 31 March 2008. This report is produced annually and will next be published in March 2010 for the year ending 31 March 2008.

In 2008, Waitaki District had 8,500 full-time equivalent employees (FTEs) in 2,800 businesses generating \$804 million in GDP. Employment fell 1.9% in Waitaki in 2008, compared with New Zealand employment growth of 0.8%. The fall in Waitaki employment, coupled with strong GDP growth, led to a large productivity increase of 0.6% in the latest year, more than double the national average.

The strong growth is all the more impressive, given the District's falling population and related decline in employment, which generally makes it difficult to achieve GDP growth. The three sectors accounting for the bulk of employment and GDP were manufacturing and building, primary, and retail and distribution.

The manufacturing and building sector was the largest employer in the District in 2008, with 32% of all FTEs. This was followed by the retail and distribution sector, at 23%, and the primary sector, at 22%. Tourism in the District economy accounts for around 480 FTEs, producing \$32.7 million in GDP through 156 businesses.

The dairy industry in the District continued to grow in 2008. Four new herds and an additional 5,700 cows were added to the industry in Waitaki. Sheep numbers also grew, following little growth over the past few years.

In the year to March 2008, the total number of business units in the Waitaki District fell to 2,811, down 30 businesses from 2007. Over the long-term, the number of businesses grew 1.1% per annum, up almost 300 units in ten years. The 1.1% fall in the number of business units in the District in 2008 was the first fall recorded since 2000. Growth has been largely led by the growing property services industry and to a lesser degree the business services industry.

The District has followed the national trend of falling house sales, which is particularly noticeable in the June 2008 year when they fell by 32%. That said houses have kept their value, while house prices are far lower than the national average in Waitaki, average prices in the District have continued to show positive growth, at a faster rate than nationally over the past two years.

The following table presents average house prices for the Waitaki District and New Zealand for the four years to June 2008.

Table 3: Average House Prices for Waitaki District & New Zealand

House prices	Year ending				%pa change			
	Jun-05	Jun-06	Jun-07	Jun-08	2005 to 2006	2006 to 2007	2007 to 2008	2005 to 2008
Waitaki District	159,975	169,926	196,335	215,911	6.2	15.5	10.0	10.5
New Zealand	308,788	340,978	389,564	404,084	10.4	14.2	3.7	9.4

House prices grew strongly throughout New Zealand over the three years to June 2008, achieving 9.4% pa during that time. However, house prices in Waitaki rose even faster, from around \$160,000 in 2005 to \$216,000 in 2008, an average of 10.5% pa.

Overview

Table 4: Waitaki District Long-term Performance, 1999 to 2009

	%pa for 1999 - 2009	
	Waitaki District	New Zealand
Resident population growth	-0.2	1.2
Real Value Added (GDP) growth	1.9	3.1
GDP per capita growth	2.1	1.8
Employment growth	1.5	2.4
Productivity growth	0.5	0.8
Business units growth	1.6	3.0
Business size growth	-0.1	-0.6

Source: BERL Regional Database, Statistics NZ

Table 5: Composition of Waitaki District Economy in 2009

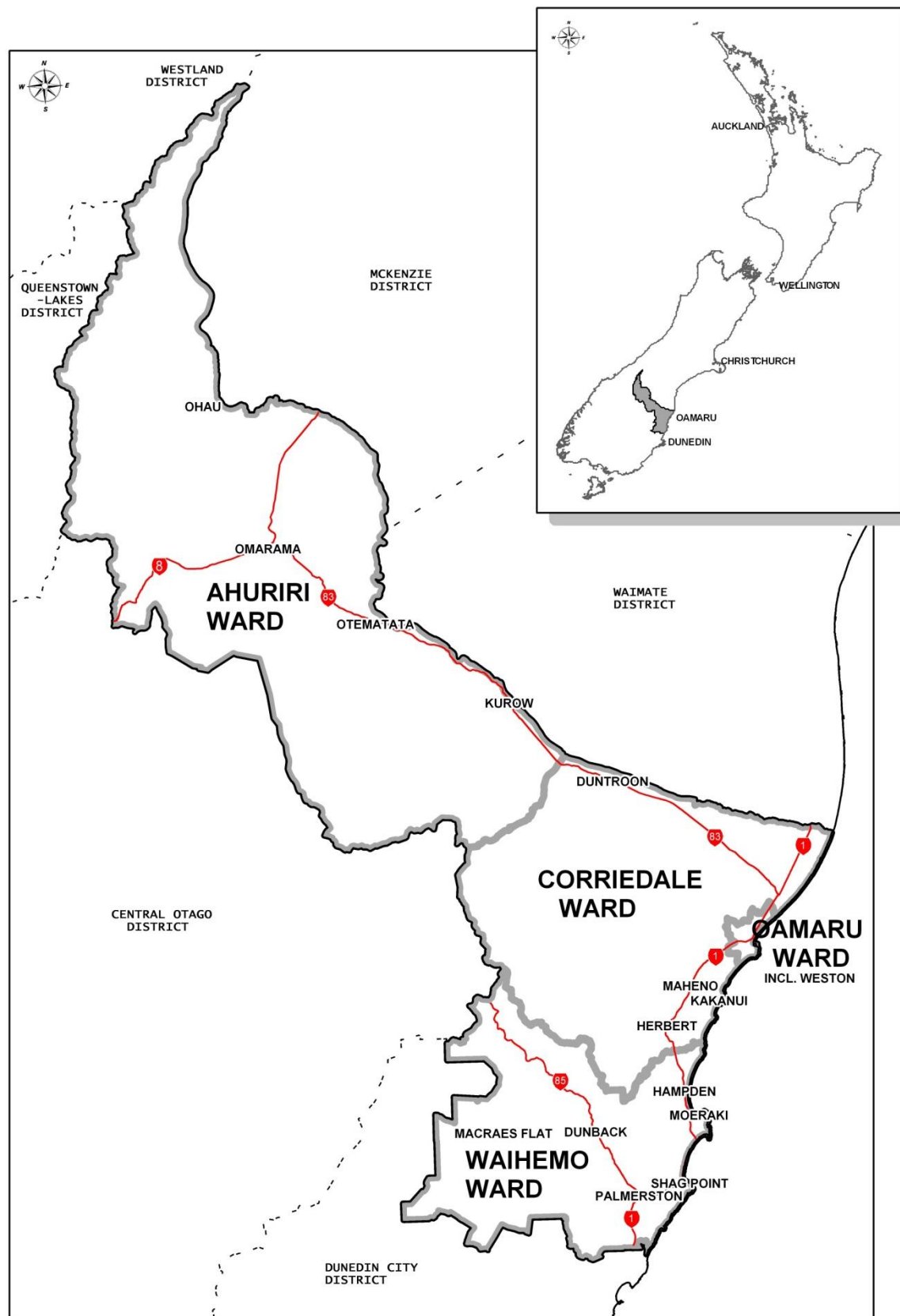
Sectors (2009)	FTEs	%of TLA	GDP (2009\$m)	%of TLA	Business Units	% of TLA
Primary	1,984	22.3%	185	21.3%	1,022	35.5%
Manufacturing and Building	2,060	23.2%	254	29.1%	95	3.3%
Retail and Distributions	1,950	21.9%	124	14.2%	498	17.3%
Business Services	666	7.5%	179	20.6%	726	25.2%
Recreation Services	294	3.3%	16	1.8%	152	5.3%
Social Services	1,213	13.6%	72	8.3%	147	5.1%
TOTALS	8,886	100.0%	871	100.0%	2,877	100.0%

Source: BERL Regional Database, Statistics NZ

Further information on the Waitaki District can be found at the following websites:

Waitaki District Council www.waitaki.govt.nz
 Statistics New Zealand www.stats.govt.nz
 Tourism www.visitoamaru.co.nz
 Economic Development www.wdb.co.nz

Map of the Waitaki District



Mayor and Councillors (as at 30 June 2010)

Mayor

Alex Familton

1 R D
Palmerston
Ph (03) 465 1512

Oamaru Ward

Gary Kircher

326 Homestead Road
R D 1 C
Oamaru
Ph (03) 434-5057

Rod Bidois

145 Eden Street
Oamaru
Ph (03) 434-8613

Peter Garvan

PO Box 453
Oamaru
Ph (03) 434 8717

Helen Stead

15 Wharfe Street
Oamaru
Ph (03) 434-1173

Peter Twiss

19 Dee Street
Oamaru
Ph (03) 434-5332

Jim Hopkins

14 Tay Street
Oamaru
Ph (03) 437-0863

Corriedale Ward

Alistair Mavor

22 North Ridge Drive
Oamaru
Ph (03) 437-1976

Pam Spite

Stamford
26 Station Road
7 D R D
Oamaru
Ph (03) 434-5276

Ahuriri Ward

Struan Munro

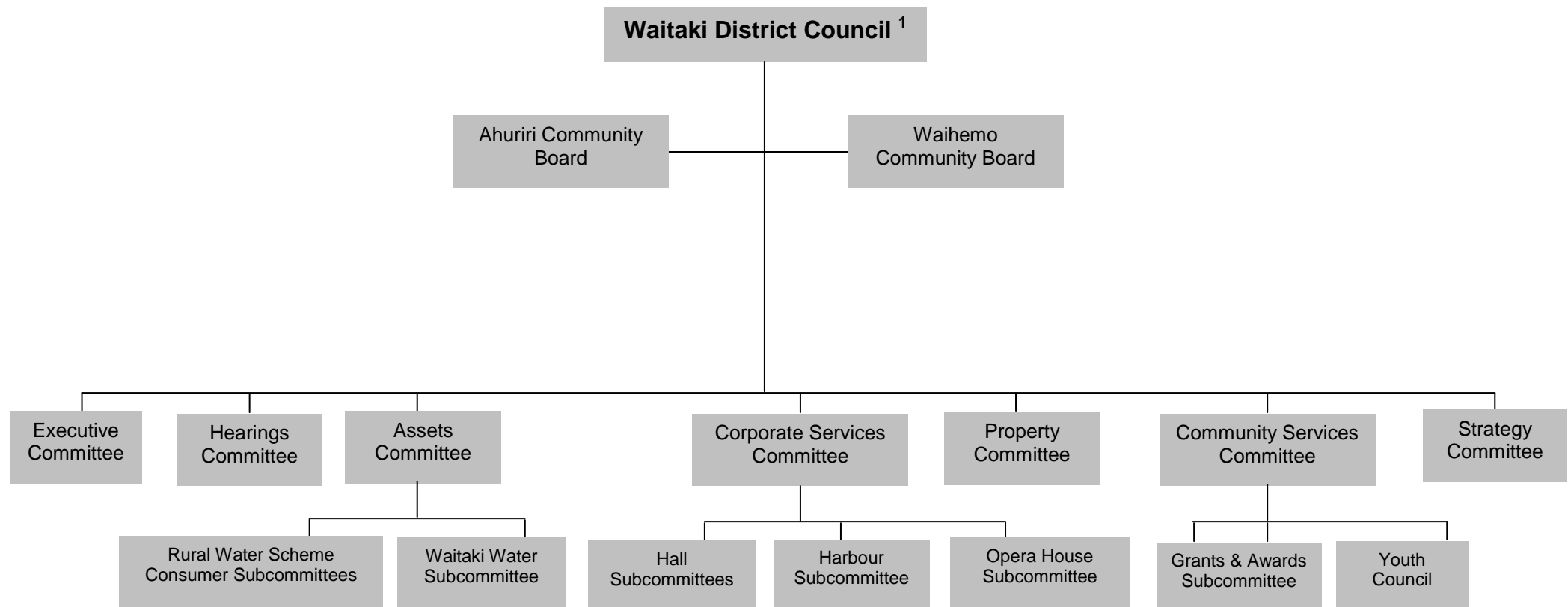
Rugged Ridges
Kurow
Ph (03) 438-7814

Waihemo Ward

Kathy Dennison

563 Horse Range Road
2 R D
Palmerston
Ph (03) 465-1213

Structure of Council, Community Boards, Committees and Sub-Committees



¹ Council is also represented on Otago Forward, the Otago Emergency Management Group and the Waitaki Lakes Shoreline Authority

Community Board Members (as at 30 June 2010)

Community Boards are responsible for:

- Local decision making, assessing and responding to local needs.
- Input to Council Strategic and Annual Plans.
- Communication with community organisations and special interest groups within the community.
- Overview of local road works, water and wastewater, stormwater, drainage, parks, recreational facilities, community activities, and traffic management within the community.

Ahuriri Community Board

Craig Dawson Chair

PO Box 65
Omarama
Ph (03) 438-9755

Cathy Ferguson

Sierra Motels
Omarama
Ph (03) 438-9785

James Meehan

Waihakamea
Main Road
1 RD
Kurow
Ph (03) 436-0461

Graham Sullivan

Willowbridge
10 RD
Waimate
Ph (03) 689-9870

Michael Blackstock

PO Box 5
Omarama
Ph (03) 438-9481

Cr Struan Munro

Waihemo Community Board

Rod Philip Chair

Bushey Road
2 R D
Palmerston
Ph (03) 465-1278

Ken Brown

107 District Road
Palmerston
Ph (03) 465-1177

Diane Curtis

31 District Road
Palmerston
(03) 465-1238

Rick Haaima

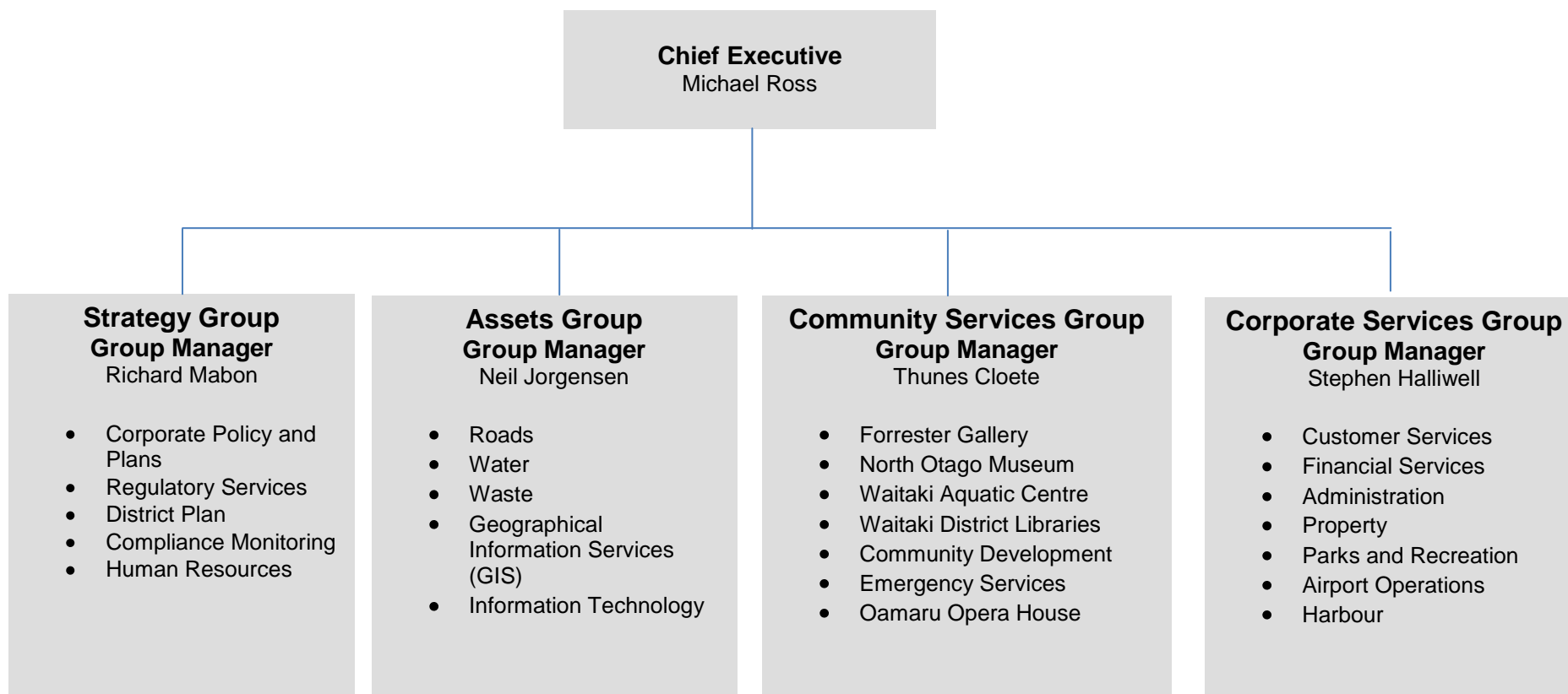
98 District Road
Palmerston
Ph (03) 465-1985

Ken Wheeler

Hillgrove
RD 2
Palmerston
Ph (03) 439-4855

Cr Kathy Dennison

Management Structure



This diagram shows the management structure and management team at 30 June 2010.

Principal Professional Advisors

Auditors

Audit New Zealand - for and on behalf of the Controller & Auditor General
Moray Place
Dunedin

Bankers

Bank of New Zealand
Thames Street
Oamaru

ANZ Bank
George Street
Dunedin

National Bank of New Zealand Limited
Thames Street
Oamaru

Insurance Brokers

Aon NZ Limited
PO Box 1484
Dunedin

Planners

Davie Lovell-Smith & Partners
Hereford Street
Christchurch

Andrew Purvis Planning Consultant
22 Cashmere View Street
Spreydon
Christchurch

Solicitors

Anderson Lloyd
Princes Street
Dunedin

Dean and Associates
Wear Street
Oamaru

Simpson Grierson
The Terrace
Wellington

Valuers

Quotable Value NZ
Princes Street
Dunedin

Professional Engineers

BECA Consultants
Christchurch & Dunedin

David Hamilton & Associates
Dunedin

Duffill Watts
Princes Street
Dunedin

OCEL Consultants
Antigua Street
Christchurch

Opus Consultants
Rattray Street
Dunedin

Wagh Consultants
Woolcombe Street
Timaru

Glossary of Terms

These definitions are intended to define the terms used in the Annual Report. For legal definitions see the Local Government Act 2002.

Annual Plan

A plan that describes what activities the Council will do, the reasons for doing them, the performance measures used and how much revenue and expenditure it needs to undertake each activity.

Activities

All the things that the Council does.

Bequest Values

Values that attach to the fact that leaving some facility in place for future generations may be of considerable and (inestimable) value to them and in itself an act to be valued. (Examples are collections of Art Gallery and Museum).

BERL

Business and Economic Research Limited

Black water

Black water is water contaminated by human or animal wastes such as toilet water.

Building Act

Building Act 2004

Burials and Cremation Act

Burials and Cremation Act 1964 (and amendments)

Capital Expenditure

Expenditure that will increase the value of Council's assets.

Capital Value

Market value of the land plus improvements at the time of valuation.

Civil Defence Act

Civil Defence Act 1983

Community Boards

Local elected bodies set up under the Local Government Act 2002. Community Boards are consulted by the Council and can represent community concerns to the Council. Waitaki District Council has two Community Boards, Ahuriri and Waihemo.

Community Centres

Public halls, community halls. Any facility or group of facilities for social, recreational, cultural or educational purposes or for the physical or intellectual wellbeing and enjoyment of the residents of the District, or any group or section of them, whether alone or together with other persons.

Community Outcomes

A set of statements owned and developed by the community with Waitaki District Council assistance, found in the Waitaki Tomorrow - Community Outcomes document. They exist to guide decisions made by the Council and to engage with other agencies about how they will invest in the community's future.

CV

Capital Value

Development Contributions (Dev. Con.){DC}

A development contribution / financial contribution is a charge that is levied against sub-dividers and developers to help pay the cost of the new, upgraded, or extended water supply infrastructure that has to be provided to service their new sub-divisions or developments. Such contributions are payable in addition to the requirement that the owners reticulate all of the new sections or buildings at their cost.

Depr

Depreciation

Differential Rates

Council may make and levy rates based on differentials. This means that rates on specified types or groups of property may vary from rates on other types or groups of properties. Differentials can be based on:

- Property use or uses.
- Activities that are permitted, controlled or discretionary under an Operative District Plan.
- Activities that are permitted, controlled or discretionary under a Proposed District Plan.
- Land area.

Glossary of Terms

- Where land is situated.
- Such other distinctions as the local authority thinks fit.

Dog Control Act

Dog Control Act 1996 and Dog Control Amendment Act 2003.

Economic Allocation

Deciding the percentage of public good for an activity by applying economic theory.

Efficiency

A test of whether a system of funding tool uses a reasonable amount of resources to allocate costs.

Exacerbator

An entity that directly causes negative effects that cost money to control.

Excludability

Benefits are to particular users; others can be excluded. An excludable function is likely to be a private good.

Existence Values

Values that relate to the fact that values can be attached to the mere existence of certain facilities even if the person who values them may never contemplate seeing or using them personally.

Fire fighting capabilities

There is no public fire fighting capabilities available within the rural water schemes. Council will continue to advise and encourage storage facilities on private properties within the rural schemes. Private water storage for fire fighting will be addressed in the Rural Fire Activity Management Plan.

Fire Service Act

Fire Service Act 1975

Food Act

Food Act 1981

General Rates

A rate levied for the general purpose of the local authority. Council may make and levy a general rate on every rateable property. This may be:

- A uniform rate in the dollar of property value on all properties; or
 - A differential rate in the dollar of property value on all properties;
- and
- A uniform annual general charge per separately rateable property.

GR

General Rates

Grey water

Grey water is water contaminated by household processes such as dishwashing, laundry and bathing

Health Act

Health Act 1956

Impounding Act

Impounding Act 1955

Indicator

Flag or signal. Summary data that represent an issue of concern or which measure progress toward achieving an objective or outcome.

Infrastructure

Roads, bridges, water supplies, drainage systems, buildings, landfills and transfer stations.

Intergenerational Equity

The idea that the cost of a service should be fairly spread over the life of the assets, so that all people who benefit contribute a fair share.

Land Transport Management Act

Land Transport Management Act 1998

Land Value

Market value of the land at time of valuation.

LN

Loan

The Litter Act

The Litter Act 1979

Local Electoral Act

Local Electoral Act 2001

Glossary of Terms

Local Government Act 1974

Several sections of the LGA 1974 still apply although the LGA 2002 is in force.

Local Government Act 2002 (LGA)

The law that defines the powers and responsibilities of territorial local authorities like Waitaki District Council.

Local Government Commission

A body appointed by Government to decide on proposals to reorganise Councils or to change their basis of election.

LTCCP

Long Term Council Community Plan. The Waitaki LTCCP is called Waitaki Community Plan (see also WCP).

LV

Land Value.

Non-excludability

Benefits may be to particular users, but it is not possible or practicable to identify and charge them. This is a practicable reason for public good funding.

Non-rivalness

Once a benefit is provided a large number of people can use it at little or no extra cost. Non-rivalness is an indicator of public good.

NZ GAAP and NZ IFRS

A set of accounting standards that Council is required to observe in its public reports.

NZTA

New Zealand Transport Agency.

OBPC

Oamaru Blue Penguin Colony.

Operating Expenditure

Expenditure for the normal services of the Council.

Option Values

Values that relate to the value that non-users put on the availability of a service. For instance, people can value the fact that they have the option of using a recreation centre even if they never actually make use of it.

Outcome

A desired state of affairs.

People-based benefit

A benefit that people can enjoy without owning property.

PPE

Property, Plant and Equipment

Practicability

A test of whether a funding tool is lawful and whether it will allocate costs in the desired way.

Prestige Values

Values that attach to the fact that some object or function may contribute to a sense of civic pride felt by individuals whether or not the facility is ever seen or used by them. (Stadiums or civic centres are potential examples).

Private Good

The extent to which a service directly benefits individuals rather than the community as a whole. Private good is an indicator that users should pay.

Property-based benefit

A benefit that accrues to people because they own property. It may be a service to property or an activity that benefits property values.

Public Good

The extent to which a service benefits the community as a whole rather than individuals. Public good is an indicator that ratepayers should pay.

Rates

Funds collected by the Council from levies on property. These are based on capital value or land value of the property but the term is often used to include Targeted Rates.

Reserves Act

Reserves Act 1977

Reticulated Services

Water supplies, sewerage systems and stormwater drainage systems.

Glossary of Terms

Rivalness

Rivalness exists where consumption of a service by an individual reduces the amount of service available to others and the service provider needs to produce more outputs to satisfy other users. Rivalness is an indicator of private good.

RMA

Resource Management Act 1991 and RMA Amendment Act 1993.

Targeted Rates (TR)

A rate levied for undertaking a specified function or for providing any specified service for the benefit of all or part of the District. Targeted Rates must be applied only for the purpose for which they are levied. Targeted Rates may be in the form of:

- A uniform rate in the dollar of property value on all properties
- A differential rate in the dollar of property value on all properties

A Targeted Rate per separately rateable property (TR)

Sale of Liquor Act

Sale of Liquor Act 1989

Separately Used or Inhabited Part (SUIP)

Each part of the Rating Unit that has a separate use (i.e. each dwelling or business).

Social and equity modification

Changing the economic allocation of costs for reasons of fairness, or to implement another policy, or to avoid sudden changes to the allocation of costs.

Solid Waste Disposal

Disposal of waste at landfills and transfer stations.

Stormwater

Stormwater is rain water and snow melt that does not soak into the ground and become surface runoff.

STP

Sewer Treatment Plant

Transparency

A test of whether people who pay for activities can see where their money is allocated.

TR

Targeted Rate.

UAGC

Uniform annual general charge.

Uniform Annual General Charge (UAGC)

Income to the Council for general use by a levy of an equal amount on each rateable property (this charge does not vary with value of the property).

User Charges

Income to the Council by fees paid by those who use specific services provided by the Council.

User Recoveries

Income to the Council by user charges and volunteer contributions.

Utilities

Telecommunication lines, power lines, water and sewer pipes.

Wastewater

Wastewater is a combination of liquid wastes which may include chemicals, house wastes, laundry wastes, toilet wastes, animal and vegetable matter in suspension or solution and other wastes discharged from residential, business and industrial establishments.

WCP

Waitaki Community Plan (see also LTCCP)

Council Contact Information

FOR ALL GENERAL ENQUIRIES

Contact **CUSTOMER SERVICES** for all general enquiries or for enquiries regarding the following departments:

Regulatory Services:

- Health
- Building Services
- Subdivisions
- Plumbing
- Planning Enquiries
- Nuisance Concerns
- Animal Control
- Hazardous Substances
- Dangerous Goods

Infrastructure Services:

- Roads and Footpaths
- Water Supply
- Wastewater and Stormwater
- Rubbish Collection & Recycling

WAITAKI DISTRICT COUNCIL

20 Thames Street, Oamaru
Phone: (03) 433 0300
Freephone **0800 108 081** (*within the District*)
Fax (03) 433 0301
Email service@waitaki.govt.nz
Website www.waitaki.govt.nz

WAIHEMO SERVICE CENTRE

54 Tiverton Street, Palmerston
Phone (03) 465 1106
Fax (03) 465 1111

AFTER HOURS

EMERGENCY CONTACTS

CIVIL DEFENCE & RURAL FIRE

24-Hour Emergency Contact
Phone **(03) 434 6400**

OTHER DEPARTMENTS

- Animal Control
 - Noise Control
 - Wastewater
 - Stormwater
 - Water Supply
 - Hazardous Substances
 - Dangerous Goods
- 24-Hour After Hours Phone
Phone **(03) 433 0300**

OTHER CONTACTS

FORRESTER GALLERY

Thames Street, Oamaru
Phone (03) 434 1653
Email info@forrestergallery.com

NORTH OTAGO MUSEUM

Thames Street, Oamaru
Phone (03) 434 1652
Email museum@waitaki.govt.nz

OAMARU PUBLIC LIBRARY

Thames Street, Oamaru
Phone (03) 434 1650
Email oamlibrary@waitaki.govt.nz

AQUATIC CENTRE

Steward Street, Oamaru
Phone (03) 434 9940
Email aquaticcentre@waitaki.govt.nz

OAMARU OPERA HOUSE

90 Thames Street, Oamaru
Phone (03) 433 0779
Email oamaruoperahouse@waitaki.govt.nz