



# **Annual Report**

**For the year ended**

**30 June 2012**

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



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# Chief Executive Report

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## KEY ISSUES – THE LONG TERM VIEW

The Annual Report presents Council's progress and performance for Year Three (2011/12) of the 2009-19 Long Term Council Community Plan (LTCCP).

Last financial year saw Council adopt the new 2012-22 Long Term Plan, which like the previous 2009-19 LTCCP, continued to focus on a number of enduring issues and challenges for our community:

- **Investment in infrastructure** - what is the 'right' level of road and water infrastructure for our low population but geographically large District?
- **Waste minimisation, rubbish and recycling** – Council developed and consulted on its Waste Management and Minimisation Plan with a vision to incentivize waste minimization through user charges and personal responsibility
- **Community buildings** - the last 2009/19 LTCCP signaled an intention to upgrade the Museum/Library and Forrester Gallery with funding largely from outside the District. The 2012-22 LTP provided an opportunity to test a specific option with the community
- **Growing the economy** - how Council should identify, and where possible contribute to, the economic development in the District?
- **Sustainable level of service** - elected members want to set annual rates increases at or near consumer price inflation. The question is how to maintain and manage sustainable levels of service in a constrained economic environment?
- **How we pay – changes to rates and charges** - the future we want at the price we can afford.

You can read more on what we did in relation to these key issues in 2011/12 as well as other 'business as usual' matters in the 'Year in Review' section of the Annual Report.

The particular challenge of growing the Waitaki economy has been made even greater in recent times due to a tough economic environment and increasing cost pressures, such as increased insurance costs resulting from the Canterbury earthquakes and a reduction in the NZTA roading subsidy. However, even in difficult economic times, there is potential good news on the horizon:

- Oceana Gold Ltd, our largest employer, recently applied to extend its consent for a further 10 years
- The \$400 million Holcim project still has the potential, if confirmed, to contribute significantly to our local economy through the creation of up to 120 new jobs
- More water has been consented for further irrigation. Stage II of the North Otago Irrigation Company is being progressed, with development of a further 800 hectares currently underway
- The 'Alps to Ocean' cycleway will increase tourist arrivals to Waitaki
- Meridian's North Bank Tunnel scheme will create further growth prospects once this project gets closer to commencement

Being in a position to make the most of these types of opportunities to ensure the future economic and social wellbeing of the district has been and will continue to be a focus for Council.

# Chief Executive Report

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It is important to acknowledge the many skilled and committed volunteers we are fortunate to have in Waitaki. The direct contribution they make to the district's overall wellbeing cannot be underestimated and is deeply appreciated. Hundreds of volunteers serve the community through fire-fighting and Civil Defence teams, while many others give their time to the Forrester Gallery, North Otago Museum, Libraries, Opera House and other Council and community activities such as water and hall committees.

We would also like to thank the wider community for their engagement and participation in the development of the 2012-22 Long Term Plan. Council received 487 individual submissions on the plan, on nearly 750 issues. This contribution from Waitaki residents shaped the decisions on the plan and Council's direction for the next three years. As with previous years, you will have the opportunity to measure our progress against the new Long Term Plan via next year's and future Annual Reports.

We anticipate the pace of Council activities will be no less than that of last year as Councillors, Community Boards and the community roll out the proposed activities of the new Long Term Plan, maintain levels of service and respond to issues such as earthquake prone buildings, Local Government reforms and Moeraki land issues in a more constrained environment. The Election in October 2013 will also be a key event over the next 12 months.

For now, we invite you to read on to find out more about how Council contributed over the last 12 months towards making the Waitaki District a great place to live.



Michael Ross  
**Chief Executive**



# Council Only Financial Summary

## Financial Statistics

Council Only	Actual 2012	Annual Plan 2012	Actual 2011
Proportion of Rates to Total Income (%)	61.1%	63.9%	59.0%
Average Rates per rateable property	\$1,987.59	\$1,983.23	\$1,907.90
Net Public Debt - External (percentage of Total Assets)	0.001%	0.001%	0.002%
Net Public Debt - Internal (percentage of Total Assets)	3.60%	3.80%	3.64%
Net Public Debt - External (per rateable property)	\$0.62	\$0.62	\$0.86
Net Public Debt - Internal (per rateable property)	\$2,006.67	\$2,018.16	\$1,958.51
Current ratio	1.59	1.67	1.54
Liquid ratio	1.80	1.69	1.61

## Five Year Financial Summary (\$'000)

Council Only	2012	2011	2010	2009	2008
Rates revenue	25,616	24,465	23,884	23,046	21,583
Net Surplus/(Deficit)	367	(451)	(352)	6,905	11,202
Cashflows					
Operating Activities	10,223	10,464	14,283	12,467	10,600
Investing Activities	(8,496)	(9,619)	(12,690)	(11,450)	(12,995)
Financing Activities	(3)	(3)	(903)	(753)	1,647
Net Increase/(Decrease) in cash held	1,724	842	690	264	(748)
Net Public Debt - External	8	11	14	917	1,670
Net Public Debt - Internal	25,862	25,114	24,441	25,074	26,745
Total Assets	717,920	690,162	689,705	676,450	620,221

<sup>1</sup> Number of rateable properties 12,888 (2011: 12,883)

<sup>2</sup> Current ratio is the ratio of current assets to current liabilities

<sup>3</sup> 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)

## **Outcomes, Policies, Plans and Statements**

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# Community Outcomes

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## Community Outcomes

In 2005 Council facilitated a process of gauging Community Outcomes, i.e. residents' aspirations for the District's future. These aspirations, known as Community Outcomes, were 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

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## **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



## Roads, Port and Airport Group of Activities

- Resurfaced 54km of roads and 5,100m<sup>2</sup> of footpaths
- Renewal works on Humber Street, Breakneck Road, Nenthorn Diggings and Kakanui River bridges
- Reviews of a wide range of roading activities e.g. Roding Bylaw, Speed Limit Review and Extent of Network which are either complete or nearing completion
- Completed a number of Minor Improvement Safety Projects of which the Waianakarua Road/Harbour Terrace intersection at Kakanui was the most significant

## Roads, Port and Airport Group - Contribution to Community Outcomes

Waitaki has essential transport networks and services  
 Waitaki's unique culture and heritage are preserved and celebrated  
 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 2011/12
Year on year decline of incidence and severity of road crashes	10 year moving average (tyma) reduction on: Number of Crashes: 2011 (tyma) 208.0, 2010 (tyma) 200.6 (not achieved) Number of fatal crashes: 2011 (tyma) – 3.2, 2010 (tyma) 3.3 (achieved) Number of severe injury crashes: 2011 (tyma) 23.0, 2010 (tyma) – 23.2 (achieved) Number of minor injury crashes: 2011 (tyma) 63.9, 2010 (tyma) 62.8 (not achieved)
Resident satisfaction with roads and footpaths	Residents' Survey 2012 recorded: 58% resident satisfaction with footpaths (55% in 2011) and 63% satisfaction with Council roads (57% in 2011)
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, runway and lighting to Civil Aviation Authority (CAA) standards

# Community Outcomes Monitoring



## Water and Waste Group - Contribution to Community Outcomes

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 2011/12
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)	<ul style="list-style-type: none"> <li>Work was completed on various Drinking Water Standard Upgrades namely – Weston and Enfield combining with Oamaru, completion of Kurow and Lower Waitaki water treatment upgrades. Work progressed on various Drinking Water Standard Upgrades namely - construction and substantial completion of the 'Waihemo' water treatment upgrade including pump station and pipelines to Dunback and Goodwood and construction of a new pipeline to a new bore site in Otematata. Preliminary work was also completed on Hampden, Moeraki, Herbert/Waianakarua and Kakanui water supply upgrades</li> <li>Residents' Survey 2012 reported 83% of residents are 'satisfied' or 'very satisfied' with the water supply provided by the Waitaki District Council</li> </ul>
Annual tonnage of residual waste disposed of at landfill	Reduced tonnage of waste going to Oamaru Landfill to 6,606 metric tonnes in 2011/12 compared to 9,203 metric tonnes the previous year. This was due to waste being diverted out of the District, which was expected

# Community Outcomes Monitoring



## Planning Group – Contribution to Community Outcomes

Waitaki is served by responsive and efficient government  
 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 2011/12
Narrative indicator on District Plan achievements	Performance measure – page 45
Resident satisfaction with advice	Performance measure – page 46

# Community Outcomes Monitoring



## Regulatory Group - Contribution to Community Outcomes

Waitaki people are safe and healthy

### Contributes to social wellbeing

#### Outcome Indicator Selection

#### Outcome Snapshot Performance 2011/12

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 49- 54

Council also contributes to the first half of the outcome “Our local hospital and health services are retained and easily accessed”, as Council operates the Oamaru Hospital through its 100% Council-controlled organisation Waitaki District Health Services Limited (WDHSL). WDHSL produces its own annual report, a summary of which can be found on pages 95-98 in this report.



# Community Outcomes Monitoring



## Parks & Recreation - Contribution to Community Outcomes

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

### Contributes to social wellbeing

#### Outcome Indicator Selection

#### Outcome Snapshot Performance 2011/12

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 56 – 62

# Community Outcomes Monitoring



## Arts, Heritage & Community Contribution to Community Outcomes

Waitaki's unique culture and heritage are preserved and celebrated

Waitaki has strong and proud communities

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 2011/12
Perception of Safety	Residents' Survey 2012 recorded 93% of residents perceive the Waitaki District as generally a safe place to live compared with the target of 90% in the 2009-19 LTCCP
Community involvement in crime reduction activities	<p><i>Safer Waitaki Project is designed to achieve outcomes across all five community outcomes.</i></p> <ul style="list-style-type: none"> <li>Funding from the rural Primary Health Organisation and ACC has enabled the development and progression of the Safer Waitaki Project. The project is working towards accreditation as a World Health Organisation (WHO) International Safer Community. Community engagement in the project has been high during the reporting period with participation by a wide range of stakeholders in the Safer Waitaki Coalition working group</li> <li>Community safety research has been undertaken to determine key priorities for action over the next 12 months</li> </ul> <p><i>Youth Coalition</i></p> <ul style="list-style-type: none"> <li>The Youth Coalition is a group of community stakeholders working towards bringing young people and key members of the community together to explore the risks of alcohol and drug related harm through a mix of activities, events and workshops and forum</li> </ul> <p><i>Community Patrols</i></p> <ul style="list-style-type: none"> <li>Community Patrols are owned and organised locally by their own communities. They are volunteers who work alongside the Police to build safer communities. Waitaki Community Patrols are initiated during the reporting period and have made good progress towards becoming mobile</li> </ul> <p><i>Waitaki Guardians</i></p> <ul style="list-style-type: none"> <li>The Waitaki Guardians continue to patrol the CBD and attend community events as appropriate</li> <li>School based programmes continue to be very successful with a high level of participation</li> </ul>



# Community Outcomes Monitoring

Outcome Indicator Selection	Outcome Snapshot Performance 2011/12
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> <p><b>North Otago Museum</b> Held a number of exhibitions throughout the year and provided support for other heritage providers/activities</p> <p><b>Forrester Gallery</b> Events were run in conjunction with exhibitions providing opportunities for shared Gallery/Library schools outreach.</p> <p><b>Oamaru Opera House</b> Presented a diverse range of cultural, commercial and community events spanning theatre, conferences, meetings and social engagements. The Opera House had low to medium patronage but has received positive feedback from users</p>

Outcome Indicator Selection	Outcome Snapshot Performance 2011/12
Narrative indicator on community development	<p><b>Youth Council</b> Youth Council is considering various projects and also looking at how to raise the profile of Youth within the Waitaki District</p> <p><b>Community Development</b> In the 2012-22 Long Term Plan the Community Safety role was expanded to incorporate Community Development and became the Community Safety and Development role</p>

# Community Outcomes Monitoring



## Economic Development Group – Contribution to Community Outcomes

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

### Contributes to economic wellbeing

Outcome Indicator Selection	Outcome Snapshot Performance 2011/12
Guest nights: percentage change annually	Performance measures – page 77

## Council and Community Boards Group - Contribution to Community Outcomes

Waitaki is served by responsive and efficient government

### Contributes to all four wellbeings

Outcome Indicator Selection	Outcome Snapshot Performance 2011/12
For information on how Council performed in these areas, please see performance measures on page 81-84	

## **Audit Report and Statement of Compliance**

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## **Independent Auditor's Report**

### **To the readers of Waitaki District Council and group's annual report for the year ended 30 June 2012**

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 of the financial statements, non-financial performance information and other information required by schedule 10 of the Local Government Act 2002 (other information) of the District Council and group on her behalf.

We have audited:

- the financial statements of the District Council and group on pages 104 to 145, that comprise the statement of balance sheet as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies, explanatory information and other information required by schedule 10 of the Local Government Act 2002; and
- the non-financial performance information of the District Council and group on pages 27 to 102 that includes other information required by schedule 10 of the Local Government Act 2002.
- the other information that comprises the measurements against community outcomes on pages 5 to 14, statement of compliance on page 19, and the report on opportunities for Maori to contribute to Council decision-making processes on page 157.

### **Opinion on the financial statements, non-financial performance information and other information**

In our opinion:

- The financial statements of the District Council and group on pages 104 to 145:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council and group's balance sheet as at 30 June 2012; and
    - the results of its operations and cash flows for the year ended on that date.
- The non-financial performance information of the District Council and group on pages 27 to 102:
  - complies with generally accepted accounting practice in New Zealand; and

# Audit Report

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- fairly reflects the District Council and group's levels of service for the year ended 30 June 2012, including:
  - the levels of service as measured against the intended levels of service adopted in the long-term council community plan; and
  - the reasons for any significant variances between the actual service and the expected service.
- The other information of the District Council and group in the financial statements and the non-financial performance information and on pages 5 to 14, 19, and 157, under the headings "measurements against community outcomes", "statement of compliance", and "opportunities for Maori to contribute to Council decision-making processes", complies with the requirements of Schedule 10 of the Local Government Act 2002 applicable to the annual report and fairly reflects the required information.

Our audit was completed on 30 October 2012. This is the date at which our opinion is expressed.

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

## **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements, non-financial performance information and other information are free from material misstatement.

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements, non-financial performance information and other information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, non-financial performance information and other information whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the District Council and group's financial statements, non-financial performance information and other information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the financial statements, non-financial performance information and other information;
- determining the appropriateness of the reported non-financial performance information within the Council's framework for reporting performance; and

# Audit Report

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- the overall presentation of the financial statements, non-financial performance information and other information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, non-financial performance information and other information. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

## Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and non-financial performance information that:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the District Council and group's financial position, financial performance and cash flows;
  - fairly reflect its service performance, including achievements compared to forecast; and
- other information in accordance with Schedule 10 of the Local Government Act 2002 that fairly reflects the required information.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements, non-financial performance information and other information that are free from material misstatement, whether due to fraud or error.

The Council's responsibilities arise from the Local Government Act 2002.

## Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements, non-financial performance information and other information and reporting that opinion to you based on our audit. Our 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 carrying out the audit of the long term plan, we have no relationship with or interests in the District Council.



John Mackey

Audit New Zealand

On behalf of the Auditor-General

Christchurch, New Zealand

# Statement of Compliance & Responsibility

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## 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 2012 fairly reflect the financial position and operations of Waitaki District Council and Group.



Michael Ross  
**Chief Executive**

30 October 2012



Alex FAMILTON  
**Mayor of Waitaki**

30 October 2012

# The Year In Review

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How did Council move the key issues forward in 2011/12?

## INVESTMENT IN INFRASTRUCTURE

### Roading

- As with the previous year, Council maintained a policy of no unsubsidised seal extensions. Council resurfaced nearly 54km of roading and 5,100m<sup>2</sup> of footpaths during 2011/12. A further 3,700m<sup>2</sup> was withheld so the Ultra-Fast Broadband (UFB) programme can be introduced in the towns' footpaths and grass berms in 2012/13. Priority sites and roading unlikely to be affected by the roll out of UFB have been completed. On completion of the UFB project, Council will re-commence and accelerate the resurfacing programme to catch up with planned works
- The pavement rehabilitation completion rate was 1.2km less than planned due to pricing and budgetary constraints. Renewal works were undertaken on the replacement of the Humber Street Bridge, Breakneck Road and Nenthorn Diggings bridges. A number of Minor Improvement Safety projects were also completed. The Waianakarua Road/Harbour Terrace intersection at Kakanui was the most significant of these projects
- The overall result of the Residents' Survey for satisfaction of the roading network improved slightly this year to 63% from 57% in 2010/11
- The Roding Unit continued to progress the review of rules and bylaws during 2011/12 to ensure greater clarity for ratepayers and contractors in the District. Council continued to focus on the development and adoption of a Code of Practice for Stock Crossings, Introduction of Utilities in the Corridor Management and other activities, including the Roding Bylaw, Speed Limit Review and Extent of Network, are now complete or nearing completion
- Council's roading maintenance contract was awarded to a new contractor (SouthRoads) who commenced activities on 1 July 2012
- Council submitted to the 2012/15 Regional Land Transport Programme for financially assisted funding for the next three years. Early advice from the New Zealand Transport Agency (NZTA) was that the financial assistance rate (FAR) could be reduced by 1% for the next three financial years. However, Council is awaiting confirmation on this
- There were no significant variations to budgets

### Water

- Council continued to progress drinking water standard upgrades during the 2011/12 year which included amalgamating Weston and Enfield water supplies with the already upgraded Oamaru Water Supply
- Kurow and Lower Waitaki drinking water upgrades were also completed and the Waihemo and Otematata drinking water upgrades progressed significantly
- Various water, sewer and stormwater renewals were undertaken during the year to maintain existing service levels
- Waitaki residents appear to value the investment in water upgrades, with nearly 83% (79% in 2011) of respondents in this year's Residents' Survey indicating they are either 'satisfied' or 'very satisfied' with the water supply provided by Council

### Oamaru Port

- Harbour dredging continued to present a challenge for Council. Consequently, the target depth at the harbour entrance was not achieved during most tides. As part of the 2012-22 Long Term Plan, Council resolved to decrease dredging of the Harbour
- Work has continued as proposed in the Harbour Development Strategy. This has included landscaping, installation of a new rockwall and installation of large structural play equipment
- Volunteer support also played a significant part in the expansion of the Harbour recreation area over the last 12 months, through the restoration of the rail-bridge and installation of storyboards and seats. Our thanks go to all the volunteers involved



# The Year In Review

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## WASTE MINIMISATION, RUBBISH AND RECYCLING

- Council continued to meet all of the resource consent conditions for landfill and work started on piecing together the Waste Minimisation and Management Plan

## DEVELOPMENT OF COMMUNITY ASSETS

- A good level of service was generally maintained and strengthened across cultural and community assets such as community housing. Council approved a process over the next three years of the 2012-22 Long Term Plan to investigate the potential redevelopment of the Gallery, Museum, Library and Archive
- **Gallery:** Over 25,000 people visited the Forrester Gallery during 2011/12, exceeding the 16,000 target in the 2009-19 LTCCP
- **Libraries:** The total number of visitors to Oamaru and Palmerston libraries was 218,692 in 2011/12, a decrease of 6% on the previous year. The decline is in line with national trends, with more on-line visits to the website. The Residents' Survey indicated 93% of visitors were either 'satisfied' or 'very satisfied' with library services. This was against a target of 92% set in the 2009-19 LTCCP
- **Museum:** The North Otago Museum experienced a 1.5% drop in visitor numbers in 2011/12 compared with 2010/11. The 2012 Residents' Survey indicated that 86% of visitors were either 'satisfied' or 'very satisfied' with their experience compared to 80% the previous year
- **Opera House:** 2011/12 saw a drop in usage of the facility due to a lack of promoters coming to the lower South Island. This was partially the result of Christchurch not being able to hold theatre events and other South Island venues not selling very well. There was a small increase in meeting usage and conferences and the Opera House delivered opportunities for the community to engage in the arts. The Resident's survey showed that of the 58% that said they had visited the Opera House in the last 12 months, 96% of those were 'satisfied' or 'very satisfied'
- **Community Buildings:** Community housing occupancy rates as at 30 June 2012 is 94% (2010/11: 96%) and exceeds the occupancy (utilisation target of 90%) established in the 2009/19 LTCCP. All operational community buildings have a "warrant of fitness"

## SERVICE LEVEL REDUCTIONS

- 2011/12 represented Year three of the 2009-19 LTCCP (Council must prepare a Long Term Plan every three years). Given this, Council consulted with the community as part of the preparation of the 2012-22 Long Term Plan on the choices and trade-offs on existing service levels in the future. A number of changes were made under Service Level Reductions (renamed Sustainable Levels of Service as part of the 2012-22 LTP) during 2011/12. These included a decision to self-insure above ground water and waste water assets below \$1million in value and property assets valued below \$750,000 to off-set rates. Other examples included a decision to close two toilets in Severn and Thames Streets and to cease dredging the Harbour

## HOW WE PAY

- Council also agreed a number of changes to how the community pays for services as part of the 2012-22 LTP. These included:
  - Amending the Revenue and Funding Policy to 90% UAGC and 10% Oamaru Business Rate for toilets and recreation
  - Funding tourism and visitor activities through \$520,000 rates plus profits of up to \$100,000 per annum arising from the Oamaru Blue Penguin Colony (OBPC)
  - Hall rate charges for the Windsor, Papakaio, Otematata and Moeraki halls

# The Year In Review

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## THE BOTTOM LINE: FINANCIAL PERFORMANCE

Council was aware the 2011/12 financial year would present a number of challenges. A number of changes were made to what was planned for Year 3 of the 2009-19 Waitaki Community Plan resulting in an overall required rates increase of 4.75%, rather than the proposed figure of 5.8%. In dollar terms this meant that Council required \$1.055 million less in rates in 2011/12.

It soon became clear once the 2011/12 year started that Council would face another year where factors outside its control would have a larger than expected negative effect on the operating environment. The two most significant factors appeared relatively early in the year.

The first was insurance. Council had increased the budget for insurance premiums in light of the Canterbury earthquakes. However this proved to be insufficient when the renewal process was finally concluded and resulted in a negative variance of \$397,000, which impacted across most of Council's activities. The second major issue was the further continuation of historically low interest rates. This meant that as a net investor (we invest more than we borrow) Council received significantly less interest income than expected.

Council responded to these issues through savings and spending reductions which did not impact on service delivery. Although these efforts were successful in many areas they could not address the combined impact of the increase in insurance premiums and low interest rates and an operating deficit was therefore recorded for the 2011/12 year. Council had to again address these issues when setting the budget for the first year of the 2012-22 Long Term Plan resulting in the subsequent 2012/13 rates increase.

It is important to note that an operating deficit is not the same as a loss (just as a surplus is not a profit). Some of the expenditure will be funded from previously saved amounts or reserves, while others are true deficits which may need to be funded. We have prepared the following brief explanation of the major items which were affected over the last twelve months. Fuller explanations are provided in each activity area.

The primary cause of variance in the roading activity was the completion of the first 3 year cycle that the New Zealand Transport Agency (NZTA) provides financial assistance for.

The next major area of variance is grouped under the heading of Economic Development. This covers a number of activities including general property, the Oamaru Blue Penguin Colony (OBPC) and Council's treasury function. Both property and the OBPC had higher revenue and expenditure with the differences generally affecting specific reserves rather than the true bottom line.

The treasury function has a real impact. The interest rates achieved were substantially less than were budgeted for. This reflected the world economic conditions and the very low rates being charged and received. Although this had a positive impact on the activities that had internal loans, as a net investor Council earned less net interest than was expected.

# The Year In Review

The Water and Waste Group of activities had variance of a different kind. This included water supply, waste water, stormwater, and rubbish and recycling. The variations in this area are set out on page 40. These were mainly a combination of cost savings, especially on power, and changed timings which led to savings. In the waste management area the reduction in revenue was not as great as expected. This, along with some cost savings in the operation of transfer stations provided a better than expected net result.

The last major variance is the Arts, Heritage and Community Groups, in particular community buildings. Although a number of factors contributed, the impact of insurance increases was the most significant.

So, overall Council had mixed success in controlling costs and improving revenue. The following compares the actual surplus / (deficit) to the budgeted amount for each group of activities:

	2011/12 Actual \$000	2011/12 Budget \$000	Variance \$000
Arts, Heritage and Community	(563)	(61)	(502)
Council and Community boards	183	25	158
Economic Development	(900)	312	(1,212)
Parks and Recreation	(72)	(263)	191
Planning	(119)	24	(143)
Regulatory	(84)	5	(89)
Roads, Port and Airport	(119)	364	(483)
Water and Waste	1,095	289	806
<b>Net Surplus (Deficit) from Council activities</b>	<b>(579)</b>	<b>695</b>	<b>(1,274)</b>
<b>Other Gains/(Losses)</b>	<b>946</b>	<b>-</b>	<b>946</b>
<b>Net Operating Surplus/(Deficit) per Statement of Comprehensive Income</b>	<b>367</b>	<b>695</b>	<b>(328)</b>

# The Year In Review

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## OVERALL OPERATING REVENUE AND EXPENDITURE

The second way to view the overall result is looking at similar items across all Council activities.

The way rates are set mean that these are always close to budget. The variance in income is in the other revenue types that Council receives. The reduction in interest income has already been covered, leaving the major items of Grants and Subsidies, and User Charges.

The largest type of subsidy Council receives is for Roothing from the NZTA. This was higher than budgeted for 2011/12 due to the timing of work noted above. There was also extra subsidy income received in the Water area as funding was received to help fund necessary sewer work in Otematata and water improvements in the Reidston area.

Movements in user charges usually indicate an increase in activity rather than real income growth or increased charges. The largest drivers were the increase in revenue from the Oamaru Landfill and increased Resource Consent fees as a major consent was processed. These were matched by increased costs to deliver these services.

As Council is really an expenditure driven organisation it is difficult to make some meaningful overall comments as much of the expenditure falls into the category of Contractors. These are therefore better covered by reading the detailed comments attached to each activity. Some of the other matters such as the increase in insurance premiums were covered above.

## OUR BALANCE SHEET

Council's total assets increased from \$690 to \$718 million. Most of this movement was as a result of the revaluation of Council's roading assets which were revalued at the start of the year.

There was some movement in the other types of assets; however no movements were significant enough to need specific explanations.

Council still has almost no external debt, with the only loans outstanding being historic loans with very low interest rates. Council does use internal loans or borrowing between activities to fund major projects. Council's internal debt grew from \$25.1million to \$25.9 million.

Council raised new internal loans for the following major items:

- Weston / Enfield Drinking Water Standard Improvements
- Lower Waitaki Drinking Water Standard Improvements
- Waihemo Drinking Water Standard Improvements
- Harbour Area Improvements
- Additions to Existing Loans (primarily compounded interest)

Council compounds the interest on some loans because it will repay them from sources other than operating income, including rates. The majority of these types of loans relate to land developments that will be repaid when the land is sold.

Council repaid \$1.33m or 5.3% of its debt during the year. As most Council loans are for 20 years it would be expected that this repayment would be closer to 5%, but reduced interest rates resulted in increased payments of principal. The level of repayment is also affected by the property loans noted above, but all other loans are being repaid over the term that was agreed to when the project was approved.

# The Year In Review

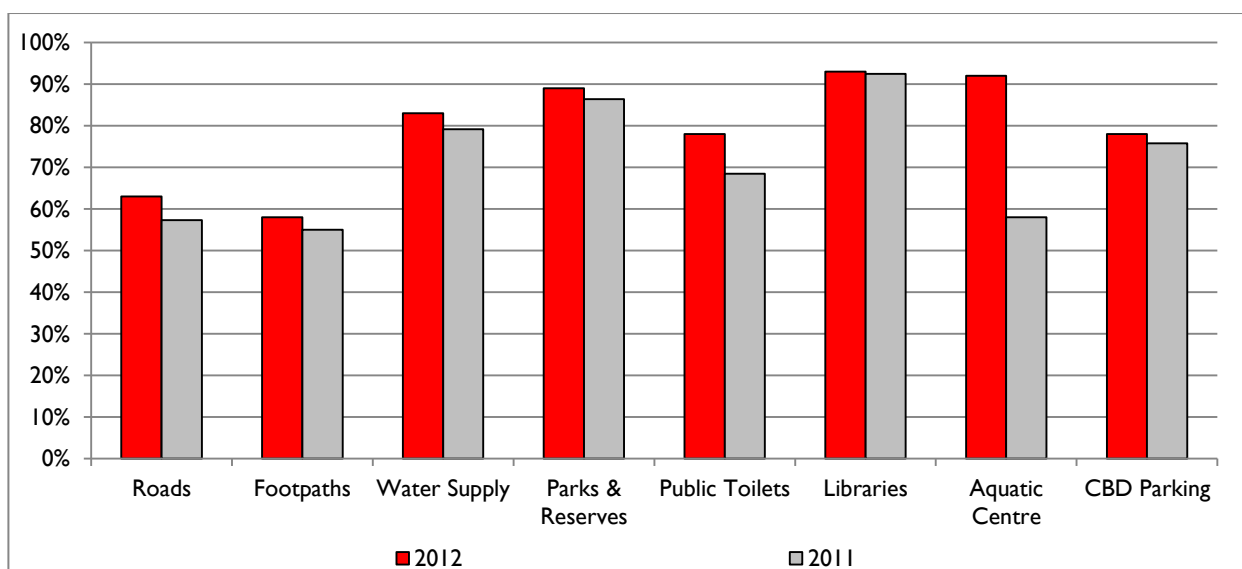
Overall Council is in a strong financial position and is still well within the borrowing limits set out in the Liability Management and Investment Policy.

	Actual	Policy
Interest Expense as a Percentage of General Revenues	0.02%	20%
Net Debt per Rateable Property	\$1,988	\$4,000

## HOW IS COUNCIL PERFORMING IN THE EYES OF THE COMMUNITY?

Levels of satisfaction with Council services and operations were higher than the 2010/11 year. The Pulse Business Solutions Residents' Survey carried out in July 2012 showed visitor satisfaction with the Oamaru Opera House (96% satisfied or very satisfied), District Libraries (93% satisfied or very satisfied), Forrester Gallery (97% satisfied or very satisfied), North Otago Museum (86% satisfied or very satisfied) and Parks and Reserves (89% satisfied or very satisfied) with services over the past 12 months.

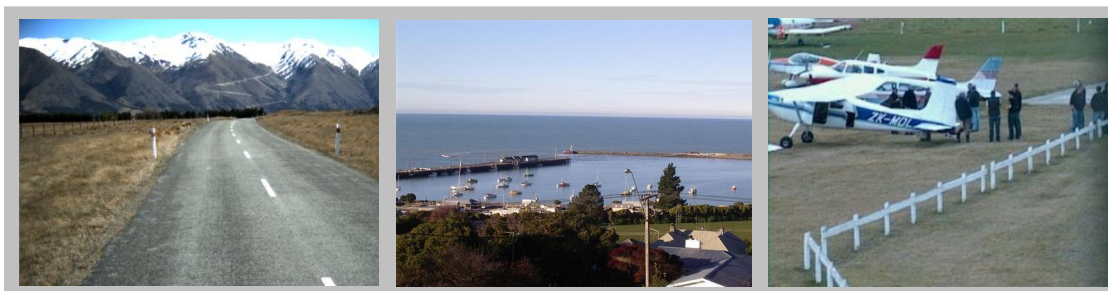
**Graph 1: Waitaki Residents Satisfaction with Council Services 2011/12**



## **Groups of Activities**

# Roads, Port, Airport

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The Roads, Port and Airport group of activities includes:

- Roads throughout the District, excluding State Highways (which are managed by the New Zealand Transport Agency)
- 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 fifth of Council's total budget is devoted to roading with most spent on maintaining the roading network.

The 2012 Residents' Survey showed that 63% of respondents were 'satisfied' or 'very satisfied' with Waitaki's roading network. During the past year several major roads in the District have been upgraded and work was completed on the replacement of the Humber Street Bridge.

Thirty-five per cent of rural roads are sealed. There is a long list of requests for gravel roads to be upgraded, however, very few of these requests can be actioned as the cost of sealing one kilometre of road is around \$150,000-\$200,000. Council has not allocated any budget to sealing gravel roads.

The New Zealand Transport Agency (NZTA) will only subsidise Council's seal extensions if the safety benefits are increased by 50% and a high level of efficiency is achieved.

## Roads - What we did

- Resurfaced 54km of roads and 5,100m<sup>2</sup> of footpaths
- Completed renewal works on Humber Street Bridge, Breakneck Road, Nenthorn Diggings and Kakanui River bridges
- Reviews of a wide range of roading activities e.g. Roding Bylaw, Speed Limit Review and Extent of Network which are either complete or nearing completion
- Completed a number of Minor Improvement Safety projects, of which the Waianakarua Road/Harbour Terrace intersection at Kakanui was the most significant

## Road Safety

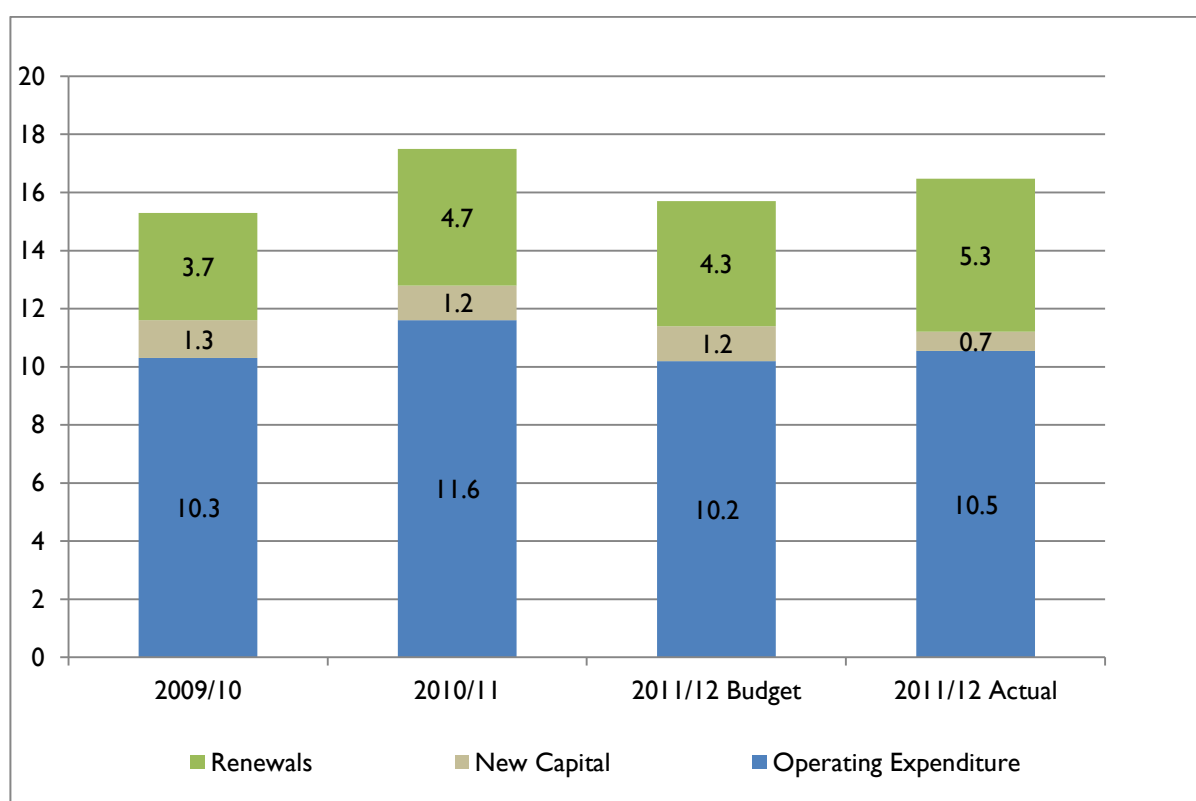
- Council delivered six 'older driver' courses which 123 people attended. Given the introduction of the new give way rules these courses have been well received. The mobility scooter course has also been popular (45 participants) and has been a great way to introduce this transport option to older drivers
- Council distributed hi-viz vests, backpack cover and front and rear bicycle lights to schools around the District. Council has also engaged with schools regarding active transport and safe cycling routes
- Alcohol education and awareness: Working with Year 12 students discussing alcohol and driving and the need to 'plan before you party'

# Roads, Port, Airport

## Road Safety Continued

- Drive 2 Survive attracted over 260 students from local high schools and provided an opportunity to learn from Police, Emergency Services staff and vehicle experts on the realities of road crashes and the effects of alcohol
- Work continued with SADD (students against driving drunk) throughout the year. Six students attended the SADD conference in Invercargill and further activities during SADD week raised local awareness
- Waitaki Road Safe ran 'fatigue stops' during public holidays which resulted in between 100–200 vehicle occupants being offered water, road safety literature, hot drinks and BBQ sausages

**Graph 2: Council Rooding Expenditure (\$ million)**



Graph 2 shows that Council spent \$16.5 million on roads in 2011/12, compared with \$17.5 million in 2010/11. The actual areas of expenditure for 2011/12 are explained in more detail below.

## Financial Performance

The actual results and spending for the year were significantly different from budget and the prior year. The main reason for the variance in Operating Expenditure were cost escalations in the final year of the roading maintenance contract with Whitestone Contracting, reduced expenditure in New Capital as a result of NZTA changes, a decline in funding of 2012/15 financially assisted projects, and increased expenditure in bridge renewal works.

The outcome of the 2011/12 NZTA 3 year programme was that Council used the budget to its full extent, with the exception of \$200,000 due to delays to the Parsons Road culvert safety minor improvement project and \$130,000 on the Weston over-bridge renewal.



# Roads, Port, Airport

## Roads - How we performed

Roads Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Resident satisfaction with footpaths and roads	Not achieved but improving: Residents' Survey 2012 recorded: 58% of residents are 'satisfied' or 'very satisfied' with footpaths in the Waitaki District (55% in 2011)	65% resident satisfaction with footpaths
	Not achieved but improving: Residents' Survey 2012 recorded: 63% of residents are 'satisfied' or 'very satisfied' with Council roads (57% in 2011)	70% resident satisfaction with roads
Resident satisfaction with cycleways	Achieved: Residents' Survey recorded: 71% of residents who used cycleways in the Waitaki District in the past 12 months are 'satisfied' or 'very satisfied' (34% in 2011). Alps2Ocean Cycle trail currently under construction	65% resident satisfaction with cycleways
Incidence and severity of road crashes is declining	10 year moving average (tyma) reduction on:	10 Year moving average reduction on:
	Number of crashes: 2011 (tyma) 208, 2010 (tyma) 200.6 - Not achieved	Number of crashes
	Number of fatal crashes: 2011 (tyma) 3.2, 2010 (tyma) 3.3 - Achieved	Number of fatal crashes
	Number of severe injury crashes: 2011 (tyma) 23.0, 2010 (tyma) 23.2 - Achieved	Number of severe Injury crashes
	Number of minor injury crashes: 2011 (tyma) 63.9, 2010 (tyma) 62.8 – Not achieved	Number of minor injury crashes
Complete planned roading maintenance and improvements	Not achieved: 1.8km pavement rehabilitation completed of 3km planned 54km of road resurfacing is complete of 65km planned 1.0km of kerb and channelling renewal complete of 2 km planned 5,100m <sup>2</sup> of footpath resurfacing in townships is complete of 9,939m <sup>2</sup> planned	100% completed

# Roads, Port, Airport

Roads Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Resident satisfaction with the availability and convenience of parking within the central business area	Not achieved. Residents' Survey recorded of: the 94% who have used parking in the commercial and shopping areas 78% are 'satisfied' or 'very satisfied' (76% in 2011)	80%
Average road roughness for sealed roads is surveyed and compared with target roughness measures set by NZTA <sup>1</sup>	Not measured 2012. 2011 results Urban C: 92 Achieved Urban D: 115 Achieved Urban E: 110 Achieved Rural C: 66 Achieved Rural D: 66 Achieved Rural E: 75 Achieved Rural F: 79 Achieved This is performed on a two yearly basis as per NZTA requirements. Updated again in 2013/14	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

While footpath satisfaction is measuring 3% higher than 2011, the variation from the 2009-19 LTCCP target may be in part attributable to Ahuriri respondents who were less satisfied as a result of delays in maintenance activity by contractors. Footpath resurfacing was lower than planned due to the forthcoming rollout of Ultra-Fast Broadband (UFB) project across the Waitaki District. Priority sites and those unlikely to be affected by the rollout were completed. On completion of the UFB project, Council will recommence the resurfacing programme and accelerate to catch up with works planned.

There was a 6% increase in resident's satisfaction with roads between 2011 and 2012. However, the 7% shortfall from the target demonstrates the effects of significant weather events (flooding/snow), and perceived delays in addressing roading issues as well as the intensification of heavy vehicles using the network due to land use changes. The 1.2km planned pavement rehabilitation 2011/12 was funded and completed the previous 2010/11 year. Consequently, the three year rehabilitation programme was completed with minor funding balances reallocated to other activities with no change to level of service.

Road resurfacing was lower than planned because of variances in the actual deterioration of specific roads compared to the forecast deterioration of those roads. Roading Asset Management Plans assume a certain 'economic life' of roads. However, 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 Council engineers evaluate them road-by-road. These factors have all contributed to the marked improvement in road surface roughness over the last two years (2010 and 2012) particularly in the urban area. Council is also in negotiations with the incumbent road resurfacing contractor Fulton Hogan to carry into the next financial year to achieve savings.

The length of kerb and channel renewed was also lower than planned as renewal works now require economic analysis prior to construction. This has had a significant effect on the amount of works completed.

<sup>1</sup> Road roughness measure = counts per kilometre. The higher the counts, the rougher the road

# Roads, Port, Airport

## Port – What we did

- Continued dredging the Oamaru Harbour
- Minor repairs were carried out to Holmes Wharf
- Marine Parade redevelopment has been completed
- Carnival area developed. First installations of 9 metre Penny Farthing and acrobat swings, train station, elephant and steam crane as a historic reference completed. Installation of donated seats on esplanade and waterfront
- The service lane behind Harbour Street has been contoured and sealed

## Port - How we performed

Port Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Maintain wharves to a level that is appropriate for their use. As set out in the Harbour Development Plan	Breakwater, Holmes and Normanby Wharf structures all fit for current use	Holmes and Normanby Wharves remain operational
Depth at port entrance $\geq 4\text{m}$	Not achieved: Harbour entrance depth is less than 4m 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	Farmers Market and Carnival Playground have increased usage. 2012 Residents' Survey identified that of the 81% of those who visited the Harbour in the last 12 months 85% were 'satisfied' or 'very satisfied' with the Recreational area	Year one (2011/12) establish benchmark Years 2 and 3 (2013/14) increase usage and satisfaction by 5% annually
Implement Harbour Development Plan	The following work has been completed or commenced: Completed: <ul style="list-style-type: none"> <li>• Restoration of the rail bridge</li> <li>• Planting of wildflower walk</li> <li>• Seating</li> <li>• Storyboards</li> <li>• Watchman's Hut restored</li> <li>• Restoration of the Robert and Betsy mast</li> <li>• Landscaping works</li> <li>• Installation of historic pieces of buoy and whale pot</li> <li>• Service land developed</li> <li>• Farmers Market enabled</li> </ul> Commenced: <ul style="list-style-type: none"> <li>• Carnival Playground</li> </ul>	Roading, Walking and Cycling infrastructure completed or commenced

# Roads, Port, Airport

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## Airport – What we did

- No commercial flights at present
- Basic maintenance of the Terminal Building is being kept up to date
- Runways and navigational aids being maintained to Civil Aviation Authority (CAA) standards

## Airport - How we performed

Airport Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Meet Civil Aviation Authority safety requirements	Achieved: All current safety requirements met	100%
Satisfaction of users with facilities as monitored through a biennial survey	No commercial flights therefore we did not measure user satisfaction	User satisfaction > 80%

# Roads, Port, Airport

	2011/12 Actual \$(000)	2011/12 Budget \$(000)	2010/11 Actual \$(000)
<b>Operating Expenditure</b>			
Roads	11,230	10,274	11,609
Oamaru Port	764	762	1,532
Oamaru Airport	220	192	179
<b>Total Operating Expenditure (Note 1)</b>	<b>12,215</b>	<b>11,228</b>	<b>13,320</b>
<b>Operating Revenue</b>			
Roads	6,049	5,389	6,814
Oamaru Port	165	288	128
Oamaru Airport	244	238	243
<b>Activity Revenue</b>	<b>6,458</b>	<b>5,915</b>	<b>7,185</b>
General Rates	196	196	191
District Services Rates	66	55	54
Uniform Annual General Charges	-	-	-
Ward Rates	518	602	531
Separate Activity Rates	4,858	4,824	4,616
<b>Rates Revenue</b>	<b>5,638</b>	<b>5,677</b>	<b>5,392</b>
<b>Total Operating Revenue</b>	<b>12,096</b>	<b>11,592</b>	<b>12,577</b>
<b>Net Surplus (Deficit)</b>	<b>(119)</b>	<b>364</b>	<b>(743)</b>
Adjust for Depreciation Not Funded	3,304	3,078	3,099
<b>Net "Funded" Surplus (Deficit) available for capital payments</b>	<b>3,185</b>	<b>3,442</b>	<b>2,356</b>
<b>Capital and Reserves Funding Requirements</b>			
<b><u>New Capital</u></b>			
Roads	549	970	1,242
Oamaru Port	555	1,236	258
Oamaru Airport	0	-	2
	<b>1,105</b>	<b>2,206</b>	<b>1,502</b>
<b><u>Renewals</u></b>			
Roads	5,071	4,456	4,681
Oamaru Port	14	-	75
Oamaru Airport	47	-	12
	<b>5,132</b>	<b>4,456</b>	<b>4,768</b>
Loan Repayments	-	-	-
Transfers to Reserves	655	499	818
	<b>6,892</b>	<b>7,161</b>	<b>7,088</b>
<b>Movements in Capital and Reserves Funded By:</b>			
Operating "Cash" Surplus (Deficit)	3,185	3,442	2,356
Capital Sales	1	-	-
Loans Raised	-	-	-
Transfer from Reserves	1,116	1,347	2,049
Renewal Funding From Depreciation Reserves	2,589	2,372	2,683
	<b>6,892</b>	<b>7,161</b>	<b>7,088</b>
Note (1) - Operating Expenditure includes:			
Depreciation	6,037	5,566	5,668
External Interest	-	-	-
Internal Interest	110	215	114

# Roads, Port, Airport

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## Financial Commentary

(a) **Roads - Operating Expenditure**

The most significant cause of variation of expenditure was the completion of the 3 year New Zealand Transport Agency (NZTA) funding cycle. The approach allowed Council greater freedom to move expenditure between the three years approved in the NZTA plan. As flood and other events had delayed some expenditure prior to this year, catch up work took place in 2011/12.

(b) **Oamaru Port - Operating**

The operating revenue was below budget because the budget included grant income to undertake the restoration of the railway overbridge. This was instead undertaken by a group outside of Council so neither the income nor costs are included in the actuals. The other significant saving related to internal interest costs which were well below budget.

(c) **Roads - Operating Income**

This is a reflection of the revised approach and funding that was available from NZTA.

(d) **Roads – New Capital**

The variance in the new capital compared to budget was because the budget included an amount to improve the roads in the Oamaru Harbour area. This expenditure was delayed as the need and priority of this spending was reconsidered.

(e) **Oamaru Port - New Capital**

The major item in this area was the continuation of the Harbour Area Improvements. The major parts that were undertaken are set out in the Harbour activity section. Some projects had not started during the year including the Holmes Wharf improvements. The railway overbridge project was also undertaken by a group outside of Council so neither the budgeted costs or revenue appear in this activity.

(f) **Roads – Renewals**

The increased renewal work was a result of the work undertaken to complete the NZTA approved 3 year programme. There was major additional expenditure on a number of bridge renewals that took some time to design and get the necessary approvals to proceed.

# Water and Waste

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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

## Three Waters - What we did

- The Weston and Enfield water supplies were connected to the Oamaru water supply as being the most cost effective way to provide treated drinking water to those customers. These two former stand-alone supplies are now receiving “A” Grade water that is treated to the latest NZ Drinking Water Standards (DWS)
- In Oamaru a replacement pump set coupled with a pipe replacement project were completed to provide sufficient pressure and volumes of water for future development(s) in the Hospital Hill area
- Design and replacement of the ageing water main in Oamaru. The South Hill Reservoir rising main was completed in May, providing a more secure supply to nearly 5,000 people
- Two bores and a pipeline were constructed to supply groundwater to the Lower Waitaki water supply. Moving from irrigation-race water to groundwater meant the water would be easier to treat to meet the DWS. Completion of the Water Treatment Plant occurred later in the financial year, at which time Lower Waitaki water supply customers started receiving water that meets the DWS
- Kurow Water Supply was upgraded with UV Treatment and the water is now being supplied in compliance with the DWS
- Construction of the pipelines and pump stations from Palmerston to Dunback and Goodwood were completed. This allowed the supplies to “open”, allowing the supply of more water to the Dunback and Goodwood zones, which have been restricted for many years. This is also a significant part of upgrading the Palmerston, Dunback and Goodwood water supplies to meet the DWS. Work on the new treatment plant building for the combined Waihemo water supply was substantially completed including mechanical fit-out, with filtration and UV treatment to follow in 2012/13 (quarter one)
- Exploratory drilling and testing was completed beside the Otematata River, confirming that groundwater of suitable water quantity and quality was available for a new source for the Otematata water supply. Construction of a pipeline from the new bore site to connect into the pipework in Waitaki East Drive was completed at extremely competitive tender rates, realising significant savings to the community. Works to install bores and the treatment plant commenced in July 2012

# Water and Waste

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- Drilling to identify sufficient volumes of groundwater at Bluff Hills Road has now been completed, with no suitable source identified. The upgrading of the treatment plant for Hampden/Moeraki and Herbert/Waianakarua will therefore be reliant on existing water sources. Reports on treatment options will be presented to the two water supply sub-committees in the coming months
- Construction of a new pipeline to connect Reidston water consumers to the Kakanui rural water supply was completed in May. The Reidston water supply as such, no longer exists as a separate supply and all consumers and vested assets are now part of the Kakanui rural water supply
- Radio and cellular signal strength testing has been completed across most of the district. The testing was done to ensure Council has the capacity to collect all the necessary data from each water treatment plant, which is an integral part of meeting the Drinking Water Standards
- Construction of the sub-surface disposal field at the Otematata Wastewater Treatment Plant was completed. Treated effluent is now discharged to ground through buried slotted pipes which can continue to operate effectively during severe frosts
- The stormwater main in Awamoa Road was replaced, securing a more reliable disposal system for the area. The stormwater main between Lune and Till Streets was also replaced
- Early in the financial year, the Water Unit was restructured to provide more efficient and timely service to internal and external customers

## **Solid Waste - What we did**

- The 2012 Waste Management and Minimisation Plan was consulted on and adopted by Council
- The 'cloth nappy' initiative was successfully undertaken
- Council has continued to be successful in diverting waste from landfill. Oamaru landfill now has enough space to dispose of refuse beyond the expiry of its consent in 2016
- The decision to leave the day-to-day management of waste to the private market is continuing to divert about one third of the waste stream from landfill
- Council also provided the following Waste grants:
  - \$290,000 value to the Waitaki Resource Recovery Trust (made up of \$240,000 cash \$40,000 value lease and \$10,000 ground maintenance)
  - \$7,500 to the Waihemo Waste Busters
- Large Waste Disposer Waste Minimisation Incentive Education programme is continuing
- The scale of contamination at the Oamaru foreshore former timber treatment site was quantified, confirming the extent of remediation required. A Ministry for the Environment (MfE) grant was received to undertake the investigation. The decision on the proposed method of remediation has been agreed and Otago Regional Council is preparing a MfE grant application, for funding of the physical remediation works



# Water and Waste

## Solid Waste - How we performed

Rubbish & Recycling Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Facilities are open at the agreed time	<ol style="list-style-type: none"> <li>1. 97% of residents are within 25 km of a transfer station or landfill</li> <li>2. Oamaru Landfill open 6 days/week</li> <li>3. Palmerston Landfill open 6 hours/week<sup>1</sup></li> <li>4. Resource Recovery Park open 7 days/week</li> <li>5. Omarama T/Station open 6 hours per week*</li> <li>6. Otematata T/ Station open 6 hours per week*</li> <li>7. Kurow T/ Station open 6 hours per week*</li> <li>8. Hampden T/ Station open 6 hours per week*</li> </ol> <p>Herbert/Papakaio and Enfield Recycling Drop-off Facility operational</p> <p>*Holiday hours are 4 hours daily from Boxing Day until 15 January, daily during Easter and Labour Weekend</p>	<ol style="list-style-type: none"> <li>1. 97% of residents are within 25 km of a transfer station or landfill</li> <li>2. Oamaru Landfill open 5 days/week</li> <li>3. Palmerston Landfill open 3 days/week</li> <li>4. Resource Recovery Park open 7 days/week</li> <li>5. Omarama T/ Station Summer – 12 hrs/week Winter – 9 hrs/week</li> <li>6. Otematata T/ Station Summer –12 hrs/week Winter -6 hrs/week</li> <li>7. Kurow T/ Station Summer –12 hrs/week Winter -9 hrs/week</li> <li>8. Hampden T/ Station Summer –9 hrs/week Winter -9 hrs/week</li> </ol>
Lower cost alternatives are available e.g. greenwaste and recycling drop off	<p>Achieved:</p> <p>Lower cost drop off available at landfills, transfer stations, Resource Recovery Park and rural recycling drop off points for instance:</p> <ol style="list-style-type: none"> <li>a. Disposal of green-waste is charged per cubic metre at the Resource Recovery Park while the landfill charges by weight</li> <li>b. Disposal of residential waste is charged by volume at the Resource Recovery Park and by weight at the landfill</li> <li>c. Free recycling options at the Resource Recovery Park</li> </ol>	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	<p>Achieved:</p> <p>Worked with commercial waste contractor to encourage businesses (licensed establishments etc.) to separate glass out of their waste stream. Fourteen businesses are now separating glass with many more recycling plastics</p>	Five businesses per annum
Bylaw rules in place to prevent the disposal of greenwaste and recyclables (for which there is a ready market) at landfill from 2010	<p>Achieved:</p> <p>Bylaw rules to prevent the disposal of greenwaste and recyclables (for which there is a ready market) at landfill are not considered practical</p> <ul style="list-style-type: none"> <li>• Timber, putrescibles and garden waste</li> </ul> <p>2008: 46% 2011: 37%</p>	Solid Waste Analysis Protocol shows decreasing levels of greenwaste over three year average from 2010 onwards
All resource consent conditions for landfills are met	Not achieved. Minor non-compliance of landfill resource consents conditions were received (484 out of 491 conditions met [98.6%]). Tip face and stormwater management required improvement at the Oamaru landfill. Palmerston required operations to be altered to conform to the management plan	100% compliance for resource consents

<sup>1</sup> At a meeting on 31 May 2011 Council resolved the above opening hours for transfer stations and landfills in the Waitaki District. In the case of Palmerston this decision led to achievements being recorded in hours rather than days per week.

# Water and Waste

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## **Notes to Performance Measures**

Reducing greenwaste going to the Oamaru Landfill is important. Council considered an outright ban on greenwaste 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” greenwaste generated by households. Council continued with a programme to get bulky greenwaste out of landfill and onto the landfill cover. Public response is encouraging and the community diverted 1,549 tonnes or 19% of the waste stream we received during the year. This shows the process and options in place are working effectively.

# Water and Waste

## Water - How we performed

Water Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Annual Survey	Achieved: Residents' Survey 2012 recorded: 83% 'satisfied' or 'very satisfied' with water supply provided (79% in 2011) <sup>1</sup>	≥ 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	The Oamaru Water Treatment Plant complies with the Drinking Water Standards 2005 for the Oamaru Water Supply Achieved for Oamaru water supply. Of the 1158 samples taken from Council's treated or chlorinated water supply 1146 or 99% returned compliant results. Of the 165 samples taken from Council's untreated water supply 112 or 68% returned compliant results. These schemes have permanent boil water notices. The six public water schemes are planned for upgrade by 2016	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 E.coli bacteria 98% of the time
Develop and implement upgrades, testing and monitoring as required	Achieved: No abatement notices were served on Council during the year	Compliance with resource consents. Develop and implement upgrades, testing and monitoring as required
Urban fire hydrant flows >12.5 l/s	Achieved: Of the 15 fire hydrants that were tested, 15 (100%) met the target of 12.5 L/sec	Of the fire hydrants that are annually tested >90% meet target

### Notes to Performance Measures

Rural water supply quality: 3.58% of rural water samples do not comply with E.coli standards. In these situations, Council responds by issuing temporary 'boil water' notices, while some water supplies have permanent 'boil water' notices.

Council expects the rural water user satisfaction to increase over the next few years as Council implements planned water treatment upgrades.

<sup>1</sup> Pulse Business Solutions undertook the 2012 Waitaki Residents Survey

# Water and Waste

## Waste Water - How we performed

Waste Water Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Sewage discharges into the environment are managed to the relevant environmental standards	Achieved: No abatement notices were served on Council	No abatement notices received for failure to comply with resource consents
95% of complaints are responded to within 2 hours	Achieved: Of the 44 reported blockages or overflows attended, Council responded to 43 (98%) 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 2011/12	Targets 2009-12
Response to mains blockages and overflows	Achieved: Of the three reported blockages or overflows attended, Council responded to all three within two hours (100%)	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)	Achieved: No 'Customer Requests' 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

	2011/12 Actual \$(000)	2011/12 Budget \$(000)	2010/11 Actual \$(000)
<b>Operating Expenditure</b>			
Water Supplies	5,490	5,873	5,243
Rubbish and Recycling	1,829	2,050	1,832
Waste Water	3,134	3,252	3,167
<b>Total Operating Expenditure (Note 1)</b>	<b>10,453</b>	<b>11,175</b>	<b>10,242</b>
<b>Operating Revenue</b>			
Water Supplies	1,283	1,340	1,203
Rubbish and Recycling	1,133	1,023	1,599
Waste Water	668	648	651
<b>Activity Revenue</b>	<b>3,084</b>	<b>3,011</b>	<b>3,453</b>
General Rates	0	-	-
District Services Rates	0	-	-
Uniform Annual General Charges	546	544	479
Ward Rates	-	-	-
Separate Activity Rates	7,918	7,909	7,430
<b>Rates Revenue</b>	<b>8,464</b>	<b>8,453</b>	<b>7,909</b>
<b>Total Operating Revenue</b>	<b>11,548</b>	<b>11,464</b>	<b>11,362</b>
<b>Net Surplus (Deficit)</b>	<b>1,095</b>	<b>289</b>	<b>1,120</b>
Adjust for Depreciation Not Funded	473	521	479
<b>Net "Funded" Surplus (Deficit) available for capital payments</b>	<b>1,567</b>	<b>810</b>	<b>1,599</b>
<b>Capital and Reserves Funding Requirements</b>			
<b><u>New Capital</u></b>			
Water Supplies	2,780	2,052	155
Rubbish and Recycling	-	-	-
Waste Water	0	-	-
	<b>2,780</b>	<b>2,052</b>	<b>155</b>
<b><u>Renewals</u></b>			
Water Supplies	719	850	2,292
Rubbish and Recycling	-	-	4
Waste Water	334	88	689
	<b>1,053</b>	<b>938</b>	<b>2,985</b>
Loan Repayments	-	-	-
Transfers to Reserves	2,401	1,457	1,774
	<b>6,234</b>	<b>4,447</b>	<b>4,914</b>
<b>Movements in Capital and Reserves Funded By:</b>			
Operating "Cash" Surplus (Deficit)	1,567	810	1,599
Capital Sales	7	-	-
Loans Raised	-	-	-
Transfer from Reserves	2,705	3,009	750
Renewal Funding From Depreciation Reserves	1,954	628	2,565
	<b>6,234</b>	<b>4,447</b>	<b>4,914</b>
Note (1) - Operating Expenditure includes:			
Depreciation	3,501	3,608	3,503
External Interest	-	-	-
Internal Interest	459	721	485

# Water and Waste

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## Financial Commentary

(a) **Water Supplies - Operating**

There were three costs which led to budget variances. Interest costs are discussed in detail in the Treasury commentary. Increased cost of power and contractors reflected market conditions. Some water treatment upgrades cost less than was expected due to changed timing and more cost effective solutions.

Some schemes are net investors of funds. These schemes had less interest income due to reduced market rates.

(b) **Rubbish and Recycling - Operating Expenditure**

Council's approach to waste management continues to evolve. The change in disposal method by a private contractor had less of an effect than initially estimated. This helped improve the revenue for the year. Efficiencies were also found in the way some transfer stations were operated which created some cost savings.

(c) **Water Supplies - New Capital**

The planned new capital all relates to the work required to meet the Drinking Water Standards. Progress on these projects is described elsewhere in the report.

(d) **Water Supplies - Renewals**

Council has a policy in relation to renewal expenditure that allows expenditure to take place in addition to what has been budgeted for if it is required and can be fully funded from available depreciation reserves.

(e) **Waste Water – Renewals**

The level of work can vary significantly from year to year. The major projects this year related to the work required as part of the consent compliance processes for Otematata and Omarama.

(f) **Transfer to Reserves**

The main transfers to reserves were additional principal repayments of internal loans. These were made as they are treated as table loans therefore any interest saving was used to make additional repayments.

# Planning



The Planning group of activities includes:

- Community Planning and Consultation
- District Planning

## Community Planning – What we did

- Council continued preparation of the 2012-22 Long Term Plan during 2011/12. Community consultation was undertaken between April and May 2012 on the draft Long Term Plan which resulted in 487 submissions on nearly 750 issues. Council heard verbal submissions from 101 submitters and considered the written submissions from those not wishing to speak. Council adopted the 2011/12 Long Term Plan on 26 June 2012
- Council also decided to align the timing of its review of the Dangerous, Insanitary and Earthquake Prone Buildings Policy with the outcomes from the report of the Canterbury Earthquake Royal Commission. A public seminar was convened in March 2012 to raise awareness of matters affecting owners of earthquake prone buildings. The session provided an opportunity to discuss insurance, seismicity, engineering solutions and policy considerations with nearly 100 building owners and residents

## Community Planning – How we performed

Community Planning		
Performance Measures	Achievements 2011/12	Targets 2009-12
Statutory plans, reports and policies reviewed and adopted with legal timeframes	<p>Achieved: Unmodified opinion on the 2010/11 Annual Report adopted on 6 December 2011<sup>1</sup></p> <p>Achieved: 2012-22 Long Term Plan adopted by Council on 26 June 2012</p>	All within statutory timeframes
Waitaki Community Plan is adopted with unmodified audit reports	Achieved: Unmodified audit opinion on draft and final 2012-22 Long Term Plan	Waitaki Community Plans are adopted with unmodified audit reports

<sup>1</sup> While Council received an unmodified audit opinion on the 2010/11 Annual Report it did not comply with Section 98 of the Local Government Act 2002 which requires local authorities to complete and adopt an Annual Report by resolution within four months after the end of the financial year to which it relates

# Planning

Community Planning		
Performance Measures	Achievements 2011/12	Targets 2009-12
70% of residents have read the Waitaki Link	Achieved: 2012 Residents' Survey recorded 75% of residents have read the Waitaki Link	70% of residents have read the Waitaki Link
65% of residents say the Waitaki Link provides useful and informative information about Council activities	Achieved: 2012 Residents' Survey recorded 79% of residents are 'satisfied' or 'very satisfied' with the Waitaki Link as a useful source of information	65% of residents say the Waitaki Link provides useful and informative information about Council activities
51% of residents 'satisfied' or 'very satisfied' with Council consultation. Target to meet or improve on benchmark	Achieved: 2012 Residents' Survey recorded 54% of residents were 'satisfied' or 'very satisfied' with how Council consulted over the past 12 months	To meet 2010 Annual Report established 51% benchmark for community 'satisfaction' with Council consultation. Target to meet or improve on benchmark



# Planning



## District Planning - What we did

- Four appeals on Plan Changes 7 and 8 were mediated and two were resolved by mediation, one was withdrawn and the other heard by the Environment Court
- Private Plan Change 6 (Residential 1 Zone) was approved and no appeals lodged. Subsequent resource consents for subdivision have been issued
- Three minor plan changes were consulted on and notified for submissions. One other minor plan change was consulted on but is yet to be notified
- Pre-consultation on the Business Zone plan change for Oamaru commenced

## Major Consent Matters

- Oceana Gold Ltd lodged a resource consent for the mine expansion project, which was publicly notified, heard by ORC commissioners and a decision released, which is still under appeal
- The subdivision consent for TR Group was issued, approving 17 new lots in the Business 4 Zone opposite Oamaru Racecourse
- Resource consents for various sections of the Alps to Ocean cycleway were approved by an independent commissioner, some of which were processed on a limited notification basis
- A limited notified resource consent for an extension to a lime works was approved by an independent commissioner, appealed, then resolved through mediation
- A limited notified resource consent for a shed close to a boundary was heard by the Hearing Committee and approved
- A resource consent for a camping ground in Kakanui was approved by an independent commissioner and has since been appealed
- A judicial review of a certificate of compliance for various farming activities was taken to the High Court by Forest and Bird. The certificate was cancelled (decision received August 2012)

## Other Matters

- Margy Gaynor was appointed as a part-time Biodiversity Officer in January 2012, funded by the Biodiversity Advice Fund, administered by the Department of Conservation. Margy will be working on protecting biodiversity on private land
- David Campbell attended meetings of the Upper Waitaki Shared Vision Forum meeting in Twizel and an agreement has been reached between the parties but is yet to be launched
- Both the Lower Waitaki-South Coastal Canterbury Zone Committee and Upper Waitaki Zone Committee hold monthly meetings. Lower Waitaki-South Coastal Canterbury presented their draft followed by their final Zone Implementation Programme to Council for adoption on 20 March 2012
- Upper Waitaki Zone Committee presented their draft followed by their final Zone Implementation Programme to Council for adoption on 1 June 2012
- Cr Geoff Keeling is Council's appointee on the Lower Waitaki-South Coastal Canterbury Zone Committee and Cr Craig Dawson is Council's appointee on the Upper Waitaki Zone Committee
- Ecological Study commenced with two sites surveyed

# Planning

## District Planning - How we performed

District Planning		
Performance Measures	Achievements 2011/12	Targets 2009-12
Process resource consents within statutory timeframes	<p>Achieved: 149 of 149 (100%) non-notified resource consents were issued within 20 working days. 97% of non-notified consents were issued in 2010/11</p> <p>Not achieved: 5 of 6 (83%) of notified resource consent decisions issued within 70 working days. 100% of notified consents issued in 2010/11</p>	<p>Non-notified: 100%</p> <p>Notified: 100%</p>
Notify and implement District Plan variations	<ul style="list-style-type: none"> <li>Four appeals on Variations 2 and 3<sup>1</sup> were received, two of which (Holcim and Federated Farmers) were resolved without a hearing in the Environment Court</li> <li>Two other appeals were made by Forest &amp; Bird, one of which was withdrawn and the other heard by the Environment Court in June 2012 – decision pending</li> <li>Plan change 6 (Private Plan Change Saleyards Road) was made operative</li> <li>Three of four minor plan changes were notified and will be heard later in 2012</li> <li>Business Zone Plan Change for Oamaru commenced with consultation and will be considered for public notification later in 2012</li> </ul>	<p>Complete (in priority order):</p> <ul style="list-style-type: none"> <li>Variation 9 and plan change 4 – Harbourside Zone and Plan Change 5 – Heritage Related Policies</li> <li>Variations 2 and 3 – Landscape and Visual Amenity as General Indigenous Vegetation Clearance</li> <li>North Oamaru Industrial Park and Business 4 Zone Plan Change</li> </ul>
State of the Environment Reporting	<p>Not achieved:</p> <p>No reports completed, however three have been started for the topics of Takata Whenua, Signs and Natural Hazards. 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</p>	Produce annually
Monitor resource consents	<p>Achieved:</p> <p>100% of subdivision consents monitored through s224 RMA certification process (47 of 47) Seven land use consents monitored by Compliance Monitoring Officer (~5%)</p>	<p>100% of subdivision consents monitored</p> <p>100% of notified land use consents monitored</p> <p>25% of non-notified land use consents monitored</p>
Advice to public at counter	No responses to survey received in 2011/12. Intend to review process in advance of 2012/13 Annual Report.	80% of public satisfied with advice given at the counter

<sup>1</sup> District Plan Variations: 1 Omarama Airfield, 2 & Plan Change 2 Landscapes and Visual Amenity, 3 General Indigenous Vegetation Clearance Rule

# Planning

	2011/12 Actual \$(000)	2011/12 Budget \$(000)	2010/11 Actual \$(000)
<b>Operating Expenditure</b>			
District Planning	1,090	901	971
Community Planning and Consultation	2,697	2,606	2,404
<b>Total Operating Expenditure (Note 1)</b>	<b>3,786</b>	<b>3,507</b>	<b>3,375</b>
<b>Operating Revenue</b>			
District Planning	514	199	391
Community Planning and Consultation	0	9	1
<b>Activity Revenue</b>	<b>515</b>	<b>208</b>	<b>392</b>
General Rates	1,514	1,617	1,501
District Services Rates	684	752	634
Uniform Annual General Charges	955	954	1,119
<b>Rates Revenue</b>	<b>3,153</b>	<b>3,323</b>	<b>3,254</b>
<b>Total Operating Revenue</b>	<b>3,667</b>	<b>3,531</b>	<b>3,646</b>
<b>Net Surplus (Deficit)</b>	<b>(119)</b>	<b>24</b>	<b>271</b>
Adjust for Depreciation Not Funded	-	-	-
<b>Net "Funded" Surplus (Deficit) available for capital payments</b>	<b>(119)</b>	<b>24</b>	<b>271</b>
<b>Capital and Reserves Funding Requirements</b>			
<b><u>New Capital</u></b>			
District Planning	-	-	-
Community Planning and Consultation	-	-	-
	-	-	-
<b><u>Renewals</u></b>			
District Planning	-	-	-
Community Planning and Consultation	-	-	-
	-	-	-
Loan Repayments	-	-	-
Transfers to Reserves	156	26	350
	156	26	350
<b>Movements in Capital and Reserves Funded By:</b>			
Operating "Cash" Surplus (Deficit)	(119)	24	271
Capital Sales	-	-	-
Loans Raised	-	-	-
Transfer from Reserves	275	2	79
Renewal Funding From Depreciation Reserves	-	-	-
	156	26	350
Note (1) - Operating Expenditure includes:			
Depreciation	-	-	-
External Interest	-	-	-
Internal Interest	5	5	5

# Planning

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## **Financial Commentary**

(a) **District Planning – Operating**

Work on a major consent resulted in more recoverable time during the year and increased costs as some work was performed by third parties. This had a net positive effect on the net cost of the activity. Council also began work on a biodiversity project which is primarily funded from external revenue.

(b) **Community Planning - Operating**

This was mostly a collection of smaller cost increases including increased audit costs on the Annual Report and Long Term Plan (LTP), additional production costs for the LTP and additional specialist advice on some policy matters that Council requested during the year.

# Regulatory



The Regulatory group of activities includes:

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

The Regulatory Group contains four activities aimed at maintaining and incentivising public health and safety. 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 are enacted by central government legislation in building codes, health and liquor acts and other statutes.

## **Building Control – What we did**

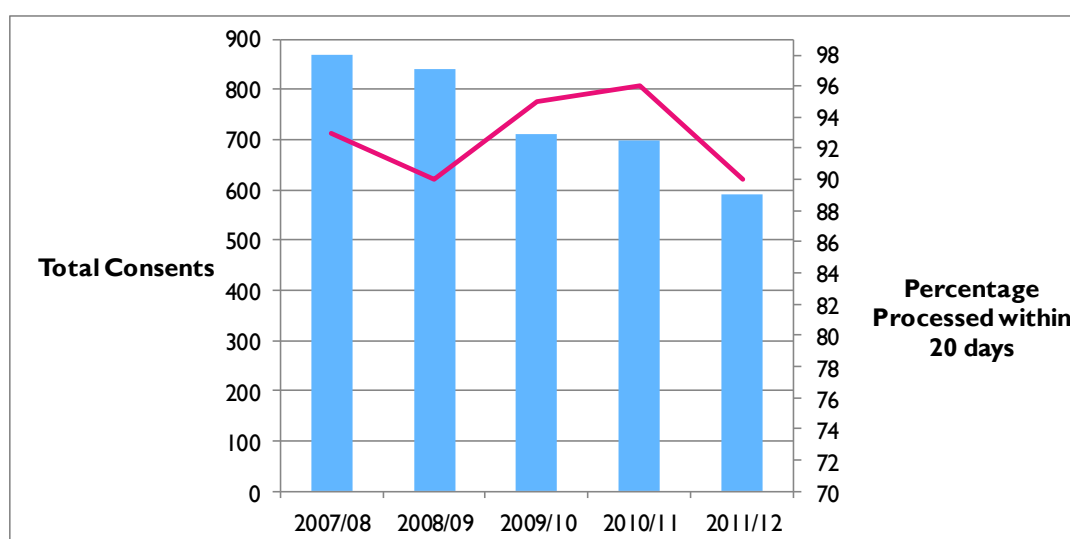
Waitaki’s Building Control Authority (BCA) is required to maintain its accreditation cover in order for it to perform its legislative duties. The accreditation was maintained with a focus on continuous improvement in a year with many challenges. Regulation 18 requires Building Inspectors to possess a recognised building qualification with a recently launched Diploma in Building seeking to fulfill this requirement. Two Building Inspectors from our BCA have signed up to complete this qualification and to add to the professionalism of the team.

# Regulatory

## Building Control – How we performed

Building Control Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Processing building consents	Not achieved: 590 out of 651 building consents (90%) issued within the 20 day statutory time frame (96% in 2011) <sup>1</sup>	95% within statutory timeframe
Auditing Building Warrant of Fitness premises	Not achieved: Nil (0%) of premises audited <sup>2</sup>	20% of premises audited annually
Maintain registration as a Building Consent Authority and introduce Quality Assurance Systems as required by Building Accreditation Regulations	Achieved: IANZ accreditation assessment maintained	Maintain registration

**Graph 3: Building Consents Processed Within 20 Days**



## Animal Control – What we did

- 959 requests for service were received in the following categories: animal welfare, barking, found, lost, wandering, general, aggressive, rushing, attacks on people or stock. Animal Control Officers classified 13 dogs as dangerous and 19 as menacing
- There was a focus on improving dog owner education in areas where the bylaw for restricted dog access was operating. An initiative to be financially effective was trialed with a chalk footpath stencil being used in place of the requirement to erect 51 new street signs

<sup>1</sup> The BCA operated below full capacity for extensive periods in the latter half of the financial year and was also impacted by building accreditation work in the first quarter of the financial year. Capacity was reduced by staff vacancies for annual and medical leave. At times, staffing was 50% of full complement. This was managed to some extent through contractor support and greater collaboration with the building sector

<sup>2</sup> This process is traditionally completed in the final quarter of the financial year. Council's contractor was incapacitated due to illness. Despite efforts to secure a replacement contractor 20% of buildings were unable to be audited under this performance measure. This work will be undertaken in 2012/13

# Regulatory

## Animal Control – How we performed

Animal Control Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Resident satisfaction with dog control services	Achieved: Residents' Survey 2012 recorded: of the 17% who used Dog Control services in the past 12 months 79% were satisfied or very satisfied (61% in 2011)	70%
Registration of known dogs	Not achieved: 5,223 out of 5,427 (96%) dogs registered as at 31 December 2011	100% by 31 December
Response time for stock control complaints	Achieved: 59 out of 59 (100%) stock call outs answered within 2 hours	100% of stock control complaints responded to within 2 hours
Minimise road accidents where dogs or wandering stock are a contributing factor	Statistics to measure this are not available <sup>1</sup>	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	Survey of animal control complainants to be carried out in 2014	Survey once every three years

## Environmental Health - What we did

- The Food Bill is still before Parliament and it is likely to become law in 2013. In anticipation of the new Act, 40% of premises are now registered under the VIP (Voluntary Implementation Programme)
- Health staff managed a high level of inspection and reporting across the District for the year as indicated in the stats
- Notwithstanding the delay in the introduction of the new Food Act, interest continues in respect of the VIP food management system and the number of VIP registrants remains at a high level of 42%
- Generally food premises are of a high standard and people wanting to get into the industry are approaching Council's Health staff before committing financially, which is a good sign. A number of small but interesting businesses have established themselves during the year including a gourmet fudge manufacturer, boutique winery, specialty meats outlet and an iced confection factory is in the wings
- The Oamaru Farmers Market established its presence in the community with 20-24 local food businesses contributing and the application process set up between the FM management and Council has helped streamline the process for those wanting to sign up
- Liquor Licence staff manage 133 actively licensed premises in the Waitaki District
- One Controlled Purchase Operation (CPO) was carried out during the year. A CPO checks to see the level of compliance in respect of service to underage drinkers. It involves an interagency action that includes the Police, Public Health South and the WDC DLA. Two premises in the District were found to be non-compliant
- One District Licensing Agency hearing was held to determine a Special Licence application for a local nightclub to be open after 12.00 midnight on Christmas Eve. This was declined by the District Licensing Committee
- Liquor Licence staff continue to provide technical support to Aoraki Polytechnic and donate lecture time to the Licence Controller Course held by the Polytech

<sup>1</sup> Regulatory staff have provided information to road safety stakeholders around these incidents to stimulate a co-ordinated approach

# Regulatory

## Environmental Health - How we performed

Environmental Health Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Inspection of liquor licensed premises annually	Not achieved: 91% of 'on' and 'off' licensed premises inspections completed for the period 61% of club license inspections completed for the period	95% of licensed premises to be inspected annually
Inspection of food registered premises annually	Not achieved: 98% of Category I premises inspected Achieved: 86% for Category II and 54% for Category III Two premises elected to close during the winter period which reduced the Category I result to less than 100%	Full inspection annually of 100% of Category I premises (high risk food businesses) 50% of Category 2 and 3 premises inspected annually
Response time for complaints of excessive noise	Achieved: 319 (out of 319 (100%) complaints investigated 100% of urban Oamaru complaints were investigated inside the one hour response time set. All outlying areas have an 'investigation' requirement to ensure equality of services across the Waitaki District	100% of incidents responded to within one hour of receiving complaint

## Emergency Management - What we did

### Civil Defence

- 142 Civil Defence volunteers are now available for response in the Waitaki District 2011/12 (108 in 2010/11)
- Fire sirens at Kakanui and Hampden have been modified to operate as Civil Defence sirens
- Equipment provided to Civil Defence sector posts: first aid kits, torches, portable radios and emergency vests
- Civil Defence exercises: Exercise Lights Out (Power Outage) on 10 February 2012 and Exercise Pacific Wave (International Tsunami Exercise) held on 10 November 2011
- Activated new Civil Defence sector posts at Ngapara, Five Forks, Herbert, Maheno and Papakaio. Co-ordinators appointed for these areas
- Twenty-four Council/community personnel completed Emergency Operations Centre training in November 2011
- Community response plans in collaboration with the communities at Kurow and Waitaki Bridge launched
- Emergency Operations Centre partially activated for six events; a tsunami alert in July 2011 and five snow events both inland and coastal during July, August and October 2011

### Rural Fire

- The Rural Fire Authority attended 157 calls in 2011/12, compared with 131 calls in 2010/11
- Issued or extended 1,288 fire permits in 2011/12; (1,470 in 2010/11)
- Fire evaluation sirens installation complete at Shag Point
- Fire fighters and rural fire officers attended specialist fire management and general training courses
- A very successful house burn training exercise was undertaken



# Regulatory

## Emergency Management - How we performed

Emergency Management Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Response to emergency events	Achieved: 100% of responses within 15 minutes for rural fire. For Civil Defence emergencies Council is required to act, rather than respond to any messages received <sup>1</sup>	100% of responses within 15 minutes
Response to requests for fire permits	Not achieved: 94% of fire permits issued within 2 days <sup>2</sup>	100% of responses within 2 days
Rural fire audit now called Performance Monitoring Evaluation Framework (PMEF)	Not achieved: Rural Fire Performance Monitoring Evaluation Framework (PMEF) carried out in 2012 with satisfactory result of + 8.1. This is an overall rating out of 10 for the national rural fire audit. Corrective action required in training some fire-fighters to meet minimum standards	Maintain standards required by national body
Resident Satisfaction with level of service provided	Achieved: Residents' Survey 2012 recorded: of the 9% of residents who have contacted Council regarding Emergency Services (Civil Defence or Rural Fire Services) in the past 12 months, 87% are satisfied or very satisfied (81% in 2011)	70%
Retain existing level of volunteer assistance for rural fire	Not achieved: Currently have 87 operational volunteers. Most units have recruited personnel with a net gain of 13 more members	20% (96 volunteers)
Recruit community volunteers for civil defence	Achieved: Currently 142 operational volunteers (79 volunteers in 2010/11)	20% (57 volunteers)

<sup>1</sup> Fire Communications Centres and Civil Defence Emergency Management National Warning System has a log of all calls; notifications and responses but do not 'extract' and calculate data because of resource constraints

<sup>2</sup> Council does not currently measure how many days it takes to issue all permits

# Regulatory

	2011/12 Actual \$(000)	2011/12 Budget \$(000)	2010/11 Actual \$(000)
<b>Operating Expenditure</b>			
Building Control	1,150	1,027	921
Environmental Health	532	543	551
Animal Control	99	141	114
Emergency Management	656	573	677
<b>Total Operating Expenditure (Note 1)</b>	<b>2,438</b>	<b>2,284</b>	<b>2,263</b>
<b>Operating Revenue</b>			
Building Control	691	643	710
Environmental Health	147	175	141
Animal Control	142	147	131
Emergency Management	77	31	115
<b>Activity Revenue</b>	<b>1,057</b>	<b>996</b>	<b>1,097</b>
General Rates	(3)	(3)	(3)
District Services Rates	275	274	280
Uniform Annual General Charges	887	884	772
Separate Activity Rates	138	138	150
<b>Rates Revenue</b>	<b>1,296</b>	<b>1,293</b>	<b>1,199</b>
<b>Total Operating Revenue</b>	<b>2,353</b>	<b>2,289</b>	<b>2,296</b>
<b>Net Surplus (Deficit)</b>	<b>(84)</b>	<b>5</b>	<b>33</b>
Adjust for Depreciation Not Funded	-	-	-
<b>Net "Funded" Surplus (Deficit) available for capital payments</b>	<b>(84)</b>	<b>5</b>	<b>33</b>
<b>Capital and Reserves Funding Requirements</b>			
<b>New Capital</b>			
Emergency Management	(2)	5	88
	(2)	5	88
<b>Renewals</b>			
Building Control	8	-	-
Emergency Management	10	60	27
	18	60	27
Loan Repayments	-	-	-
Transfers to Reserves	5	-	-
	21	65	115
<b>Movements in Capital and Reserves Funded By:</b>			
Operating "Cash" Surplus (Deficit)	(84)	5	33
Capital Sales	5	-	-
Transfer from Reserves	97	-	76
Renewal Funding From Depreciation Reserves	4	60	6
	21	65	115
Note (1) - Operating Expenditure includes:			
Depreciation	109	31	102
External Interest	-	-	-
Internal Interest	-	-	-

## **Financial Commentary**

(a) **Building Control – Operating**

The activity in this area did not decline as much as expected when the budget was set. It was however still slightly down compared to the previous year. This did lead to some increases but there were more significant factors including additional costs due to unexpected absences that needed to be covered and recruitment costs.

(b) **Animal Control - Operating Expenditure**

Savings were made in a number of areas without affecting the services delivered. This allowed some resource to be moved into the building control area to assist with this activity.

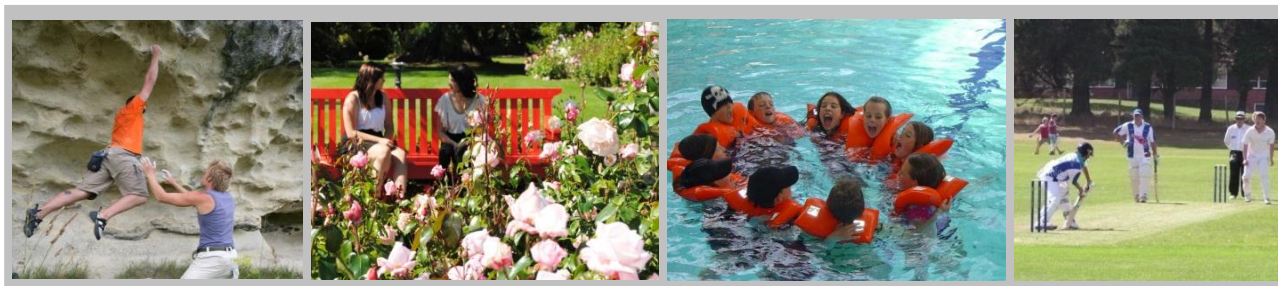
(c) **Emergency Management – Operating**

Two factors led to the overall increase in both operating costs and revenue. The first was responding to fires, for which Council received income to cover these costs. The second issue was the costs in relation to issuing fire permits where additional resources were required to meet demand.

(d) **Emergency Management – Renewals**

Work on the next major renewal project was still in progress at the end of the year. This project will now take place in 2012/13.

# Parks and Recreation



The Parks and Recreation group of activities includes:

- Gardens and Green Spaces: parks and reserves, Oamaru Gardens, street trees, cemeteries, public toilets
- Sports and Recreation: sports fields, playgrounds, grants to sports and recreation providers
- The Aquatic Centre in Oamaru and grants to other community pool providers

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

Recreation contributes to:

Physical Health:	through provision of venues for physical activity such as parks and sportsfields, and programmes such as aqua-aerobics
Mental Health:	through provision of soothing green spaces, settings and locations of respite
Social Connections:	through provision of locations where residents meet, interact and build relationships and foster a sense of civic pride
Youth Development:	through playgrounds, aquatic centres and locations where children can play and build cognitive, social, mental and emotional skills
Environmental Health:	through improving air, land and water quality and moderating climatic effects
Economic Benefits:	through Waitaki being a desirable place to live and develop businesses and providing tourist attractions and a lifestyle choice
Safety:	through providing ‘learn to swim’ and safety programmes

These have follow on benefits in reduced crime, reduced health care costs and brighter, happier and healthier communities.

## Gardens and Green Spaces - What we did

- Maintained our Parks, Gardens and Green Space
- Re-opened the Oamaru Public Gardens ‘Croquet Bridge’
- Built a new toilet in the Oamaru Public Gardens and closed the old ones
- Closed two toilets in Oamaru
- Drafted a Recreation Strategy
- Installed a new septic tank system and refurbished the interior of Hampden public toilet
- Worked with the community on playgrounds in Palmerston, Kurow and Otematata
- Improved access to tracks at Glen Warren and Cape Wanbrow following harvest
- Provided a venue for the Wine and Food Festival, mountain bike races, Rugby World Cup Roadshow

# Parks and Recreation

## Gardens and Green Spaces - How we performed

Gardens and Green Spaces Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Percentage of residential properties within 1km of a public open space	District wide: 99% Dunback: 48% Weston: 95% Elsewhere: 100%	90% of residential properties within 1km of a public open space
Customer satisfaction with the quality of the District's local and neighbourhood reserves	Not achieved: 2012 Residents' Survey noted of the 71% of respondents who had visited parks in the past 12 months 89% were 'satisfied' or 'very satisfied' (86% in 2011)	≥90%
Comply with relevant NZ Standards and Legislation	Not achieved: Staff/budget constraints mean Reserve Management Plans or Activity/Asset Management Plans have not been completed. Targeted in 2012-22 Long Term Plan	100%
The Gardens maintain status as 'Garden of Significance' (assessed every 3 years by New Zealand Gardens' Trust)	Achieved: NZGT endorsement maintained. Notification received 2 February 2012	Maintain endorsement by the NZGT as a "Garden of Significance"
Number of trees in urban areas	Three street trees removed in Dart, Teviot and Balmoral Streets. These are to be replaced in Winter 2012. One heritage tree removed on Reid Street and will not be replaced due to inappropriate site	No reduction in number of trees in urban areas
Sufficient length of walking/biking tracks provided for recreational enjoyment	Estimated to be 22km walking/cycling tracks in the Waitaki District Improving asset data over next two years will increase accuracy	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 and believe there is capacity for the next four years in Oamaru. Assessment of rural Cemetery capacity planned for 2012/13	Review of cemetery capacity completed
Funeral Directors' satisfaction with the quality of service for the District's cemeteries	Achieved: 100% (two providers) as measured by telephone survey in September 2011	> 90%
Number and location of public toilets	Achieved: Public toilets are provided in Central Oamaru at major sporting venues and in all townships of population greater than 300	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	Achieved: 2012 Residents' Survey recorded: of the 67% of residents who used the public toilets in the past 12 months, 78% were either 'satisfied' or 'very satisfied' (68% in 2011)	≥ 70% user satisfaction with the quality of the District's public toilets
User satisfaction with the quality of the Waitaki Lakes camp grounds	User satisfaction was not measured in 2011/12. An on-line satisfaction survey will be undertaken 2013/14	User satisfaction with the quality of the Waitaki Lakes Camp Grounds - >70%

# Parks and Recreation

## Sports and Recreation - What we did

- Sport New Zealand confirmed \$90,000 funding over three years to facilitate a 'sports partnership' aimed at improving sports and clubs' sustainability
- Re-leveled three fields at Whitestone Contracting Centennial Park
- Installed new play equipment at Otematata (All-Terrain Vehicle), Public Gardens (Ladybug and Bee)
- Worked with Community groups in Kurow, Otematata and Palmerston to develop youth play opportunities
- Provided a venue for Golden Oldies Rugby tournament
- Provided a venue for Feelers Concert
- Replaced soft fall at Otematata (Matting), Kurow (Bark), Kakanui (Matting), Roberts Park (Matting), Public Gardens (Bark, Matting), Glen Dale (Matting)
- Advice on Friendly Bay playground provided

## Sports and Recreation - How we performed

Sports and Recreation Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Proportion of playgrounds compliant with NZ Safety Standards	Achieved: 55% Compliance as audited May 2012	50%
Number of events called off due to sports grounds being unsafe	Achieved: No events called off due to sports grounds being unsafe	No events called off due to sports grounds being unsafe
Proportion of Communities >250 residents have playgrounds	Achieved: 100%	100%
Proportion of Oamaru residents within 500m of a playground (includes school facilities)	Did not meet measure in North Oamaru	70%
Number of sporting events hosted	Achieved: National: 4 x Heartland games 1 x Heartland semi-final 1 x Golden Oldies Tournament  Achieved: Regional: 1 x Hawke Cup Pre-season game 2 x Hawke Cup games	Venue is used for 3 regional and 2 national sporting events

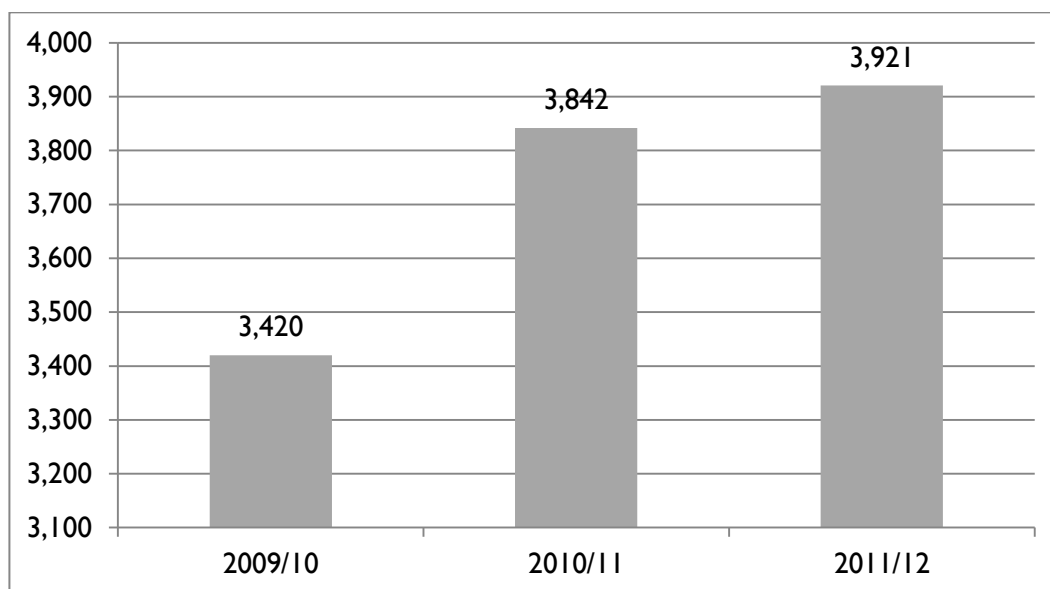
# Parks and Recreation

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## Aquatic Centre - What we did

- Style and Stroke swim school numbers (including swim-squad) continues to grow – up to 3,921 from 3,842 in previous year
- 147,808 cumulative users of the Aquatic Centre
- Ran holiday and survival skills programmes
- Improved pool water quality
- Reviewed employment contracts to comply with Employment Act
- Developed Health and Safety plan and updated Hazard Registers
- Achieved 'quality swim school' status from Swimming New Zealand
- Achieved 'poolsafe' accreditation
- Surveyed clients to improve our product

**Graph 4: Waitaki Aquatic Centre Swim & Style School Attendances**

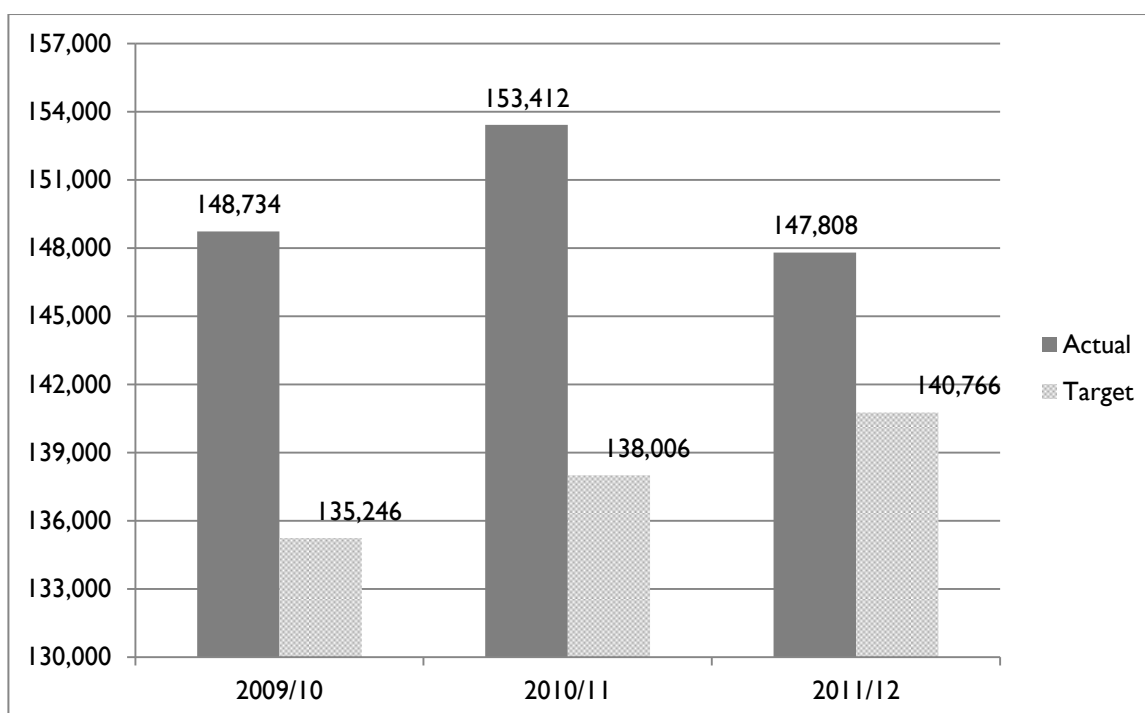


# Parks and Recreation

## Aquatic Centre - How we performed

Aquatic Centre Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Aquatic Centre: Annual usage level	Achieved: 147,808 cumulative visits to the Aquatic Centre	140,766 target 2011/12
Aquatic Centre: User/visitor satisfaction	Achieved: 2012 Residents' Survey noted 92% of respondents who had visited the Aquatic Centre in the past 12 months were 'satisfied' or 'very satisfied' (58% in 2011)	85% user/visitor satisfaction with the Aquatic Centre
The Waitaki Aquatic Centre is appropriate for its intended use, and healthy and safe for users and staff	Achieved: Waitaki Aquatic Centre retained accreditation in March 2012	Obtain National Accreditation

**Graph 5: Waitaki Aquatic Centre Attendances**





# Parks and Recreation

	2011/12 Actual \$(000)	2011/12 Budget \$(000)	2010/11 Actual \$(000)
<b>Operating Expenditure</b>			
Gardens and Green Spaces	2,618	2,691	2,421
Sports and Recreation	743	876	724
Aquatic Centre	1,358	1,202	1,314
<b>Total Operating Expenditure (Note 1)</b>	<b>4,718</b>	<b>4,769</b>	<b>4,459</b>
<b>Operating Revenue</b>			
Gardens and Green Spaces	145	116	104
Sports and Recreation	213	184	161
Aquatic Centre	536	525	542
<b>Activity Revenue</b>	<b>894</b>	<b>825</b>	<b>807</b>
General Rates	327	326	294
District Services Rates	211	221	179
Uniform Annual General Charges	539	538	485
Ward Rates	2,280	2,186	2,146
Separate Activity Rates	395	410	307
<b>Rates Revenue</b>	<b>3,752</b>	<b>3,681</b>	<b>3,411</b>
<b>Total Operating Revenue</b>	<b>4,646</b>	<b>4,506</b>	<b>4,218</b>
<b>Net Surplus (Deficit)</b>	<b>(72)</b>	<b>(263)</b>	<b>(241)</b>
Adjust for Depreciation Not Funded	345	371	345
<b>Net "Funded" Surplus (Deficit) available for capital payments</b>	<b>273</b>	<b>108</b>	<b>104</b>
<b>Capital and Reserves Funding Requirements</b>			
<b>New Capital</b>			
Gardens and Green Spaces	261	97	71
Sports and Recreation	128	390	74
Aquatic Centre	1	10	25
	<b>389</b>	<b>497</b>	<b>170</b>
<b>Renewals</b>			
Gardens and Green Spaces	150	50	-
Sports and Recreation	42	-	6
Aquatic Centre	14	45	-
	<b>206</b>	<b>95</b>	<b>6</b>
Loan Repayments	-	-	-
Transfers to Reserves	261	113	125
	<b>857</b>	<b>705</b>	<b>301</b>
<b>Movements in Capital and Reserves Funded By:</b>			
Operating "Cash" Surplus (Deficit)	273	108	104
Transfer from Reserves	370	552	190
Renewal Funding From Depreciation Reserves	214	45	7
	<b>857</b>	<b>705</b>	<b>301</b>
Note (1) - Operating Expenditure includes:			
Depreciation	748	631	761
External Interest	-	-	-
Internal Interest	38	75	46

# Parks and Recreation

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## Financial Commentary

- (a) **Garden and Green Spaces and Sports and Recreation - Operating**  
Savings and efficiencies identified during the year helped control costs overall. A number of discretionary items were also put on hold or cancelled for the year in response to Council's financial position.
- (b) **Aquatic Centre - Operating**  
Although the operating costs were well over budget they were closer to the actual costs incurred in 2010/11. This reflects in part the time lag between setting budgets and the actual conditions faced. A number of operating costs were higher including power, insurance and depreciation, the last being a reflection of the property revaluation that took place at the start of the 2010/11 year.
- (c) **Garden and Green Spaces - New Capital and Renewals**  
There were two significant projects in the Gardens and Green Spaces area. The first was the construction of a new toilet in the Oamaru Gardens. Once this was completed it allowed the closure of two outdated toilets blocks in the Gardens. The second was the reopening of the bridge that allowed access to the top end of the Gardens near the former croquet green. Both projects were approved and budgeted for in prior periods but completed this year.
- (d) **Sports and Recreation - New Capital**  
There were two major projects budgeted for in 2011/12. The first was a project to irrigate the Centennial Park sportsfields with untreated rather than treated water. This project was cancelled after further investigation showed there would be little benefit in terms of improved performance or cost reductions. The second project undertaken was re-leveling some of the fields.
- (f) **Aquatic Centre - New Capital and Renewals**  
No major renewals were required in the current year. Work instead took place when the Centre was closed during July 2012.

# Arts, Heritage and Community

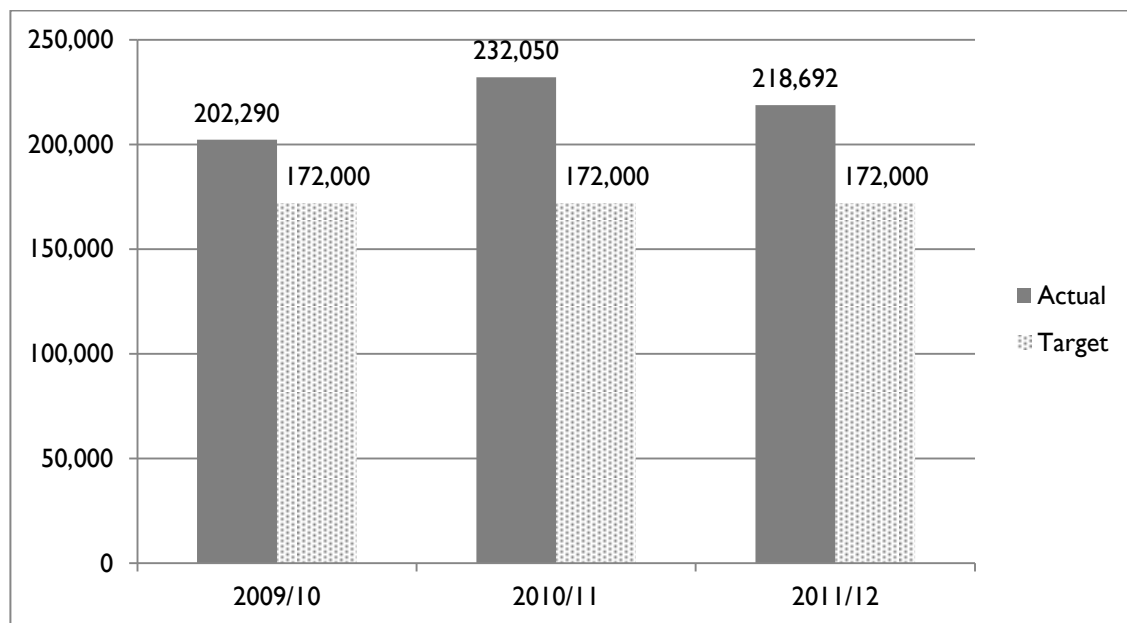


The Arts, Heritage and Community group of activities includes:

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

## Waitaki District Community Facilities

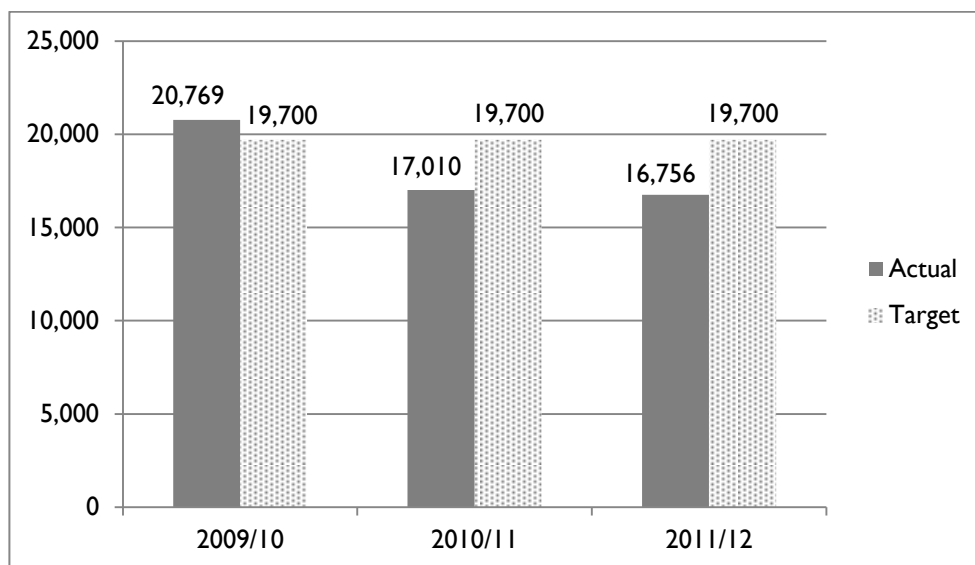
**Graph 6: Oamaru & Palmerston Libraries Visitors**



The total number of visitors to Oamaru and Palmerston libraries was 218,692 in 2011/12, a decrease of 6% on the previous year (232,050). This is in line with National trends, and corresponded with an increase in visitors to the Library's on-line service.

# Arts, Heritage and Community

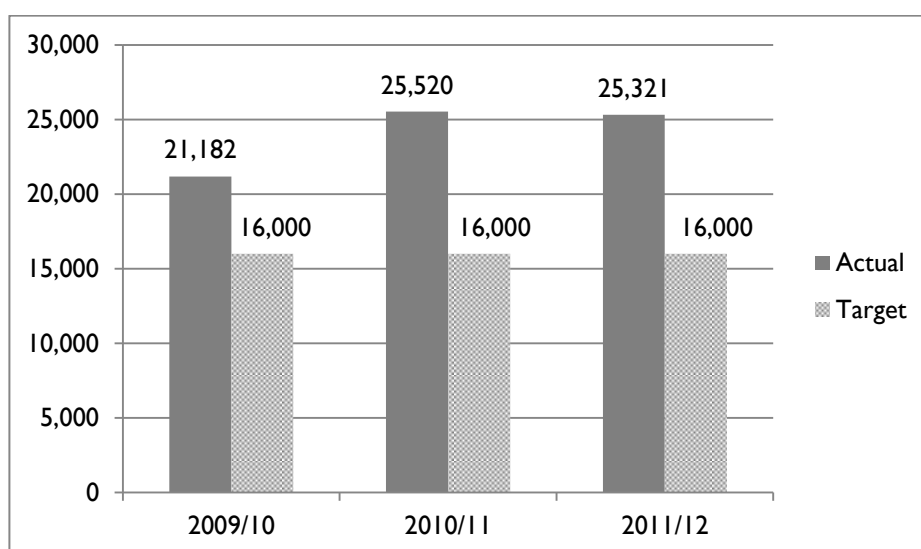
**Graph 7: North Otago Museum Visitors**



**North Otago Museum** hosted 16,756 visitors in the past year, a decrease of 1.5% on the previous year (note: the door counter was replaced in Q1 which impacted negatively on readings for the year as there was no door count for several days). Archives were accessed by 1,445 people. Twenty-one education groups visited comprising 789 students. The Residents' Survey 2012 showed of the 28% of residents who had visited the Museum 86% were 'satisfied or 'very satisfied' compared with 80% in 2011.

The Museum held a number of exhibitions throughout the year including 'Steampunk: Fabulous Fashions, Original Inspirations' and 'Veritas: St Patrick's Dominican College Teschemakers 1912- 1977'.

**Graph 8: Forrester Gallery Visitors**



**Forrester Gallery** hosted many events in conjunction with exhibitions. These included: *Echoes Sue McLean's* embroidery, *ArtyFacts* recent work by Burns Pollock, Steampunk once again attracted high visitation while the major Te Papa - toured exhibition *Rita Angus – selected works* and the three Garden themed exhibitions including the collection based *The Garden as Muse* proved popular over the summer period. The Christchurch earthquake themed exhibitions *SPAN*, *Home is where the Heart is* and *Out of Order* addressed the issue of built heritage and social change while on a lighter note the touring Margaret Mahy exhibitions *The Making of the Word Witch* provided a wonderful opportunity for a shared Gallery/Library schools outreach.

# Arts, Heritage and Community

**Forrester Gallery:** 25,321 visited the gallery during 2011/12 (against a target of 16,000), viewed 25 exhibitions and participated in 13 events including openings and floor talks. The 2012 Residents' Survey showed that of the 48% of residents who had visited the Gallery, 97% were 'satisfied' or 'very satisfied'.

**Oamaru Opera House** presented a diverse range of cultural, commercial and community events spanning theatre, conferences, meetings and social engagements. The facility had good patronage and received very positive feedback from users. The 2012 Residents' Survey noted of the 58% of residents who had visited the Opera House 96% were either 'satisfied' or 'very satisfied' with the venue.

The Christchurch earthquakes have had a substantial impact on the Oamaru Opera House. In the absence of Christchurch venues the South Island touring network has suffered from having no 'anchor' city. Two pre-booked entertainment tours that included Oamaru were cancelled and there has been a general reduction in the number of new tours including the South Island since February. Conference and meeting business has also suffered markedly with clients citing impacts from earthquakes as factors in postponing or cancelling.

## Oamaru Opera House – What we did

- Opera House Entertainment Patrons: 10,264
- Ticketed Shows: 35

## Tickets sales:

- Oamaru Opera House: \$400,000
- Other Oamaru venues: \$16,433

## M.I.C.E (Meetings, Incentives, Conferences, Events)

M.I.C.E. Hires by contract (not days)					
Weddings	1	Cocktail Function	6	Fashion Parade	1
Training	21	Conference	4	Banquet	3
Tour	4	Meeting Public	36	Ethnic/Cultural	2
Religious	-	Meeting Private	128	Exhibition	3
Prize giving	3	Dance	7		
Pre/Post Event Cocktail	1	Job Interview	4		

## Opera House – How we performed

Opera House Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Community satisfaction with venue	Residents' Survey 2012 noted of the 58% residents who visited the Opera House in the past 12 months, 96% were 'satisfied' or 'very satisfied' with the venue (94% in 2011)	75% Satisfied
Volunteer support	Not measured as part of 2011/12 Annual Report. Will be measured in 2012/13 Annual Report	75% Satisfied
Providing entertainment, performing arts, and public spaces that meet the needs of the community	10,264 entertainment patrons in 2011/12 compared with 12,275 entertainment patrons in 2010/11	Establish benchmark over three years
Providing facilities that meet the needs of community and commerce	Entertainment Hires: 35 performances Community meetings: 99 meetings Banquets: 3 banquets Conferences: 4 Meetings: 164 Total events for year = 346	Year One 50* Year Two 70* Year Three 100* *(Events as defined by EVANZ [Events and Venues Association of NZ])

# Arts, Heritage and Community

## Forrester Gallery – What we did

- Wonderful response to (and record breaking sales of artwork from) the Burns Pollock exhibition Artyfacts
- The appointment of Alice Lake-Hammond to the position of Exhibitions' Curator
- Progressing the photographic documentation of the Wheeler drawings and architectural drawings
- Successful Gallery/Library collaboration in the delivery of schools outreach programme as part of the Word Witch exhibition
- Securing three related exhibitions and staging of artist floor talks documenting social consequences of and changes to build heritage in the aftermath of the Christchurch earthquakes
- Curation and installation of exhibitions
- Steampunk street party and 752 visitors recorded on the opening day of the exhibition
- Exhibition highlights include: Sue McLean's 'Echoes', 'Rita Angus, selected works', 'The Garden as Muse' and 'Rendering in Essence'
- Stunning lectern featuring a graphic unique to the Forrester Gallery was commissioned for exhibition openings and floor talk use

## Forrester Gallery – How we performed

Gallery Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Gallery: Annual usage levels	Achieved: 25,321 visits. (25,520 visits for 2010/11). Target exceeded	16,000
Gallery: Visitor satisfaction	Achieved: Residents' Survey 2012 recorded: of the 48% of respondents who visited the Gallery in the past 12 months, 97% are 'satisfied' or 'very satisfied' (92% in 2011)	≥ 90%
Gallery is accessible to users	Achieved: Only street level spaces are accessible to people with physical disabilities	Street level spaces accessible to people with physical disabilities
Gallery is actively used for schools	Achieved: Whole of year school visits for 2011/12 were 43, total student numbers 1,330 2010/11 were 25 school visits, total student numbers 1,068	Maintain number of school visits
Number of volunteers contributed to Gallery Operations	Achieved: 50 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

# Arts, Heritage and Community

## North Otago Museum- What we did

- Photo relocation project completed within budget
- Appointment of Registrar for one year, working on clearing acquisitions backlog and rationalising object collection
- Continued partner in the South Canterbury Museum LEOTC Schools programme
- Two public programme activities supported – ANZAC Day and International Museum Day
- Attended Museum's Aotearoa Wellington conference

### Exhibitions

- Steampunk: Fabulous Fashions, Original Inspirations
- Veritas: St Patrick's Dominican College Teschemakers 1912-1977
- Lanes Emulsion

### Education

- Twenty-one education groups visited with 789 students

### Oral History Projects

- Tim Nichols, Warwick Smith, Burns Pollock, Richard McWha, Jim Caldwell

## North Otago Museum – How we performed

Museum Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Museum: Annual usage levels	Achieved: 16,756 visits (17,010 in 2010/11) Archive users 1,445 (3,036 in 2010/11)	Maintain current visitor numbers prior to redevelopment
Museum: Visitor satisfaction. Survey of comments of Archive Use Register, Visitor Book	Achieved: Residents' Survey 2012 recorded 28% of those who used or visited the North Otago Museum in the past 12 months 86% are 'satisfied' or 'very satisfied' (80% in 2011)	≥ 85%
Retain existing level of volunteer assistance at the Museum	Achieved: 2011/12: 2,437 volunteer hours, 12.5% increase on previous year (2010/11: 2,165 volunteer hours)	Maintain current number of volunteer hours
Archive Storage complies with the Mandatory Archive Standard (2007)	Not achieved: Archive storage does not comply with the Mandatory Archive Standard (2007) Areas of Non-compliance: <ul style="list-style-type: none"> <li>• Records are stored using appropriate packaging and shelving or storage equipment. Area of major concern are rolled Maps and Plans, Photographs (especially negatives), Bound Volumes and loose archive material in archive boxes</li> <li>• Records are stored in environmental conditions which will ensure they are preserved for as long as they are required</li> <li>• Storage areas must be protected against internal hazards. Area of major concern is internal water. Council is considering options but no decisions have been made as to how to address these issues</li> <li>• Comprehensive fire protection system and equipment required. Currently the archive has heat but not smoke sensors</li> <li>• Records containing sensitive or classified information including records for Government and stats records not currently being protected to the standard required in the Act</li> </ul>	Archive storage complies with the Mandatory Archive Standard (2007)

# Arts, Heritage and Community

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## Libraries – What we did

- A Community Art Wall was launched and has been very well received by the public as it has transformed very bland walls to a vibrant colourful space as well as offering the Library a source of income as a commission is charged for work sold
- Oamaru Library hosted the annual South Island Library Manager's meeting
- School holiday programmes have been very popular and the Library has started working with the Museum resulting in good numbers of children and parents attending
- Wriggle & Rhyme: active movement for 0-24 month olds is going from strength to strength with up to 50 toddlers and caregivers attending the sessions in the Opera House because of insufficient space in the Library
- Toddler Time attendance has grown steadily, due to the regularity of weekly sessions and Wriggle & Rhyme. Increase in older children attending library activities
- Palmerston Library is now supporting the Oamaru Library with book processing and due to the success, further support by branches is being investigated
- FaceBook continues to be developed and have been great supports for marketing
- Collaboration: The 'Word Witch' exhibition at the Forrester Gallery attracted around 13 classes with the largest group being 120 students, ranging in age from 3 to 18 years. Activities included story reading, character hunt and quizzes. Students participated with enthusiasm and it was wonderful to see some regulars from after-school in the Library. The Library has had several school groups rotated between the Library, Forrester Gallery and the Museum with tours and talks by relevant staff at the facilities
- Heritage: Library, Museum and Archives staff have met several times to establish a protocol for sharing resources. This included an indexing system to allow combined searching of resources and combined clipping of heritage material by Library and Museum staff
- eReaders and eBooks were launched in July and the Library is now renting eReaders and charging for some of the eBook rental fiction. Due to sponsorship from the Friends of the Library, eReaders are now being taken to some of the Rest Homes, loaded with appropriate material, to be used as large print readers
- Website: there is now a Library website that is a portal to information, marketing and access to the Library Management System. The website enables patrons with web capabilities to access their Library accounts to review and search for information, taking some stress from front of house staff



# Arts, Heritage and Community

## Libraries – How we performed

Libraries Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Library: Annual usage levels, Oamaru and Palmerston	Achieved: 218,692 (Palmerston and Oamaru) library visits (a decrease of 6% on last year's visitor count of 232,050). This is in line with National trends, with more on-line visits to the website	172,000 visits per annum
Library: User/visitor satisfaction	Achieved: Residents' Survey 2012 recorded that of the 64% of respondents who visited the District Libraries in the past 12 months, 93% of visitors are 'satisfied' or 'very satisfied' (93% in 2011)	92%
Issues borrowed per capita	Achieved: 12 issues per capita (2011/12); (12.6 issues per capita (2010/11) (based on population of 20,223) Total issues 243,888 (2010/11: 277,034)	12 issues per capita
Percentage of members who borrowed from library within last two years	Achieved: 57% (2010/11: 59%) The Library borrower database is purged annually of members who do not use their cards, so this percentage is not exact	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	Not achieved: 99.8% (2010/11: 99.8%) Palmerston Library closed for one day due to the snow	100%
Number of items available at no cost as a % of total collection	Achieved: 96.6% (2010/11: 96%)	95% lending items are free

# Arts, Heritage and Community

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## Community Development– What we did

### Youth Council

- Mrs Helen Algar and one Youth Council representative attended the 'Youth In Local Government' Conference held in Invercargill from 18-20 April 2012
- Youth Council were successful in gaining funding of \$2,951.00 from Youthtown to enable them to sponsor the 'Amazing Race' in Oamaru during May 2012
- Youth Councillors assisted with Youth Week that ran from 19-27 May 2012
- A submission was made to Council on behalf of Youth Council to the 2012-22 Long Term Plan. Issues raised were: Community Safety and Development, Waitaki Recreation Centre and Harbour and Historic Precinct

### Waitaki Alcohol Harm Reduction project

- The Youth Coalition was formed during the reporting period. This is a group of community stakeholders working towards bringing young people and key members of the community together to explore the risks of alcohol and drug related harm through a mix of activities, events and workshops and forum

### Community Safety

- Waitaki Guardians street patrols continue with the Guardians consistently reporting a lessening of anti-social behaviour in the Central Business District
- A Central Business District Perception of Crime Survey was undertaken during the reporting period. The Survey showed 33% of respondents considered the Waitaki Guardians is a very effective deterrent and 55% considered the Waitaki Guardians an effective deterrent to crime and anti-social behaviour in the Central Business District
- A Community Perception of Safety survey was undertaken as part of the Safer Waitaki Project during the reporting period. This survey was voluntary and had 90 respondents with 80 answering as individuals and 10 on behalf of groups or organisations. Findings were that the most common problems reported related to property damage and anti-social behaviour. This is consistent with Police data of reported crimes
- Temporary liquor bans were in place in Otematata during Christmas and Labour Weekend 2011 and 2012 Easter periods. In addition a temporary ban was in place in Omarama during the Christmas 2011 Rodeo. Feedback from the Ahuriri Community Board indicated that these bans were successful
- The Community Safety role was reviewed and the Road Safety resource now resides within roading. The Road Safety Co-ordinator and the Community Safety & Development Facilitator work closely on shared projects

# Arts, Heritage and Community

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## Community Development– How we performed

Community Development Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Community grants accountability	Achieved: 36 successful applicants (94%) returned their accountability forms within 12 months (2010/11: 33 successful applicants (97%))	90% of successful applicants return their accountability forms within the agreed period
Resident perception of safety	Achieved: Residents' Survey 2012 recorded 93% of residents are 'satisfied' or 'very satisfied' that the Waitaki District is generally a safe place to be (96% in 2010/11)	90% of residents perceive the District to be generally a safe place to live

## Community Buildings – What we did

- Renovated Community Housing Units in Swale Street (1), Usk Street (1), College Street (3), Palmerston (4)
- Completed bathroom upgrades at Community Housing units in Swale Street, Palmerston (1) and College Street (1)
- Completed kitchen upgrade at Community Housing units in College Street (2), Palmerston (1) and Swale Street (1)

# Arts, Heritage and Community

## Community Buildings – How we performed

Community Buildings Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Community housing occupancy rates	Achieved: Actual occupancy as at 30 Jun 2012 is 94% (2010/11: 96%) Oamaru/Hampden have 100% occupancy Currently difficult to rent unrenovated Palmerston units.	90%
Community buildings annual building 'warrant of fitness'	Achieved: All operational buildings have warrant of fitness All community buildings have fire evacuation procedures (100% target achieved for 2010/11)	100% receive warrant of fitness (1 August each year) 100% have fire evacuation procedures in place
Tenancy of units consistent with policy	Achieved: 94% (2010/11: 86%)	80% of tenants meet Tenancy Policy criteria
Community Housing funding	Not achieved: Insurance surge resulted in only 75% of operating costs being met (2010/11: 100%)	100%
Affordable housing policy	Not achieved: Average rental 24% of gross income in 2011/12 (2010/11: 27%) Increase in rent amount to take effect from 1 July 2012 in order to comply with policy	Average rental set at between 25% and 30% of gross income based on national superannuation
Tenants Welfare and Safety	Quarterly visits by Age Concern completed  All units inspected for maintenance issues	100% of tenants visited by welfare partner (contracted to Age Concern) Units inspected for maintenance issues

## Operational Buildings

Community Buildings Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Operational buildings – Increased level of energy efficiency for operational buildings	Achieved: Progressively replacing existing lighting with energy efficient lights in all Operational Buildings. Installing sensors where practicable	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

	2011/12 Actual \$(000)	2011/12 Budget \$(000)	2010/11 Actual \$(000)
<b>Operating Expenditure</b>			
Forrester Gallery	441	409	384
Museum	450	503	431
Libraries	1,178	1,117	1,112
Community Development and Grants	548	559	562
Opera House	941	1,165	893
Community Buildings	1,187	623	1,044
<b>Total Operating Expenditure (Note 1)</b>	<b>4,745</b>	<b>4,376</b>	<b>4,426</b>
<b>Operating Revenue</b>			
Forrester Gallery	103	48	59
Museum	39	45	32
Libraries	71	62	73
Community Development and Grants	251	235	205
Opera House	254	345	252
Community Buildings	417	381	523
<b>Activity Revenue</b>	<b>1,134</b>	<b>1,116</b>	<b>1,144</b>
General Rates	96	94	43
District Services Rates	118	116	116
Uniform Annual General Charges	130	128	132
Ward Rates	2,300	2,442	2,181
Separate Activity Rates	403	419	367
<b>Rates Revenue</b>	<b>3,048</b>	<b>3,199</b>	<b>2,839</b>
<b>Total Operating Revenue</b>	<b>4,182</b>	<b>4,315</b>	<b>3,983</b>
<b>Net Surplus (Deficit)</b>	<b>(563)</b>	<b>(61)</b>	<b>(443)</b>
Adjust for Depreciation Not Funded	136	118	149
<b>Net "Funded" Surplus (Deficit) available for capital payments</b>	<b>(426)</b>	<b>57</b>	<b>(294)</b>
<b>Capital and Reserves Funding Requirements</b>			
<b>New Capital</b>			
Forrester Gallery	8	5	30
Museum	12	-	1
Libraries	-	5	118
Opera House	15	5	29
Community Buildings	13	15	186
	<b>47</b>	<b>30</b>	<b>364</b>
<b>Renewals</b>			
Forrester Gallery	1	-	-
Museum	-	-	2
Libraries	118	105	11
Community Development and Grants	-	-	220
Opera House	9	-	-
Community Buildings	328	147	-
	<b>456</b>	<b>252</b>	<b>233</b>
Loan Repayments	3	3	3
Transfers to Reserves	218	152	160
	<b>724</b>	<b>437</b>	<b>760</b>
<b>Movements in Capital and Reserves Funded By:</b>			
Operating "Cash" Surplus (Deficit)	(426)	57	(294)
Capital Sales	4	-	2
Loans Raised	-	-	-
Transfer from Reserves	627	138	524
Renewal Funding From Depreciation Reserves	520	242	528
	<b>724</b>	<b>437</b>	<b>760</b>
<b>Note (1) - Operating Expenditure includes:</b>			
Depreciation	1,057	989	1,058
External Interest	0	-	-
Internal Interest	19	37	22

# Arts, Heritage and Community

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## Financial Commentary

(a) **Forrester Gallery - Operating**

The major variances during the year were created by a successful programme to exhibit and sell works of art. This impacted on both revenue and expenditure as the full sale price and artists costs were recognised. This resulted in a net income to the Gallery.

(b) **Museum – Operating**

The Museum had a staff vacancy during the year that was not filled. This led to a significant saving on salaries that was not offset by wage and other payments.

(c) **Libraries – Operating**

During the year the library introduced a new library management system. This caused an increase in staff costs as the system conversion, transfer of data and training took place.

(d) **Oamaru Opera House - Operating**

The Canterbury earthquakes had an impact on the number of touring shows that visited the South Island. It also had an impact on the South Island conference and meeting market. These had an impact on both revenue and expenditure. As one of Council's more valuable buildings, the Opera House also experienced increased insurance costs. These combine to have a negative effect on the net result.

(e) **Community Buildings**

This area was impacted by the increase in insurance costs with much of the increase impacting this area.

(e) **Museum - Capital Expenditure**

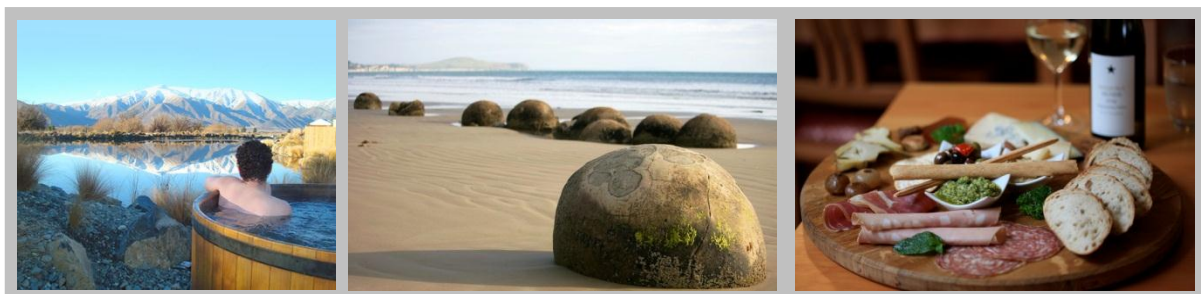
This was to undertake a project budgeted for in a prior period.

(f) **Community Buildings - Capital (including renewals)**

The main area of expenditure was Community Housing. As with 2010/11, various projects were undertaken to renew some of the units. This was not specifically budgeted for as it was to be funded from depreciation and is undertaken as required or as vacancies allow. This is in accordance with Council policy.

The other major area of expenditure was operational properties. The spending here included work on the Council Headquarters building lift.

# Economic Development



Delivery of Economic Development is substantially through the Waitaki Development Board. This work has focused on four areas:

- Agribusiness
- Business attraction
- Business retention
- Sourcing outside funding

There was a reduction in economic development activity undertaken by the Board over the last the year, as work progressed on the Alps2Ocean Joint Committee in conjunction with Waitaki and Mackenzie District Councils. Both Councils view Alps2Ocean as a key driver of tourism and economic development in the future.

## Tourism

While the current environment is still challenging for tourism in the South Island and New Zealand there was some benefit as a result of the Rugby World Cup (RWC) in regions and cities with games. The REAL festival held in support of the RWC at Oamaru was a success that enhanced the community's enjoyment of the games as we became part of a 'stadium of 4 million' and saw greater tourism traffic visit the town. Tourism statistics provided by the Tourism Industry Association identified the continued fallout from the Christchurch earthquakes and the global financial crisis (especially from Australia – our largest International market). However, Waitaki has been holding its own in regards to visitor room nights, increased media exposure and Oamaru finally getting recognition as a unique New Zealand town with some major exposure in general media publications afforded to Steampunk.

The following table presents the performance of the Waitaki District across seven key performance indicators (KPI's) for the latest year, and compared this performance with that of the Otago region and New Zealand.

**Table 1: Waitaki District Key Performance Indicators (KPI's)**

Key Performance Indicators	% change for 2009 year	% pa for 2012 year		
		Waitaki District	Otago Region	New Zealand
Resident Population Growth	0.0	0.5	1.1	1.2
Real Value Added (GDP) Growth	2.4	2.2	0.4	-0.4
GDP per capita growth	2.4	1.7	-0.6	-1.6
Employment growth	5.3	0.3	-0.9	-1.7
Labour productivity growth	-2.9	1.8	1.2	1.1
Business units growth	0.8	-1.2	-1.3	-1.3
Business size growth	4.4	1.5	0.4	-0.3

Source: Business and Economic Research Limited (BERL) Regional Database, Statistics NZ

# Economic Development

**Table 2: Commercial Accommodation Monitor Results (Year ended June 2012 comparisons with previous years)**

	2010	2011	2012	% change 2012 from 2011
<b>Waitaki</b>	317,072	285,343	296,207	+3.8
<b>Marlborough</b>	679,387	658,626	646,249	-1.9
<b>Hurunui</b>	293,198	320,837	348,051	+8.5
<b>Canterbury*</b>	4,053,423	3,504,863	2,862,216	-18.3
<b>Mackenzie</b>	429,011	476,085	426,281	-10.5
<b>Timaru</b>	254,493	248,817	280,394	+12.7
<b>Wanaka</b>	592,071	637,114	680,603	+6.8
<b>Central Otago</b>	312,732	281,171	302,765	+7.7
<b>Queenstown</b>	2,463,496	2,440,810	2,471,971	+1.3
<b>Dunedin</b>	858,876	833,792	841,861	+1.0
<b>SOUTH ISLAND</b>	13,685,386	12,945,145	12,325,679	-4.8

\*Canterbury (excludes Hurunui, Mackenzie and Timaru)

## Marketing Activity

- The key marketing tool remains the [www.visitoamaru.co.nz](http://www.visitoamaru.co.nz) website which has seen increased traffic from both the domestic and international markets over the last year. Seasonal hits are expected and the reporting highlights the mix of visitors to the site. The Events section of the site is a great example of measuring interest when a major event is planned within the District e.g. Oamaru on Fire
- An improved 2012 Official Visitor Guide, District and Oamaru maps were produced, printed and distributed to local operators, all New Zealand i-SITE's, Tourism New Zealand and key international operators. The Historic Oamaru and Waitaki District brochure was updated, reprinted and circulated
- A generic Steampunk rack card was created for visitors
- Facebook and Twitter contacts and usage has increased dramatically gaining a wider audience to market to
- Tourism Waitaki has explored working with various digital mediums to gain additional marketing at limited cost
- Tourism Waitaki contributed to the Oamaru Mail Waitaki supplement, not only financially but with copy and images along with two pages dedicated to the RWC REAL Festival

## Conference and Incentive Markets

- The Event Development Officer has been involved with several out of District corporate groups looking to secure their conference in Oamaru. A tender process was worked through which included marketing the attractions within the District while delegates are here. As conferences are often organised well in advance there are some opportunities currently in the pipeline

The Tourism Waitaki performance measures of regional promotion, branding collateral, assistance with product development, developing new strategic partnerships, trade initiatives, strong Waitaki Tourism Association and creating a positive attitude have all been achieved.



# Economic Development

Economic Development Service Levels		
Performance Measures	Achievements 2011/12	Targets 2009-12
Regional promotion	Guest nights are up by 3.8% Year ending June 2011 down 10%	Increase in visitor numbers to district
Branding collateral	Printed and distributed Official Visitor Guide (OVG), Oamaru and Waitaki District maps highlighting scenic touring routes between Ohau and Palmerston Clearer Oamaru map showing alternatives to utilising State Highway One Added Events section and driving instructions to OVG Digital media opportunities explored and working closely with various apps which do not cost us anything – working towards a digital future Website and social media are clear focus for call to action with consistent branding and messaging	Increased brand/destination awareness
Assist with product development	Alps2Ocean cycle trail receipted \$80,000 funding Planning for commercial aspects of the Alps2Ocean Events assistance and planning include RWC REAL Festival, Oamaru Farmers Market, Harbourside Christmas Party/Twilight Farmers Market, Oamaru Market Day, Wine & Food Festival, Oamaru Car Show, Oamaru Harbour Regatta and Oamaru on Fire On-going guidance for Steampunk HQ and OWCT operators	Develop new tourism ventures
Develop new strategic partnerships	New trade contacts established Partnerships with other RTO's and Tourism NZ maintained Initial work with Christchurch International Airport Ltd brand, 'South' created, targeting initially the Asia markets	New contacts established and maintained
Trade initiatives	Regional approach to all trade covering all tourism products including TRENZ (Tourism Rendezvous New Zealand)	Improved product awareness
Strong Waitaki Tourism Association	Waitaki Tourism Association membership decreased from 86 to 80 Maintained a strong working relationship	Increased membership
Create a positive attitude	Over 330 media articles published including many high profile magazines e.g. AA Directions, Cuisine and Christchurch based Avenues Magazine TV exposure in New Zealand and Malaysia	Regular positive media articles published
Visitors to Oamaru Blue Penguin Colony (OBPC)	Achieved: Total number of visitors to the OBPC 2011/12: 65,529 (2010/11: 71,628)	42,000 visitors annually to the OBPC by 2012
90 day bill rate exceeded in each quarter	Achieved in commercial investments. Achieved all four quarters for the year in cash investments	Exceed the average 90 day bill rate for commercial and cash investments

## Year End Highlights

For the year ended June 2012 compared with the previous year:

- Guest nights up 3.8% to 296,206
- International guest nights down 4% to 77,081
- Domestic guest nights up 6.9% to 219,125
- Average length of stay up from 1.5 nights to 1.59 nights
- Overall occupancy rate down from 12.9% to 12.1%
- Accommodation capacity, excluding holiday parks, up 2.5%

# Economic Development

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## Trade

- Tourism Waitaki was actively involved with trade shows including a successful TRENZ, Tourism New Zealand – Australia Market Insights, RTONZ/ITOC inbound tour operator training and a sales call to Australia's largest wholesalers – ANZCRO
- South Island i-SITE sales calls
- Hosting of Tourism New Zealand international wholesale famils
- South Island touring routes including two through the Waitaki promoted in conjunction with Tourism New Zealand in Australia

## Media/PR

- Strong focus on continuing the momentum of media articles both within New Zealand and abroad. Hosted many media including writers in New Zealand as part of the Society of American Travel Writers, Malaysian TV celebrity Chef Wan, Sunday Star Times, New Zealand Herald on Sunday, AA Directions Magazine, Cuisine Magazine and Christchurch's Avenues Magazine
- Television exposure through Malaysian chef, TV One's Close Up programme features 'Steampunk' and 'Oamaru on Fire'
- Approximately 330 media releases were published in the last year

## New Product Development

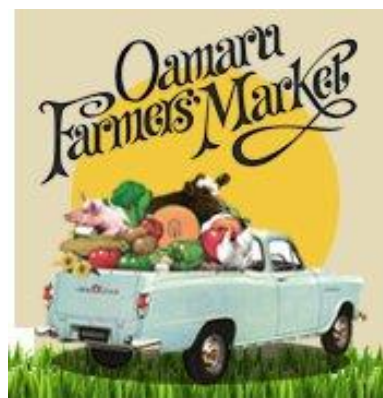
- Tourism Waitaki involvement with the Alps2Ocean Joint Committee and initial Alps2Ocean Business Group planning. This has resulted in generic marketing activity to create awareness and interest in the trail and trade connections. Activity with Alps2Ocean will increase immensely during the 2012/13 year. Finalised the funding and receipted the Otago Community Trust of \$80,000 for the construction between Duntroon and Oamaru
- Oamaru Blue Penguin Colony Stage One development of the new stand and boardwalk received support from the Waitaki Development Board in regards to guidance and budget recommendations
- Assistance and guidance with new products included Annie's Tearooms and Steampunk HQ

## Waitaki District Operators

- Tourism Waitaki worked closely with operators in various capacities. Assistance included a workshop in social media, individual trade and distribution education and advice to improve operators marketing reach
- Waitaki touring route itineraries were created, printed and distributed to the Information Centres and operators who could use them with their visitors to assist with touring the District and ultimately stay longer. This received excellent feedback

## Events

- The Event Development Officer has contributed to the success of a number of events in the District that resulted in better co-ordination between community and tourism
- Key events over the last year included: RWC REAL Festival, Oamaru Farmers Market, Harbourside Christmas Party/Twilight Farmers Market, Oamaru Market Day, Wine & Food Festival, Oamarican Car Show, Oamaru Harbour Regatta and Oamaru on Fire
- The 2012/13 event calendar is filling quickly. The goal is to achieve several events on an annual basis. A future focus will include Alps2Ocean opportunities, more involvement with the Heritage Celebrations and the Oamaru Whitestone Civic Trust and leverage opportunities with Steampunk groups



# Economic Development

	2011/12 Actual \$(000)	2011/12 Budget \$(000)	2010/11 Actual \$(000)
<b>Operating Expenditure</b>			
Tourism Development	662	567	607
Penguin Colony	783	673	873
Economic Development	260	334	351
Property	1,100	991	1,451
Treasury	(545)	(1,068)	(619)
Corporate	33	(40)	(4)
<b>Total Operating Expenditure (Note 1)</b>	<b>2,293</b>	<b>1,457</b>	<b>2,659</b>
<b>Operating Revenue</b>			
Tourism Development	64	-	41
Penguin Colony	855	795	917
Economic Development	-	-	-
Property	406	385	853
Treasury	446	1,174	762
Corporate	74	35	37
<b>Activity Revenue</b>	<b>1,845</b>	<b>2,389</b>	<b>2,610</b>
General Rates	(586)	(586)	(421)
District Services Rates	(307)	(306)	(222)
Uniform Annual General Charges	216	215	165
Ward Rates	151	-	124
Separate Activity Rates	74	57	70
<b>Rates Revenue</b>	<b>(453)</b>	<b>(620)</b>	<b>(284)</b>
<b>Total Operating Revenue</b>	<b>1,392</b>	<b>1,769</b>	<b>2,326</b>
<b>Net Surplus (Deficit)</b>	<b>(900)</b>	<b>312</b>	<b>(333)</b>
Adjust for Depreciation Not Funded	58	107	75
<b>Net "Funded" Surplus (Deficit) available for capital payments</b>	<b>(842)</b>	<b>419</b>	<b>(258)</b>
<b>Capital and Reserves Funding Requirements</b>			
<b>New Capital</b>			
Penguin Colony	291	-	97
Property	17	566	97
Corporate	47	75	177
	<b>355</b>	<b>641</b>	<b>371</b>
<b>Renewals</b>			
Property	64	17	46
Corporate	489	237	777
	<b>553</b>	<b>254</b>	<b>823</b>
Loan Repayments	-	-	-
Transfers to Reserves	1,296	1,011	2,034
	<b>2,204</b>	<b>1,906</b>	<b>3,228</b>
<b>Movements in Capital and Reserves Funded By:</b>			
Operating "Cash" Surplus (Deficit)	(842)	419	(258)
Capital Sales	1,734	746	2,048
Loans Raised	-	-	-
Transfer from Reserves	796	487	738
Renewal Funding From Depreciation Reserves	516	254	700
	<b>2,204</b>	<b>1,906</b>	<b>3,228</b>
Note (1) - Operating Expenditure includes:			
Depreciation	621	667	577
External Interest	3	-	3
Internal Interest	(632)	(1,053)	(672)

# Economic Development

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## Financial Commentary

(a) **Tourism Development – Operating**

The growth in expenditure related to costs incurred in progressing the Alps to Ocean Cycle Trail.

(b) **Economic Development - Operating Expenditure**

Council has continued a review of how it spends in this activity. As more expenditure is now discretionary, spending in any one year depends on the quality of the proposal put forward.

(c) **Property - Operating**

This activity includes the properties that are held for economic rather than social or service delivery reasons. The prior year amounts were distorted by the harvesting of trees on the Glen Warren and Glen Eden areas in Oamaru. Expenditure and revenue returned to more normal levels in the current year.

(d) **Treasury - Operating**

This area primarily reflects the impact of the internal loan / treasury function. Council is required to show the internal treasury costs as a net amount for Council as a whole. To do this requires a "negative" expenditure amount shown in the treasury function. This net amount is lower than budget due to the market based internal interest rate being lower than expected. However, this is also reflected in lower internal interest costs in all of the internal loan activities. Council does have external investment that returned a lower than budgeted amount and this does have an effect on the overall Council result.

A further expense variation was created by lower than expected levels of recovery of some collection actions. Because of this a greater level of debt was written off or a provision made than was budgeted for.

(e) **Oamaru Blue Penguin Colony (OBPC) - New Capital**

The OBPC has started the next development to enhance the Colony experience. This was initially budgeted for in an earlier period.

# Council & Community Boards



The Representation group of activities includes:

- Council
- Ahuriri and Waihemo Community Boards

Council and Community Boards are governance bodies which form 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. Residents’ Surveys and other measures shown 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 local government (Council).” 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

- Much of the Council and Community Board activities undertaken during 2011/12 focused on the preparation, consultation and adoption of Council’s 2012-22 Long Term Plan. Key milestones included:
  - Consideration of 487 submissions on 749 topics on 17, 18 and 22 May 2012
  - Adoption of the Long Term Plan on 26 June 2012

## Council & Community Boards – How we performed

Council and Community Boards Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Business conducted in public sessions	Achieved: 887 items out of 896 items (99%) of Council and Community Board business were considered in public session (97% in 2010/11) No items were considered as urgent general business (none the 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	Not achieved: Residents’ Survey 2012 recorded 46% of residents were ‘satisfied’ or ‘very satisfied’ with the performance of the Mayor and Councillors over the past 12 months (74% in 2011)	60% of residents assess the performance as very good or fairly good

# Council & Community Boards

Council and Community Boards Service Level		
Performance Measures	Achievements 2011/12	Targets 2009-12
Residents' assessment of performance of Community Boards	<p>Achieved:</p> <p>Residents' Survey 2012 recorded 86% of residents are 'satisfied' or 'very satisfied' with the Ahuriri Community Board's performance over the last 12 months</p> <p>Residents' Survey 2012 recorded 66% of residents are 'satisfied' or 'very satisfied' with the Waihemo Community Boards performance over the past 12 months</p> <p>(54% was recorded in 2011 with combined results for Ahuriri and Waihemo Community Boards)</p>	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 the 2012-22 Long Term Plan 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	<p>Achieved:</p> <p>Elections took place on 9 October 2010. Voter turnout was 58% compared with 63% in 2007</p>	55% turnout in triennial elections
Degree of approachability	<p>Achieved:</p> <p>Residents' Survey 2012 recorded 90% of residents would feel comfortable approaching the Mayor and/or Councillors if they had a question or issue (74% in 2011)</p>	60% resident satisfaction with performance of Mayor and Councillors
Audit report on Annual Report	<p>Achieved:</p> <p>The Annual Report received an unmodified audit opinion</p>	Annual Reports receive unmodified audit opinions
% of Annual Plan projects completed	<p>Not achieved:</p> <p>293 projects of which 81 were completed (28%) – see note below table</p>	100%

## Note to project achievement

In practice, using an aggregate measure of project achievement to determine efficiency proved very difficult. Many projects started in 2011/12 but we did not expect to finish all of them within the year. Others started in earlier years and were 'carried forward' into 2011/12 and so were not strictly speaking, 2011/12 projects. Council needs to do more work to refine this measurement so that we can draw accurate conclusions from the data.

# Council & Community Boards

<b>Council and Community Boards</b>			
	2011/12 Actual \$(000)	2011/12 Budget \$(000)	2010/11 Actual \$(000)
<b>Operating Expenditure</b>			
Council	476	310	624
Community Boards	87	209	82
<b>Total Operating Expenditure (Note 1)</b>	<b>563</b>	<b>519</b>	<b>706</b>
<b>Operating Revenue</b>			
Council	28	-	77
Community Boards	-	-	-
<b>Activity Revenue</b>	<b>28</b>	<b>-</b>	<b>77</b>
General Rates	304	201	321
District Services Rates	203	134	214
Uniform Annual General Charges	1	-	-
Ward Rates	211	209	210
Separate Activity Rates	-	-	-
<b>Rates Revenue</b>	<b>718</b>	<b>544</b>	<b>745</b>
<b>Total Operating Revenue</b>	<b>746</b>	<b>544</b>	<b>822</b>
<b>Net Surplus (Deficit)</b>	<b>183</b>	<b>25</b>	<b>116</b>
Adjust for Depreciation Not Funded	-	-	-
<b>Net "Funded" Surplus (Deficit) available for capital payments</b>	<b>183</b>	<b>25</b>	<b>116</b>
<b>Capital and Reserves Funding Requirements</b>			
<b><u>New Capital</u></b>			
Council	-	-	-
Community Boards	-	-	-
<b><u>Renewals</u></b>			
Council	-	-	-
Community Boards	-	-	-
Loan Repayments	-	-	-
Transfers to Reserves	183	25	129
	<b>183</b>	<b>25</b>	<b>129</b>
<b>Movements in Capital and Reserves Funded By:</b>			
Operating "Cash" Surplus (Deficit)	183	25	116
Capital Sales	-	-	-
Loans Raised	-	-	-
Transfer from Reserves	-	-	13
Renewal Funding From Depreciation Reserves	-	-	-
	<b>183</b>	<b>25</b>	<b>129</b>
Note (1) - Operating Expenditure includes:			
Depreciation	-	-	-
External Interest	-	-	-
Internal Interest	-	-	-

# Council & Community Boards

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## Financial Commentary

(a) Corporate - Renewal Expenditure

Spending in the current year reflects the final part of the project to replace most of Council's core information systems with a single, integrated system. This project was originally planned to span two financial years.

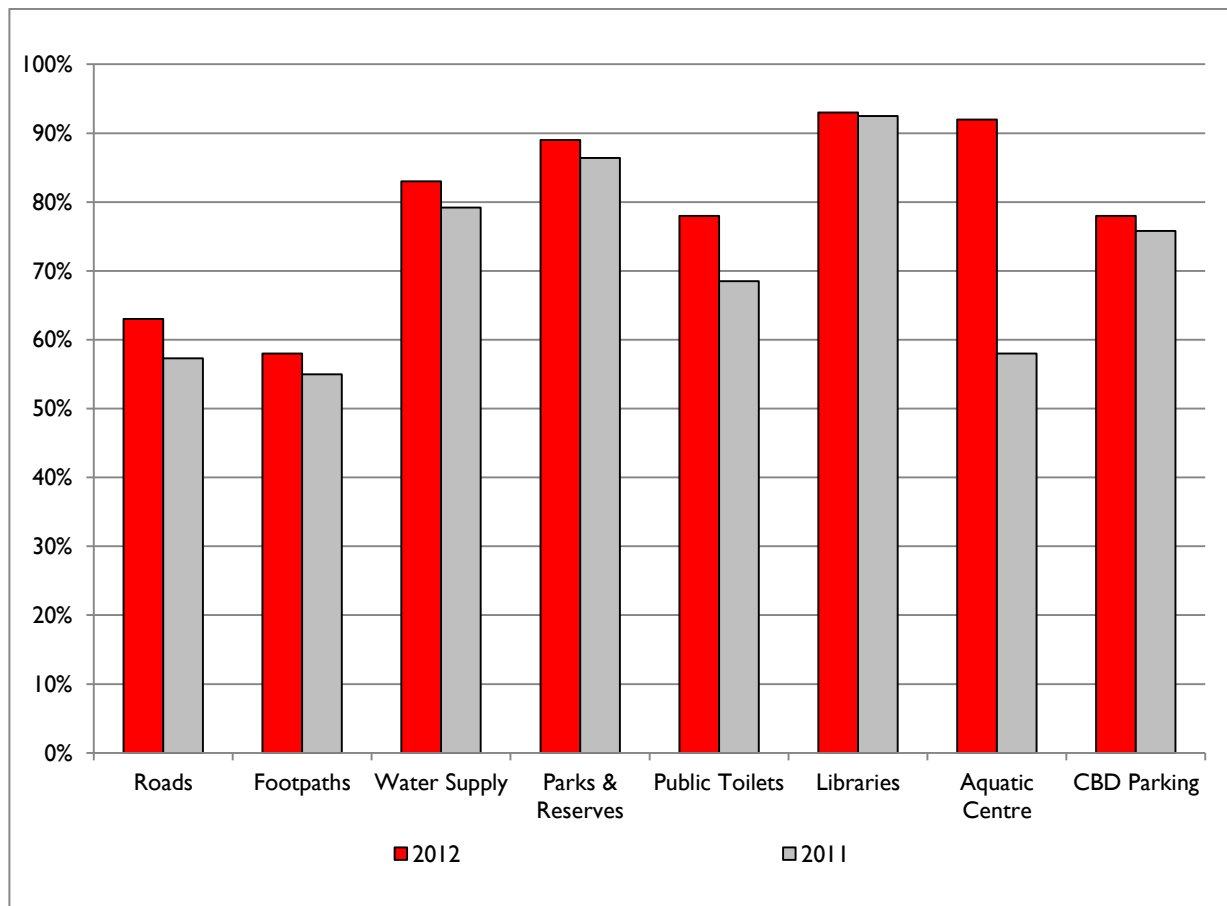
(b) Loans Repaid / Loans Raised

These amounts relate to external loans only. Council expected to repay and then borrow funds to finance its activities. However, due to the timetable for a number of projects being altered, including the OBPC and Gallery Projects, and Council starting in a better cash position than expected, the borrowing was not required at the end of the year.



# Performance Measure Comparisons

**Graph 9: Waitaki Resident Satisfaction with Council Services 2011/12 (per cent)**



Resident satisfaction is gauged through the annual Waitaki District Council Residents' Survey. This graph provides a visual presentation of several performance measurements reported on earlier and compares 2011 with 2012 Pulse Business Solutions Residents' Satisfaction Survey results.

# Notes on Council Activities

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## **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 I of the Waitaki Community Plan 2009-19.

## **Residents Survey 2012**

A number of performance measures and targets refer to the 'Residents Survey' which is Waitaki District Council's Residents Survey, carried out by Pulse Business Solutions in July 2012.

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

The survey provides a snapshot of residents (aged 18 years and over) satisfaction with Council Services and is 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**

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# Council Controlled Organisations (CCO's)

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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 CCO's are particularly diverse in their functions and objectives.

Council promotes and supports economic development and tourism through Waitaki Development Board Ltd, and through its 50% ownership of Omarama Airfield Ltd, supports one of the world's best gliding centres which brings both tourism and revenue to the district.

Council provides on-going support for health services and other important social functions through its ownership of Waitaki District Health Services Ltd.

Whitestone Contracting Ltd provides contracting services to Council in relation to water and other infrastructure and to parks, reserves and the Oamaru Public Gardens.

# Omarama Airfield Limited

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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;
- Competitions and events; and
- Founding club operations.

## Shareholder Expectations

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

- Business activities are conducted in an efficient and effective manner.
- Assets and liabilities are prudently managed.
- Overall performance supports the Shareholders reasons for continued ownership.
- Appropriate decisions are made that enhance the achievement of the Company's long term needs and objectives.
- The Company will act 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 three months of 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 2012
Financial Performance	Operate and provide planned services within budgeted income	Operating income fell by 7.7% mainly due to a reduction in visitor numbers
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 fell significantly due to increased maintenance on the irrigation system
Financial Performance Cont'd	Maintain a ratio of shareholder's funds to total assets >90%	Achieved 94% for 2011/12 (2010/11: 94%)
Financial Performance Cont'd	Update the Company's business plan on an annual basis	Achieved
Social / Community Impact Performance	Measure the economic benefits to Omarama and the Ahuriri community arising from the operation and development of the Airfield	The company has about 20 employees during the "season". The facilities attract about 1,500 visitors annually, most of whom stay locally. Several national and regional events have been hosted.

# Omarama Airfield Limited

Financial Performance	2012 \$000	2011 \$000
<b>Revenues</b>		
Operating Revenue	85	94
Rental Income	17	17
Other Income	5	5
Total Revenue	107	116
<b>Expenditure</b>		
Operating Expenditure	76	64
Audit Fees	8	8
Depreciation	18	20
Directors' Fees	-	-
Total Expenditure	102	92
<b>Net Surplus / (Deficit) Before Taxation</b>	5	24
Provision for Taxation	(3)	7
<b>Net Surplus / (Deficit) for the Year</b>	2	31

Financial Position	2012 \$000	2011 \$000
Shareholders Funds	1,211	1,209
<u>Represented By</u>		
Non-current Assets	1,220	661
Current Assets	68	626
Current Liabilities	(11)	(15)
Non-current Liabilities	(66)	(63)
<u>Net Assets</u>	1,211	1,209

The Company received an unqualified audit report for the year ended 30 June 2012 on 24 September 2011.

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

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Waitaki Development Board Limited was established in December 1996 and is 100% owned by Waitaki District 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 tourism within the District.

## Objectives

The principal objective of Waitaki Development Board Limited is to facilitate the growth of tourism within the District.

Other specific objectives include the attraction of grant funding where applicable; growth of the tourism industry within the District and management of a commercial enterprise i.e. the Oamaru Blue Penguin Colony.

## Shareholder Expectations

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

- 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 two months of the end of each financial year, the Directors must 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 2012
Regional promotion	Increase in visitor numbers to district	Guest nights are up 3.8% Year ending June 2011 was down 10.0%
Branding collateral	Increased brand/destination awareness	Printed and distributed Official Visitor Guide (OVG), Oamaru and Waitaki District maps highlighting scenic touring routes between Ohau and Palmerston. Clearer Oamaru map showing alternatives to utilising State Highway One. Added Events section and driving instructions to OVG. Digital media opportunities explored and working closely with various apps which don't cost us anything. Working towards a digital future. Website and social media are clear focus for call to action with clear consistent branding and messaging
Assist with product development	Develop new tourism ventures	Alps to Ocean cycle trail receipted \$80,000 funding. Planning for commercial aspect of the Alps 2 Ocean. Events assistance and planning include RWC REAL Festival, Oamaru Farmers Market, Harbourside Christmas Party/Twilight Farmers Market, Oamaru Market Day, Wine & Food Festival, Oamaru Car Show, Oamaru Harbour Regatta and Oamaru on Fire. On-going guidance for Steampunk HQ and OWCT operators
Develop new strategic partnerships	New contacts established and maintained	New trade contacts established. Partnerships with other RTO's and Tourism New Zealand maintained. Initial work with Christchurch International Airport Ltd brand – "South" created targeting initially the Asia markets
Trade initiatives	Improved product awareness	Regional approach to all trade covering all tourism products including TRENZ.(Tourism Rendezvous New Zealand)
Strong Waitaki Tourism Association	Increased membership	WTA membership decreased from 86 to 80. Maintained a strong working relationship
Create a positive attitude	Regular positive media articles published	Over 330 media articles published including many high profile magazines e.g. AA Directions, Cuisine and Christchurch based Avenues Magazine. TV exposure in New Zealand and Malaysia

# Waitaki Development Board Limited

Financial Performance	2012 \$000	2011 \$000
<b>Revenues</b>		
Waitaki District Council	842	894
Other Income and Grants	219	205
Total Revenue	1,061	1,099
<b>Expenditure</b>		
Operating Expenditure	970	1,034
Audit Fees	12	12
Depreciation	6	9
Directors' Fees	62	43
Total Expenditure	1,050	1,098
<b>Net Surplus Before Taxation</b>	11	1
Provision for Taxation	23	(5)
<b>Net Deficit After Taxation</b>	34	(4)

Financial Position	2012 \$000	2010 \$000
Shareholder's Funds	84	50
<u>Represented By</u>		
Non Current Assets	28	31
Current Assets	247	170
Current Liabilities	(191)	(151)
<u>Net Assets</u>	84	50

The Company received an unqualified audit report for the year ended 30 June 2012 on 1 October 2012.

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 Waitaki District 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 Waitaki District community.

## Shareholder Expectations

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

- Government responsibility for funding of health services for the Waitaki District is maintained at all times and that no call will be made on Council to fund health services to the Waitaki 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 two months of the end of each financial year, the Directors must 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. *(It is noted that time constraints of the company's auditors may delay timely completion of audits and that any such delays are not within the control of the company).*
- 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 2012
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. 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 and continues to implement and operate quality assurance and accreditation programmes to ensure that these standards continue to be met in future. Compliance is confirmed regularly by independent audits</p> <p>The company has 3 year certification under Health &amp; Disability sector standards, Infection Control Standards, and Restraint &amp; Minimisation Standards. Achieving these standards has enabled certification until 2013</p> <p>Community health forums have been undertaken during the financial year. 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 three times in the last year and minutes record the achievements in health service delivery. The Hospital reports six-monthly and annually to 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 2012
	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 daily basis and as required in partnership and maintaining a close links 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
Efficient and effective management	Operate and provide planned services within budgeted income including services contract income with the Southern District Health Board and income from other contracted sources	Not achieved Net operating surplus before interest revenue, depreciation, taxation expense and GST payment. All planned services were provided Budget (Parent) \$224,036 Actual (Parent) \$ 91,840
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	Not achieved Net surplus / (deficit) after depreciation expense, interest revenue and taxation expense, and before GST payment Budget (Parent) (\$272,202) Actual (Parent) (\$407,813)
Long-term planning	Update the Company's business plan annually	The business plan is updated annually
Service performance	Meet and observe performance targets and service standards required under the Southern District Health Board and 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

<b>Financial Performance (Group)</b>	<b>2012 \$000</b>	<b>2011 \$000</b>
<b>Revenues</b>		
Total Revenue	11,795	11,347
<b>Expenditure</b>		
Operating Expenditure	10,566	10,281
Audit Fees	25	24
Depreciation	675	644
Directors' Fees	91	87
Total Expenditure	11,357	11,036
<b>Net Operating Surplus</b>	438	311
Gain on Property Revaluation	683	1,065
<b>Net Surplus After Taxation</b>	1,121	1,376
<b>Financial Performance (Group)</b>	<b>2012 \$000</b>	<b>2011 \$000</b>
Total Equity	16,413	15,292
<b>Represented By</b>		
Non Current Assets	10,821	10,655
Current Assets	7,623	6,537
Non Current Liabilities	(11)	(10)
Current Liabilities	(2,020)	(1,890)
<b>Net Assets</b>	16,413	15,292

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

The Company received an unqualified audit report for the year ended 30 June 2012 on 30 September 2012.

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 is 100% owned by Waitaki District Council. Under the provisions of the Local Government Act 2002, it is deemed to be a Council Controlled Trading Organisation.



Council's objectives for continued ownership and control and the Company's objectives were reviewed during the 2007 financial year and the Company's Statement of Intent was updated accordingly. These objectives became effective from 1 July 2007 and are included in this report.

Council's 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 the continual improvement of its systems and processes to improve the way in which it operates 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 that reflects Council's objectives for ownership.

In pursuing its 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 operation of a contracting business
- Maximise the long term viability and profitability of the business 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's operations into 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's 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 the Shareholder

Within two months after the end of each financial year, the Directors are required to 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 the Statement of Intent and 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

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 2012
Profitability and return to shareholder	Achieve a before income tax return (prior to donations, sponsorships and subvention payments) on opening shareholders' funds that exceeds 7% return on investment	Achieved. Actual return 7.47% (2011: 0.74%)
Long term viability and profitability	Continue to diversify the portfolio of work and clients	The number of clients spending over \$10,000 remained consistent with 2011  The top 10 clients made up 85% of revenue in 2012, consistent with 2011
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 beyond the Waitaki District and continues to work towards this target. The percentage of revenue earned from the Waitaki District Council reduced to 49.6% (2011: 54%)
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

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Measure	Target	Achievement at 30 June 2012
Quality standards	Maintain ISO 9001 registration and related quality assurance programmes	Maintained
	Maintain ISO 14001 standard to ensure systems are in place to meet environmental, legislative and regulatory requirements	Maintained
Responsibility and compliance	Maintain and grow market share in North Otago and surrounding districts	Achieved a 12% increase in the numbers of tenders accepted during the year
	Maintain the ratio of consolidated shareholder funds to total assets in the range of 60% - 80%	Achieved. The ratio at 30 June 2012 is 80% (2011: 76.8%)

# Whitestone Contracting Limited

Financial Performance	2012 \$000	2011 \$000
<b>Revenues</b>		
Operating Revenue	19,406	20,700
<b>Expenditure</b>		
Operating Expenditure	17,541	19,422
Audit Fees	23	22
Depreciation (net)	1,005	1,124
Directors' Fees	113	92
Interest Expense	10	21
Total Expenditure	18,692	20,681
<b>Net Profit Before Taxation</b>	714	19
Subvention Payment	-	(238)
Provision for Taxation	(142)	(59)
<b>Net (loss)/profit After Taxation</b>	572	(278)
Gain/(loss) on revaluation of land and buildings	-	461
<b>Total Comprehensive Income</b>	572	183

Financial Position	2012 \$000	2011 \$000
Shareholders' Funds	10,880	10,308
<u>Represented By</u>		
Non Current Assets	9,462	9,308
Current Assets	4,121	4,114
Non Current Liabilities	(294)	(503)
Current Liabilities	(2,409)	(2,611)
<u>Net Assets</u>	10,880	10,308

The Company received an unqualified audit report for the year ended 30 June 2012 on 28 August 2012.

This information is summarised from the Company's full audited 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, or from the website [www.whitestone.co.nz](http://www.whitestone.co.nz)

## **Financial Statements**

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# Statement of Comprehensive Income

For the year ended 30 June 2012:

		Consolidated		Council Only		
		2012	2011	2012	2012 budget	2011
		\$000	\$000	\$000	\$000	\$000
<b>Income</b>						
Rates Revenue	1	25,596	24,446	25,616	25,550	24,465
Other Revenue	2	36,465	37,381	15,015	14,460	16,765
Other Gains/(Losses)	3	1,160	(149)	946	-	(230)
<b>Total Income</b>		<b>63,221</b>	<b>61,678</b>	<b>41,577</b>	<b>40,010</b>	<b>41,000</b>
<b>Expenditure</b>						
Activity Expenditure		61,652	62,000	41,207	39,314	41,448
Finance cost		13	24	3	1	3
<b>Total Expenditure</b>	4	<b>61,665</b>	<b>62,024</b>	<b>41,210</b>	<b>39,315</b>	<b>41,451</b>
<b>Surplus from Operations</b>		<b>1,556</b>	<b>(346)</b>	<b>367</b>	<b>695</b>	<b>(451)</b>
Income Tax Expense / (Refund)	5	121	60	-	-	-
<b>Surplus / (Deficit) after tax</b>		<b>1,435</b>	<b>(406)</b>	<b>367</b>	<b>695</b>	<b>(451)</b>
<b>Other Comprehensive Income</b>						
Gain/(Loss) on revaluation of Infrastructural Assets	6	29,188	-	29,188	54,001	-
Gain/(Loss) on revaluation of Properties	6	676	1,795	-	-	270
Other Comprehensive Income	6	-	-	-	-	-
<b>Total Other Comprehensive Income</b>		<b>29,864</b>	<b>1,795</b>	<b>29,188</b>	<b>54,001</b>	<b>270</b>
<b>Total Comprehensive Income</b>		<b>31,299</b>	<b>1,389</b>	<b>29,555</b>	<b>54,696</b>	<b>(181)</b>

The accompanying notes form part of these financial statements.

# Statement of Changes in Equity

For the year ended 30 June 2012:

	Consolidated		Council Only		
	2012	2011	2012	2012	2011
	\$000	\$000	\$000	budget \$000	\$000
<b>Public Equity at 1 July</b>	703,309	701,920	682,160	682,628	682,341
<b>Total Comprehensive Income</b>	31,299	1,389	29,555	54,696	(181)
<b>Public Equity at 30 June</b>	<u>734,608</u>	<u>703,309</u>	<u>711,715</u>	<u>737,324</u>	<u>682,160</u>

The accompanying notes form part of these financial statements.

# Balance Sheet

As at 30 June 2012

		Consolidated		Council Only		
		2012	2011	2012	2012 Budget	2011
		\$000	\$000	\$000	\$000	\$000
<b>Public Equity</b>						
Ratepayers' Equity	6	308,299	308,299	308,299	313,817	308,299
Revaluation Reserve	6	392,263	362,630	384,825	408,565	355,875
Operating Reserve	6	22,384	21,132	6,929	6,706	6,738
Other Reserves	6	11,662	11,248	11,662	8,236	11,248
Total Public Equity		<b>734,608</b>	<b>703,309</b>	<b>711,715</b>	<b>737,324</b>	<b>682,160</b>
<b>Non-Current Assets</b>						
Property Plant and Equipment	7	708,727	678,350	688,355	714,156	658,629
Intangible Assets	8	1,660	1,566	1,347	203	1,212
Forestry	9	997	1,112	997	859	1,112
Other Financial Assets	10	13,317	12,803	18,175	18,398	17,661
Trade and Other Receivables	11	295	312	295	543	312
		<b>724,996</b>	<b>694,143</b>	<b>709,169</b>	<b>734,159</b>	<b>678,926</b>
<b>Current Assets</b>						
Cash and Cash Equivalents	12	11,706	8,639	4,197	517	2,473
Trade and Other Receivables	11	6,950	7,624	4,487	4,332	5,304
Inventory	13	946	961	58	50	57
Work in Progress	14	159	132	-	-	-
Non-Current Assets held for Sale	15	-	400	-	930	400
Other Financial Assets	10	-	3,000	-	4,293	3,000
Provision for Tax paid in Advance		46	9	9	1	2
		<b>19,807</b>	<b>20,765</b>	<b>8,751</b>	<b>10,123</b>	<b>11,236</b>
<b>Total Assets</b>		<b>744,803</b>	<b>714,908</b>	<b>717,920</b>	<b>744,282</b>	<b>690,162</b>
<b>Non-Current Liabilities</b>						
Provisions	16	695	705	695	906	705
Employee Entitlement Liabilities	17	54	58	-	4	-
Borrowings	18	5	203	5	5	8
Deferred Tax Liability	5	324	337	-	-	-
		<b>1,078</b>	<b>1,303</b>	<b>700</b>	<b>915</b>	<b>713</b>
<b>Current Liabilities</b>						
Trade and Other Payables	19	5,750	7,276	4,836	5,416	6,683
Short Term Borrowings	18	3	128	3	3	3
Employee Entitlement Liabilities	17	3,278	2,971	666	609	603
Provisions	16	28	22	-	15	-
Provision for Taxation		58	(101)	-	-	-
		<b>9,117</b>	<b>10,296</b>	<b>5,505</b>	<b>6,043</b>	<b>7,289</b>
<b>Total Liabilities</b>		<b>10,195</b>	<b>11,599</b>	<b>6,205</b>	<b>6,958</b>	<b>8,002</b>
<b>Net Assets</b>		<b>734,608</b>	<b>703,309</b>	<b>711,715</b>	<b>737,324</b>	<b>682,160</b>

The accompanying notes form part of these financial statements

# Statement of Cash Flows

For the year ended 30 June 2012

		Consolidated		Council Only			
		2012	2011	2012	2012	2011	
					budget		
		\$000	\$000	\$000	\$000	\$000	
<b>Cash flows from Operating Activities</b>							
Receipts from Rates Revenue		25,582	24,291	25,582	25,550	24,291	
Interest received		557	434	171	405	296	
Dividends/Subvention payments received		-	-	-	150	238	
Receipts from Other Revenues		36,627	36,551	15,132	13,269	15,084	
Payments to Suppliers & Employees		(49,679)	(47,929)	(30,687)	(27,822)	(29,028)	
Interest Paid		(13)	(24)	(3)	(1)	(3)	
Income Tax Paid		(12)	(113)	(7)	-	(1)	
Net GST		35	(413)	35	-	(413)	
Net Cash from Operating Activities		27	13,097	12,797	10,223	11,551	10,464
<b>Cash Flows from Investing Activities</b>							
Proceeds from Sale of P.P.& E		1,258	306	805	2,146	176	
Proceeds from Sale of Investments		3,031	1,793	3,031	7	1,793	
Purchase of P.P.& E		(13,942)	(12,717)	(12,277)	(12,486)	(11,588)	
Acquisition of Investments		(55)	-	(55)	(1,200)	-	
Net Cash from Investing Activities		(9,708)	(10,618)	(8,496)	(11,533)	(9,619)	
<b>Cash Flows from Financing Activities</b>							
Proceeds from Borrowing		-	-	-	-	-	
Repayment of Borrowings		(322)	(55)	(3)	(3)	(3)	
Net Cash from Financing Activities		(322)	(55)	(3)	(3)	(3)	
Net Increase / (Decrease) in Cash		3,067	2,124	1,724	15	842	
Total Cash Resources at 1 July		8,639	6,515	2,473	502	1,631	
Total Cash Resources at 30 June		12	11,706	8,639	4,197	517	2,473

The accompanying notes form part of these financial statements.

# Statement of Accounting Policies

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## Reporting Entity

The following financial statements of the Waitaki District Council are for the year ended 30 June 2012 and were authorised for issue by Council on 30 October 2012.

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

The 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 and 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

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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 earned.
- 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 their 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 amounts included in the surplus or deficit 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

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## **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. leases that do 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 Payables or Trade and Other Receivables (as appropriate). Trade and Other Receivables and 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 which, 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 differences and it is probable that the temporary differences 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

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## **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.

## **Inventories**

Inventories, comprising materials on hand 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 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 de-recognised 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

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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 recognized 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 de-recognised 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 their 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 2012 by Allan Laurie of Laurie Forestry Ltd.

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

# Statement of Accounting Policies

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Council's forestry plantations are professionally managed and Council adheres strictly to a replanting plan developed by its advisers to ensure that there is no liability related to the Emissions Trading Scheme.

## **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 which 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.

## **Revaluations**

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 Darroch Corporate Advisory and AECOM NZ Ltd to value all its property assets with effect as at 1 July 2010. 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 2011 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

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## Harbour Assets

Harbour Wharves and structures and the Oamaru Harbour Breakwater have been valued by Royds Garden Limited, Consulting Engineers, as at June 1992. This value represents deemed cost, and any subsequent additions are recorded at cost. These assets are not revalued.

## 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 depreciate assets 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 15 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	30 – 70 years
- surfacing	4 – 17 years
- drainage, footpaths	10 – 100 years
- bridges, retaining structures	50 – 100 years
- streetlights, railings	4 – 35 years
- water schemes	
- head works	10 – 100 years
- reservoirs	10 – 150 years
- pumps	10 – 20 years
- reticulation	40 – 150 years
- sewerage schemes	
- reticulation	50 – 120 years

# Statement of Accounting Policies

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- pumps	10 – 20 years
- treatment works	10 – 100 years
- stormwater reticulation	80 – 150 years
- transfer stations and landfill developments	3 – 25 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	3 – 10 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 10 years and the cost 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, 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

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## **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. An appropriate discount rate and inflation factor 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

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

## Equity

Equity is the Community's interest in the Council, 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 purpose 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. Ratepayers' 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 principle 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 Plan (LTP) 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 LTP.

## Budget Figures

The budget figures are those approved by Council at the beginning of the year in the Annual Plan. 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

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## **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 of 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**

A number of assumptions and estimates are made when performing 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 arriving at the surplus or deficit. 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 2012.

# Statement of Accounting Policies

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## **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.

## *Forestry*

The critical judgements applied to Forestry are detailed in Note 9.

## **Changes in accounting policies**

There have been no changes to accounting policies during the current financial year.

## **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 I 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 adopted early.

# Notes to the Financial Statements

	Consolidated		Council Only		
	2012	2011	2012	2012	2011
				Budget	
	\$000	\$000	\$000	\$000	\$000

## Note 1: Rates Revenue

General Rates	1,828	1,907	1,848	1,846	1,926
District Services Rate	1,250	1,255	1,250	1,246	1,255
Uniform Annual General Charge	3,273	3,152	3,273	3,262	3,152
Ward Rates	5,459	5,192	5,459	5,442	5,192
Separate Rates	13,786	12,940	13,786	13,754	12,940
Total	\$25,596	\$24,446	\$25,616	\$25,550	\$24,465

Council granted remissions of \$179,000 (2011: \$168,000). These remissions were primarily under Council's Bare Land Policy and were budgeted at \$175,000 for the year.

## Note 2 Other Revenue

	Consolidated		Council Only		
	2012	2011	2012	2012	2011
				budget	
	\$000	\$000	\$000	\$000	\$000

### Revenue by Groups of Activities

Arts, Heritage and Community	1,134	1,144	1,134	1,116	1,144
Council and Community Boards	28	77	28	-	77
Economic Development	1,845	2,372	1,845	2,389	2,610
Parks and Recreation	894	807	894	825	807
Planning	515	392	515	208	392
Regulatory	1,057	1,097	1,057	996	1,097
Roads, Port and Airport	6,458	7,185	6,458	5,915	7,185
Water and Waste	3,084	3,453	3,084	3,011	3,453
Council Controlled Organisations	21,450	20,854	-	-	-
Total	36,465	37,381	15,015	14,460	16,765

### Revenue by Type of Revenue

Government Grants and Subsidies	15,399	15,639	6,027	5,250	6,490
Other Grants and Donations	2,475	2,336	326	228	367
User Charges	14,900	15,607	5,421	5,095	6,319
Regulatory Charges	1,270	1,166	1,270	1,127	1,166
Infringements and Fines	34	48	34	44	48
Petrol Tax	197	207	197	230	207
Interest Income	959	1,065	661	1,041	831
Dividend and Subvention Payments	-	-	-	150	238
Development and RMA Contributions	589	694	589	995	694
Penalties	490	405	490	300	405
Other Income	152	214	-	-	-
Total	36,465	37,381	15,015	14,460	16,765

# Notes to the Financial Statements

	Consolidated		Council Only		
	2012	2011	2012	2012	2011
				Budget	
	\$000	\$000	\$000	\$000	\$000

## Note 3: Other Gains / (Losses)

Gain/loss on Forestry Asset	(115)	253	(115)	-	253
Loss on Disposal of Property, Plant & Equipment	(200)	(511)	(244)	-	(556)
Depreciation recovered on disposal	182	41	12	-	5
Vested Assets	1,293	68	1,293	-	68
Total	\$1,160	(\$149)	\$946	-	(\$230)

## Note 4: Operating Expenditure

<u>By Groups of Activities:</u>					
Arts, Heritage and Community	4,745	4,426	4,745	4,376	4,426
Council and Community Boards	563	706	563	519	706
Economic Development	2,293	2,659	2,293	1,457	2,659
Parks and Recreation	4,718	4,459	4,718	4,769	4,459
Planning	3,786	3,375	3,786	3,507	3,375
Regulatory	2,438	2,263	2,438	2,284	2,263
Roads, Port and Airport	12,215	13,320	12,215	11,228	13,320
Water and Waste	10,452	10,243	10,452	11,175	10,243
Council Controlled Organisations	20,455	20,573	-	-	-
Total	\$61,665	\$62,024	\$41,210	\$39,315	\$41,451

<u>By Expenditure Type:</u>					
Audit fees and expenses					
Audit New Zealand					
- auditing the current year Annual Report	143	146	102	121	106
- auditing the prior year Annual Report	26	-	26	-	-
- auditing the 2012-22 Long Term Plan	73	-	73	60	-
Auditors of Other Entities					
- auditing the current year Annual Report	23	22	-	-	-
- for other services	10	10	-	-	-
Directors' fees	266	222	-	-	-
Depreciation and Amortisation	13,818	13,567	12,074	11,492	11,669
Donation	3	4	-	-	-
Employee Benefit Expenses					
- Salaries & Wages	24,854	23,994	8,152	7,926	7,546
- Superannuation Contributions	227	257	119	115	130
- Change in Liability	247	197	-	-	-
Financing Costs	13	24	3	1	3
Impairment of Receivables					
- written off	219	221	211	50	161
- changes in prov. for doubtful debt	9	55	12	-	59
Leasing & Renting	261	305	134	168	127
Other Expenditure	21,473	23,000	20,304	19,382	21,650
Total	\$61,665	\$62,024	\$41,210	\$39,315	\$41,451

# Notes to the Financial Statements

	Consolidated		Council Only	
	2012	2011	2012	2011
	\$000	\$000	\$000	\$000

## Note 5: Taxation

### Relationship between tax expense and accounting profit

<b>Net surplus / (deficit) before taxation</b>	<b>1,556</b>	<b>(348)</b>	<b>367</b>	<b>(451)</b>
Prima facie taxation at 28% (2011: 30%)	436	(104)	103	(136)
Plus/(Less) Taxation Effect of Differences				
- revenue not liable for taxation	(227)	(70)	(103)	167
- expenditure not deductible for taxation	(57)	202	-	(31)
- under / (over) provision in prior years	-	-	-	-
- tax rate change - building depreciation	-	32	-	-
- losses carried forward	(31)	-	-	-
Income tax expense	121	60	-	-
This is represented by:				
Current taxation	158	(9)	-	-
Prior year adjustment	(27)	-	-	-
Deferred taxation provision	(10)	69	-	-
Income tax expense	121	60	-	-
Deferred taxation liability/(benefit)				
Opening balance	337	271	-	-
Deferred taxation position current year	(13)	66	-	-
Total Deferred Tax	324	337	-	-
Deferred taxation comprises:				
Short term temporary differences	324	337	-	-
	324	337	-	-

Council has not recognised a deferred tax asset in relation to unused tax losses of \$695,000 which are available to be carried forward and offset against future taxable income (2011: \$467,000).

Whitestone Contracting Limited has imputation credits of \$1,649,000 (2011: \$1,649,000) which can be used to impute dividend payments to Council. These amounts are not recorded in the financial statements.

Temporary differences are generated primarily from changes in accruals and differences between tax and accounting depreciation rates.

# Notes to the Financial Statements

	Consolidated		Council Only	
	2012	2011	2012	2011
	\$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	308,299	308,299	308,299	308,299
Transfer from Operating Reserves	-	-	-	-
Balance at 30 June	<u>\$308,299</u>	<u>\$308,299</u>	<u>\$308,299</u>	<u>\$308,299</u>

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

### Revaluation Reserves

Balance at 1 July	362,630	361,211	355,875	355,982
Roading Increase	29,188	-	29,188	-
Water & Waste Disposals (to operating reserve)	(291)	(15)	(291)	(15)
Property Decrease	-	270	-	270
Property Disposals (to operating reserve)	53	(362)	53	(362)
WDHSL Property Movement	683	1,065	-	-
WCL Property Movement	-	461	-	-
Balance at 30 June	<u>\$392,263</u>	<u>\$362,630</u>	<u>\$384,825</u>	<u>\$355,875</u>

### Represented by

Infrastructural Assets	342,959	314,078	342,959	314,062
Council Property	41,741	41,779	41,741	41,688
Council Other (Museum)	125	125	125	125
WDHSL	5,605	4,922	-	-
WCL	1,833	1,833	-	-
Balance at 30 June	<u>\$392,263</u>	<u>\$362,630</u>	<u>\$384,825</u>	<u>\$355,875</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	21,132	21,996	6,738	7,646
Net surplus/(deficit) after tax	1,436	(406)	367	(451)
Transfer from Revaluation Reserves	238	377	238	377
Transfer from Other Reserves	1,764	414	1,764	414
Transfer to Other Reserves	(2,186)	(1,248)	(2,178)	(1,248)
Transfer to Equity	-	-	-	-
Balance at 30 June	<u>\$22,384</u>	<u>\$21,132</u>	<u>\$6,929</u>	<u>\$6,738</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	
	2012	2011	2012	2011
	\$000	\$000	\$000	\$000

## Note 6: Public Equity (Continued)

### Other Reserves

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

#### Restricted Reserves

Balance at 1 July	11,244	10,413	11,244	10,413
Deposits and Interest	2,150	1,222	2,150	1,222
To Operating Reserves to meet disbursements	(1,733)	(391)	(1,733)	(391)

Balance at 30 June	11,661	11,244	11,661	11,244
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#### Represented by

Special Funds	9,818	9,157	9,818	9,157
Trust Funds	1,842	2,086	1,842	2,086
Loan Funds	1	1	1	1

Balance at 30 June	11,661	11,244	11,661	11,244
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#### Trust Funds

Balance at 1 July	4	1	4	1
Deposits and Interest	28	26	28	26
To Operating Reserves to meet disbursements	(31)	(23)	(31)	(23)

Balance at 30 June	1	4	1	4
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#### Represented by

SPARC Commission Funds	-	1	-	1
Creative Communities Funds	1	3	1	3

	1	4	1	4
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### **Balance at 30 June**

Total other reserves	\$11,662	\$11,248	\$11,662	\$11,248
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# Notes to the Financial Statements

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

2012 Council Only	Cost/ Valuation 1-Jul-11 \$000	Current Year Additions \$000	Current Year Disposals \$000	Reval \$000	Cost/ Valuation 30-Jun-12 \$000	Accum Depn & Impairment Charges 1-Jul-11 \$000	Current Year Depreciation \$000	Current Year Disposals \$000	Reval \$000	Current Year Impairment Charges \$000	Accum Depn & Impairment Charges 30-Jun-12 \$000	Book Value 1-Jul-11 \$000	Book Value 30-Jun-12 \$000
Land	44,789		(98)		44,691							44,789	44,691
Buildings and Improvements	41,632	340			41,972	2,289	1,895				4,184	39,343	37,788
Infrastructural Assets													
- Roading	441,934	685		13,943	456,562	13,801	4,917		(13,649)		5,069	428,133	451,493
- Bridges	20,797			2	20,799	1,593	615		(1,593)		615	19,204	20,184
- Water Supply Schemes	51,300	595	(172)		51,723	3,670	1,843	(24)			5,489	47,630	46,234
- Waste Schemes	35,579	887	(292)		36,174	3,076	1,233	(63)			4,246	32,503	31,928
- Drainage Schemes	8,414	159	(7)		8,566	730	365	(1)			1,094	7,684	7,472
- Oamaru Harbour	32,484				32,484	3,374	340				3,714	29,110	28,770
<b>Total Infrastructural Assets</b>	<b>590,508</b>	<b>2,326</b>	<b>(471)</b>	<b>13,945</b>	<b>606,308</b>	<b>26,244</b>	<b>9,313</b>	<b>(88)</b>	<b>(15,242)</b>		<b>20,227</b>	<b>564,264</b>	<b>586,081</b>
Operational Assets													
- Plant, Equipment and Vehicles	2,481	252	(162)		2,571	1,261	243	(122)			1,382	1,220	1,189
- Office Equipment and Fittings	2,692	163			2,855	1,831	305				2,136	861	719
<b>Total Operational Assets</b>	<b>5,173</b>	<b>415</b>	<b>(162)</b>		<b>5,426</b>	<b>3,092</b>	<b>548</b>	<b>(122)</b>			<b>3,518</b>	<b>2,081</b>	<b>1,908</b>
Collections	2,478	114	(85)		2,507	1,013	93	(72)			1,034	1,465	1,473
Capital Works in Progress	6,687	10,996	(1,269)		16,414							6,687	16,414
	<b>691,267</b>	<b>14,191</b>	<b>(2,085)</b>	<b>13,945</b>	<b>717,318</b>	<b>32,638</b>	<b>11,849</b>	<b>(282)</b>	<b>(15,242)</b>		<b>28,963</b>	<b>658,629</b>	<b>688,355</b>

Note:  
Accum = Accumulated  
Depn = Depreciation  
Reval = Revaluation

# Notes to the Financial Statements

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

2011 Council	Cost/ Valuation 1-Jul-10	Current Year Additions	Current Year Disposals	Reval	Cost/ Valuation 30-Jun-11	Accum Depn & Impairment Charges 1-Jul-10	Current Year Depreciation	Current Year Disposals	Reval	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-11	Book Value 1-Jul-10	Book Value 30-Jun-11
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	45,711	4	(230)	(696)	44,789	-	-	-	-	-	-	45,711	44,789
Buildings and Improvements	44,819	706	(233)	(3,660)	41,632	5,095	1,897	(32)	(4,671)	-	2,289	39,724	39,343
Infrastructural Assets													
- Roading	437,381	4,553	-	-	441,934	9,143	4,658	-	-	-	13,801	428,238	428,133
- Bridges	20,796	1	-	-	20,797	1,060	533	-	-	-	1,593	19,736	19,204
- Water Supply Schemes	51,264	62	(26)	-	51,300	1,824	1,848	(2)	-	-	3,670	49,440	47,630
- Waste Schemes	35,928	4	(353)	-	35,579	2,041	1,244	(209)	-	-	3,076	33,887	32,503
- Drainage Schemes	8,414	-	-	-	8,414	365	365	-	-	-	730	8,049	7,684
- Oamaru Harbour	32,484	-	-	-	32,484	3,034	340	-	-	-	3,374	29,450	29,110
<b>Total Infrastructural Assets</b>	<b>586,267</b>	<b>4,620</b>	<b>(379)</b>	<b>-</b>	<b>590,508</b>	<b>17,467</b>	<b>8,988</b>	<b>(211)</b>	<b>-</b>	<b>-</b>	<b>26,244</b>	<b>568,800</b>	<b>564,264</b>
Operational Assets													
- Plant, Equipment and Vehicles	2,240	473	(232)	-	2,481	1,194	220	(153)	-	-	1,261	1,046	1,220
- Office Equipment and Fittings	2,539	168	(15)	-	2,692	1,477	356	(2)	-	-	1,831	1,062	861
<b>Total Operational Assets</b>	<b>4,779</b>	<b>641</b>	<b>(247)</b>	<b>-</b>	<b>5,173</b>	<b>2,671</b>	<b>576</b>	<b>(155)</b>	<b>-</b>	<b>-</b>	<b>3,092</b>	<b>2,108</b>	<b>2,081</b>
Collections	2,454	140	(116)	-	2,478	999	94	(80)	-	-	1,013	1,455	1,465
Capital Works in Progress	2,352	4,916	(581)	-	6,687	-	-	-	-	-	-	2,352	6,687
	<b>686,382</b>	<b>11,027</b>	<b>(1,786)</b>	<b>(4,356)</b>	<b>691,267</b>	<b>26,232</b>	<b>11,555</b>	<b>(478)</b>	<b>(4,671)</b>	<b>-</b>	<b>32,638</b>	<b>660,150</b>	<b>658,629</b>

Note:  
Accum = Accumulated  
Depn = Depreciation

Net revaluation movement  
Change in value of assets held for sale  
Total Property Increase (Revaluation Reserves Note 6)

315  
(45)  
270

# Notes to the Financial Statements

## Note 7: Property, Plant and Equipment (Consolidated)

2012 Consolidated	Cost/ Valuation 1-Jul-11 \$000	Current Year Additions \$000	Current Year Disposals \$000	Reval \$000	Cost/ Valuation 30-Jun-12 \$000	Accum Depn & Impairment Charges 1-Jul-11 \$000	Current Year Depreciation \$000	Current Year Disposals \$000	Reval \$000	Current Year Impairment Charges \$000	Accum Depn & Impairment Charges 30-Jun-12 \$000	Book Value 1-Jul-11 \$000	Book Value 30-Jun-12 \$000
Land	47,117	285	(83)		47,319							47,117	47,319
Buildings and Improvements	52,795	348	(189)	331	53,285	2,623	2,288	(189)	(346)		4,376	50,172	48,909
Infrastructural Assets													
- Roading	441,934	685		13,943	456,562	13,801	4,917		(13,649)		5,069	428,133	451,493
- Bridges	20,797			2	20,799	1,593	615		(1,593)		615	19,204	20,184
- Water Supply Schemes	51,300	595	(172)		51,723	3,670	1,843	(24)			5,489	47,630	46,234
- Waste Schemes	35,579	887	(292)		36,174	3,076	1,233	(63)			4,246	32,503	31,928
- Drainage Schemes	8,414	159	(7)		8,566	730	365	(1)			1,094	7,684	7,472
- Oamaru Harbour	32,484				32,484	3,374	340				3,714	29,110	28,770
<b>Total Infrastructural Assets</b>	<b>590,508</b>	<b>2,326</b>	<b>(471)</b>	<b>13,945</b>	<b>606,308</b>	<b>26,244</b>	<b>9,313</b>	<b>(88)</b>	<b>(15,242)</b>		<b>20,227</b>	<b>564,264</b>	<b>586,081</b>
Operational Assets													
- Plant, Equipment and Vehicles	22,363	1,863	(1,699)		22,527	14,759	1,469	(1,365)			14,863	7,604	7,664
- Office Equipment and Fittings	3,775	195	(1)		3,969	2,734	369	(1)			3,102	1,041	867
<b>Total Operational Assets</b>	<b>26,138</b>	<b>2,058</b>	<b>(1,700)</b>		<b>26,496</b>	<b>17,493</b>	<b>1,838</b>	<b>(1,366)</b>			<b>17,965</b>	<b>8,645</b>	<b>8,531</b>
Collections	2,478	114	(85)		2,507	1,013	93	(72)			1,034	1,465	1,473
Capital Works in Progress	6,687	10,996	(1,269)		16,414							6,687	16,414
	<b>725,723</b>	<b>16,127</b>	<b>(3,797)</b>	<b>14,276</b>	<b>752,329</b>	<b>47,373</b>	<b>13,532</b>	<b>(1,715)</b>	<b>(15,588)</b>		<b>43,602</b>	<b>678,350</b>	<b>708,727</b>

Note:  
Accum = Accumulated  
Depn = Depreciation  
Reval = Revaluation

# Notes to the Financial Statements

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

2011 Consolidated	Cost/ Valuation 1-Jul-10	Current Year Additions	Current Year Disposals	Reval	Cost/ Valuation 30-Jun-11	Accum Depn & Impairment Charges 1-Jul-10	Current Year Depreciation	Current Year Disposals	Reval	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-11	Book Value 1-Jul-10	Book Value 30-Jun-11
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	47,742	4	(230)	(399)	47,117	-	-	-	-	-	-	47,742	47,117
Buildings and Improvements	55,481	744	(233)	(3,197)	52,795	5,769	2,322	(32)	(5,436)	-	2,623	49,712	50,172
Infrastructural Assets													
- Roading	437,381	4,553	-	-	441,934	9,143	4,658	-	-	-	13,801	428,238	428,133
- Bridges	20,796	1	-	-	20,797	1,060	533	-	-	-	1,593	19,736	19,204
- Water Supply Schemes	51,264	62	(26)	-	51,300	1,824	1,848	(2)	-	-	3,670	49,440	47,630
- Waste Schemes	35,928	4	(353)	-	35,579	2,041	1,244	(209)	-	-	3,076	33,887	32,503
- Drainage Schemes	8,414	-	-	-	8,414	365	365	-	-	-	730	8,049	7,684
- Oamaru Harbour	32,484	-	-	-	32,484	3,034	340	-	-	-	3,374	29,450	29,110
Total Infrastructural Assets	586,267	4,620	(379)	-	590,508	17,467	8,988	(211)	-	-	26,244	568,800	564,264
Operational Assets													
- Plant, Equipment and Vehicles	21,287	1,400	(324)	-	22,363	13,391	1,562	(194)	-	-	14,759	7,896	7,604
- Office Equipment and Fittings	3,592	220	(37)	-	3,775	2,330	426	(22)	-	-	2,734	1,262	1,041
Total Operational Assets	24,879	1,620	(361)	-	26,138	15,721	1,988	(216)	-	-	17,493	9,158	8,645
Collections	2,454	140	(116)	-	2,478	999	94	(80)	-	-	1,013	1,455	1,465
Capital Works in Progress	2,352	4,916	(581)	-	6,687	-	-	-	-	-	-	2,352	6,687
	719,175	12,044	(1,900)	(3,596)	725,723	39,956	13,392	(539)	(5,436)	-	47,373	679,219	678,350

Note:

Accum = Accumulated

Depn = Depreciation

Reval = Revaluation

Net revaluation movement

Change in value of assets held for sale

Total Property Increase (Revaluation Reserves Note 6)

1,840

(45)

1,795

# Notes to the Financial Statements

## 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

	2012			2011		
	Other \$000	Software \$000	Total \$000	Other \$000	Software \$000	Total \$000
<b><u>Council only</u></b>						
Balance at 1 July						
Cost	165	1,399	1,564	165	596	761
Accumulated Amortisation	(108)	(244)	(352)	(101)	(448)	(549)
Opening Book Value	57	1,155	1,212	64	148	212
Movements for the year						
Additions	-	360	360	-	1,114	1,114
Disposals - cost	-	(53)	(53)	-	(311)	(311)
Amortisation charge	(6)	(219)	(225)	(7)	(107)	(114)
Disposals - accumulated amortisation	-	53	53	-	311	311
Net movement for the year	(6)	141	135	(7)	1,007	1,000
Balance at 30 June						
Cost	165	1,706	1,871	165	1,399	1,564
Accumulated Amortisation	(114)	(410)	(524)	(108)	(244)	(352)
Closing Book Value	51	1,296	1,347	57	1,155	1,212

# Notes to the Financial Statements

## Note 8: Intangible Assets (continued)

	Other \$000	2012 Software \$000	Total \$000	Other \$000	2011 Software \$000	Total \$000
<b>Consolidated</b>						
Balance at 1 July						
Cost	628	1,405	2,033	568	602	1,170
Accumulated Amortisation	(218)	(249)	(467)	(202)	(453)	(655)
Opening Book Value	410	1,156	1,566	366	149	515
Movements for the year						
Additions	8	360	368	112	1,114	1,226
Disposals - cost	-	(53)	(53)	(52)	(311)	(363)
Amortisation charge	(55)	(219)	(274)	(68)	(107)	(175)
Disposals - accumulated amortisation	-	53	53	52	311	363
Net movement for the year	(47)	141	94	44	1,007	1,051
Balance at 30 June						
Cost	636	1,712	2,348	628	1,405	2,033
Accumulated Amortisation	(273)	(415)	(688)	(218)	(249)	(467)
Closing Book Value	363	1,297	1,660	410	1,156	1,566

	<b>Consolidated</b>		<b>Council Only</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>

## Note 9: Forestry Assets

Balance at 1 July	1,112	859	1,112	859
Gains / (losses) arising from changes in fair value less estimated point of sale costs	(115)	253	(115)	253
Balance at 30 June	<u>\$997</u>	<u>\$1,112</u>	<u>\$997</u>	<u>\$1,112</u>

Council owns 140.1ha of which 134.6ha is planted, primarily in *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 2012. A pre-tax discount rate of 8.5% (2011: 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.

Council's forestry plantations are professionally managed and Council adheres strictly to a replanting plan developed by its advisers to ensure that there is no liability related to the Emissions Trading Scheme.

# Notes to the Financial Statements

## Note 10: Other Financial Assets

	<b>Consolidated</b>		<b>Council Only</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Non-Current</b>				
<b>Available for sale</b>				
Shares in other companies (see below)	145	90	145	90
<b>Investments Carried at Cost</b>				
Shares in Subsidiaries	-	-	4,858	4,858
<b>Loans and Receivables</b>				
Mortgages and Secured Loans	13,172	12,713	13,172	12,713
<b>Total Non-Current Other Financial Assets</b>	<b>\$13,317</b>	<b>\$12,803</b>	<b>\$18,175</b>	<b>\$17,661</b>
<b>Current</b>				
Investments	-	-	-	-
Deposits with maturities between 3 & 12 months	-	3,000	-	3,000
<b>Total Current Other Financial Assets</b>	<b>-</b>	<b>\$3,000</b>	<b>-</b>	<b>\$3,000</b>
<b>Maturity Profile</b>				
Within one year	-	3,000	-	3,000
One to two years	-	-	-	-
Two to five years	13,172	-	13,172	-
Five years and over	145	12,803	5,003	17,661
	<b>\$13,317</b>	<b>\$15,803</b>	<b>\$18,175</b>	<b>\$20,661</b>

The effective interest rate on loans at year end was 3.06% (2011: 4.83%)

### 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 covering all of the Company's assets including 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	120,000	59,087	120,000	59,087
Percentage of Issued Shares	1.09%	0.92%	1.09%	0.92%
Book Value	\$113,908	\$59,087	\$113,908	\$59,087

#### Lower Waitaki Irrigation Co Limited (31 December)

Shares held	2,792	2,792	2,792	2,792
Percentage of Issued Shares	13.53%	13.53%	13.53%	13.53%
Book Value	\$31,016	\$31,016	\$31,016	\$31,016

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

	<b>Consolidated</b>		<b>Council Only</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Note 11: Trade and Other Receivables</b>				
Rates	2,077	1,896	2,077	1,896
Government Funding	1,736	2,476	1,736	2,476
Inter-company	-	-	15	59
Sundry	4,193	4,260	1,727	1,886
Community Loans	312	328	312	328
Prepayments	203	243	176	220
	<u>8,521</u>	<u>9,203</u>	<u>6,043</u>	<u>6,865</u>
Less Provision for Impairment	(1,276)	(1,267)	(1,261)	(1,249)
	<u>7,245</u>	<u>7,936</u>	<u>4,782</u>	<u>5,616</u>
Less Community Loans – non-current portion	(295)	(312)	(295)	(312)
Total Current Portion	<u>\$6,950</u>	<u>\$7,624</u>	<u>\$4,487</u>	<u>\$5,304</u>

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	6,552	7,430	4,414	5,313
Overdue 0-30 Days	328	270	86	132
Overdue 31-60 Days	169	59	137	51
Overdue more than 61 Days	<u>1,472</u>	<u>1,444</u>	<u>1,406</u>	<u>1,369</u>
Total	<u>\$8,521</u>	<u>\$9,203</u>	<u>\$6,043</u>	<u>\$6,865</u>

## Impairment Provision

At 1 July	1,267	1,215	1,249	1,190
Additional Provision Made During the Year	231	55	235	59
Receivables Written Off	<u>(222)</u>	<u>(3)</u>	<u>(223)</u>	<u>-</u>
Closing Balance	<u>\$1,276</u>	<u>\$1,267</u>	<u>\$1,261</u>	<u>\$1,249</u>

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



# Notes to the Financial Statements

	<b>Consolidated</b>		<b>Council Only</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Note 12: Cash and Cash Equivalents</b>				
Cash at bank and in hand	7,706	6,989	197	823
Deposits with maturities of 3 months or less	4,000	1,650	4,000	1,650
Cash Equivalents	<u>\$11,706</u>	<u>\$8,639</u>	<u>\$4,197</u>	<u>\$2,473</u>

## Note 13: Inventories

Retail inventories	99	102	58	57
Metal and Soil Stocks	368	407	-	-
Other Supplies	479	470	-	-
	<u>946</u>	<u>979</u>	<u>58</u>	<u>57</u>
Provision for Obsolescence	-	(18)	-	-
Total	<u>\$946</u>	<u>\$961</u>	<u>\$58</u>	<u>\$57</u>

## Note 14: Work in Progress

Cost	539	162	-	-
Profit Recognised to Date	93	39	-	-
Gross Construction WIP	<u>632</u>	<u>201</u>	<u>-</u>	<u>-</u>
Progress Billings	(580)	(191)	-	-
Net Construction WIP	<u>52</u>	<u>10</u>	<u>-</u>	<u>-</u>
Other Contracts	107	122	-	-
Total	<u>\$159</u>	<u>\$132</u>	<u>-</u>	<u>-</u>

## Note 15: Non-current Assets Held for Sale

The sale of land to Omarama Airfield Limited that was subject to a number of conditions in previous years relating to finalising the subdivision was settled during the year.

Land	-	400	-	400
Total	<u>-</u>	<u>\$400</u>	<u>-</u>	<u>\$400</u>

# Notes to the Financial Statements

	Consolidated		Council Only	
	2012	2011	2012	2011
	\$000	\$000	\$000	\$000

## Note 16: Provisions

### Aftercare and Site Restoration

Opening	727	930	705	921
Additions/Applied	(4)	(203)	(10)	(216)
	<u>\$723</u>	<u>\$727</u>	<u>\$695</u>	<u>\$705</u>
Analysed:				
Non-Current	695	705	695	705
Current	28	22	-	-
	<u>\$723</u>	<u>\$727</u>	<u>\$695</u>	<u>\$705</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 as determined by expected volumes and the cost utilising current methods and technologies. The costs are expected to be incurred over the next 30 years and are discounted back to present value using a discount rate of 5.0% (2011: 5%).

### Site Restoration

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

## Note 17: Employee Entitlements

Accrued Pay	716	522	139	121
Annual Leave	2,337	2,238	523	469
Long Service Leave	73	76	4	13
Sick Leave	31	36	-	-
Continuing Medical Entitlements	175	157	-	-
	<u>\$3,332</u>	<u>\$3,029</u>	<u>\$666</u>	<u>\$603</u>
Analysed:				
Non-Current	54	58	-	-
Current	3,278	2,971	666	603
	<u>\$3,332</u>	<u>\$3,029</u>	<u>\$666</u>	<u>\$603</u>

# Notes to the Financial Statements

	Consolidated		Council Only	
	2012	2011	2012	2011
	\$000	\$000	\$000	\$000

## Note 18: Borrowings

### Non-Current Borrowing

Public Debt – secured	5	8	5	8
Other secured loans and debentures	-	195	-	-
Total	\$5	\$203	\$5	\$8

### Current Borrowing

Overdraft	-	-	-	-
Committed Cash Facility (90 days or less)	-	-	-	-
Public Debt – secured	3	3	3	3
Public Debt – unsecured	-	-	-	-
Other secured loans and debentures	-	125	-	-
Total	\$3	\$128	\$3	\$3
Total Borrowings	\$8	\$331	\$8	\$11

### Financing Costs

The fixed interest rate on public debt is 3.5% (2011: 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	128	3	3
Later than one, not later than five years	5	203	5	8
Later than five years	-	-	-	-
	\$8	\$331	\$8	\$11

### 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 2012 were \$25,862,528 (2011: \$25,114,745).

# Notes to the Financial Statements

	Consolidated		Council Only	
	2012	2011	2012	2011
	\$000	\$000	\$000	\$000

## Note 19: Trade and Other Payables

Sundry Creditors	3,922	5,660	2,565	3,680
Accruals	375	449	74	102
Owing to Subsidiaries	-	-	936	1,835
Income charged in Advance	1097	871	905	770
Deposits	356	296	356	296
	<u>\$5,750</u>	<u>\$7,276</u>	<u>\$4,836</u>	<u>\$6,683</u>
Analysed:				
Non-Current	-	-	-	-
Current	5,750	7,276	4,836	6,683
	<u>\$5,750</u>	<u>\$7,276</u>	<u>\$4,836</u>	<u>\$6,683</u>

## Note 20: Commitments

### Capital Commitments

Council	410	234	410	234
Whitestone Contracting Limited	-	-	-	-
	<u>\$410</u>	<u>\$234</u>	<u>\$410</u>	<u>\$234</u>

### Contractual Commitments

Council and the group have long-term contractual commitments with the following payment profile:

Not later than one year	5,545	855	7,326	5,316
Later than one year and not later than two	3,796	694	5,592	2,492
Later than two years	4,084	1,081	6,052	3,047
	<u>\$13,425</u>	<u>\$2,630</u>	<u>\$18,970</u>	<u>\$10,855</u>

### Operating Leases

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

Not later than one year	193	158	135	88
Later than one year and not later than five	177	143	112	109
Later than five years	87	41	21	-
	<u>\$457</u>	<u>\$342</u>	<u>\$268</u>	<u>\$197</u>

# Notes to the Financial Statements

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## **Note 21: Guarantees and Contingencies**

### **Council and Consolidated**

- On 16 November 2004 Council resolved to provide a guarantee on a \$4 million (2011: \$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 (2011: \$Nil).
- The Building Act 2004 imposes certain obligations and liabilities on local authorities with respect to the issuing of building consents and the inspection of work done. 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 any claims made under the Building Act 2004. Further calls are likely to be made by Risk Pool on Council in the future. Council will recognise a liability for future calls when there is more certainty over the amounts of any such calls.
- Council has one personal grievance claim outstanding (2011:0).
- 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 owns 140.1 hectares of forest, all of which is pre-1990 land in terms of the emissions trading scheme. Should this land be de-forested, a de-forestation penalty would be incurred. The amount of this potential liability is unknown, but its effect is expected to be minimal as Council has no current intention to de-forest this land. Council is also in the process of applying for carbon credits.
- As a significant property owner, Council faces a number of issues:
  - It is awaiting the findings of the Canterbury Earthquakes Royal Commission of Inquiry which are likely to lead to changes in the standards expected for building performance in earthquakes. It is difficult to assess the costs and timing associated with such changes, as the Commission does not finally report until November 2012, and Government will consider its findings during 2013. Depending upon the scale and timing of any structural strengthening or other mitigation work that is required, Council may be forced to reprioritise other capital expenditure; and
  - Insurance premiums have risen considerably as insurance companies reassess their risk following the Christchurch earthquakes. As a consequence, in order to mitigate the effect of the increases on ratepayers, Council has decided to self-insure a range of assets, and to assume an increased risk through carrying increased insurance excesses in a number of cases. This strategy carries with it increased risk of financial loss to Council, the impact of which is unable to be accurately quantified. Council will continue to monitor this risk and ways in which it can reduce its exposure in an affordable manner.

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## **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.

### **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. All entities are 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, and, to that end, has established borrowing and investment policies which do not allow any transactions that are of a speculative nature to be entered into.

# Notes to the Financial Statements

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## **Note 22: Financial Instruments (continued)**

### **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 Notes 10, 11 and 12.

In the normal course of business the Group incurs credit risk from debtors and financial institutions. NZTA owed 16.5% (2011: 28%) of debtors due to Council at balance date. The Southern District Health Board is the major debtor of Waitaki District Health Services Ltd. Council also has a significant geographic 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.

The Group has total bank overdraft and Letter of Credit facilities of \$2,100,000 (2011: \$2,100,000). In addition the Group has committed draw-down facilities of \$15,200,000 (2011: \$15,200,000) and Council has uncommitted facilities of \$10,000,000 (2011: \$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 of the committed draw-down facilities have been utilised by the Group at balance date (2011: \$Nil in each category). 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 \$188,000 (2011: \$207,000).

# Notes to the Financial Statements

	Consolidated		Council Only	
	2012	2011	2012	2011
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 22: Financial Instruments (continued)

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	11,706	4,926	4,197	2,473
Other entities with no default history	-	3,713	-	-
Total Cash and Cash Equivalents	<u>\$11,706</u>	<u>\$8,639</u>	<u>\$4,197</u>	<u>\$2,473</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.

## Contractual maturity analysis of Financial Instruments

This table analyses the Council and Group's financial assets and liabilities into relevant maturity groupings at balance dated based on the remaining period 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
<b>Council only - 2012</b>						
<i>Non-current Assets</i>						
Other Financial Assets	18,175	18,175	-	-	13,172	5,003
Trade and Other Receivables (Community Loans - non-current portion)	295	378	30	29	94	298
<i>Current Assets</i>						
Cash and Cash Equivalents	4,197	4,197	4,197	-	-	-
Trade and Other Receivables	4,487	4,486	4,486	-	-	-
Other Financial Assets	-	-	-	-	-	-
Total Financial Assets	<u>27,154</u>	<u>27,236</u>	<u>8,713</u>	<u>29</u>	<u>13,266</u>	<u>5,301</u>
<i>Non-current Liabilities</i>						
Borrowings	5	6	-	3	3	-
<i>Current Liabilities</i>						
Trade and Other Payables	4,836	4,836	4,836	-	-	-
Short Term Borrowings	3	3	3	-	-	-
Total Financial Liabilities	<u>4,844</u>	<u>4,845</u>	<u>4,839</u>	<u>3</u>	<u>3</u>	<u>-</u>
<b>Net Liquidity</b>	<u>\$22,310</u>	<u>\$22,391</u>	<u>\$3,874</u>	<u>\$26</u>	<u>\$13,263</u>	<u>\$5,301</u>

# Notes to the Financial Statements

	Consolidated		Council Only	
	2012	2011	2012	2011
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 22: Financial Instruments (continued)

	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
<b>Group - 2012</b>						
<i>Non-current Assets</i>						
Other Financial Assets	13,317	13,317	-	-	13,172	145
Trade and Other Receivables (Community Loans - non-current portion)	295	378	30	29	94	298
<i>Current Assets</i>						
Cash and Cash Equivalents	11,706	11,706	11,706	-	-	-
Trade and Other Receivables	6,950	6,950	6,950	-	-	-
Other Financial Assets	-	-	-	-	-	-
Total Financial Assets	32,268	32,351	18,686	29	13,266	443
<i>Non-current Liabilities</i>						
Borrowings	5	6	-	3	3	-
<i>Current Liabilities</i>						
Trade and Other Payables	5,750	5,750	5,750	-	-	-
Short Term Borrowings	3	3	3	-	-	-
Total Financial Liabilities	5,758	5,759	5,753	3	3	-
<b>Net Liquidity</b>	<b>\$26,510</b>	<b>\$26,592</b>	<b>\$12,933</b>	<b>\$26</b>	<b>\$13,263</b>	<b>\$443</b>

## 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)	145	90	145	90
Secured Loans (note 10)	13,172	12,713	13,172	12,713
Short Term Loans	-	-	-	-
Cash and Cash Equivalent (note 12)	11,706	8,639	4,197	2,473
Trade and other receivables (note 11)	6,950	7,936	4,487	5,616
	<u>31,973</u>	<u>\$29,378</u>	<u>\$22,001</u>	<u>\$20,892</u>

### Financial liabilities measured at amortised cost

Trade and other payables (note 19)	5,750	7,276	4,836	6,683
Borrowings (note 18)	8	331	8	11
	<u>\$5,758</u>	<u>\$7,607</u>	<u>\$4,844</u>	<u>\$6,694</u>



# Notes to the Financial Statements

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## **Note 24: Members' Interest Transactions**

The following information relates to Councillors who, through their business and other external relationships, have, or may potentially have, dealings with Council in a commercial context.

It is assumed that all transactions have been undertaken at normal commercial rates in the normal course of business.

- Cr Gary Young was employed by A C Spivey Real Estate Ltd, real estate agents during the year ended 30 June 2012. This firm provided professional services in relation to abandoned land to the value of \$5,600 (2011: \$Nil). At year end, \$Nil was owed by Council (2011: \$Nil)
- Cr Young also has a financial interest in Young Motors (2009) Ltd, which, during the year ended 30 June 2012, provided mechanical services in relation to motor vehicles to the value of \$219 (2011: \$222). At year end, \$Nil was owed by Council (2011: \$36)
- Cr Peter Garvan is a Trustee of both the Oamaru Whitestone Civic Trust, and the Oamaru Licensing Trust
  - The Oamaru Whitestone Civic Trust leases a number of properties from Council. During the year ended 30 June 2012, Council provided rental and other services to the value of \$15,452 (2011: \$26,071). At year end, \$34,175 was owed to Council (2011: \$35,461)
  - The Oamaru Licensing Trust provided catering and other services to the value of \$60,601 (2011: \$85,606). At year end, \$6,202 was owed by Council (2011: \$9,489)
- Cr Sally Hope is employed by Hope and Associates Legal which, during the year ended 30 June 2012, provided professional services to Council in relation to property, debt and other matters to the value of \$20,500 (2011: \$17,939). At year end, a balance of \$960 was owed by Council (2011: \$Nil)
- Cr Jim Hopkins assisted with the production of Council planning documents, and was paid \$5,000 as a contractor in addition to his normal remuneration as a Councillor (see Note 25) for the year ended 30 June 2012
- Calum Reid, a member of the Ahuriri Community Board, is a Director of Calect Electrical Ltd, and has a financial interest in Trafo Power Group, both of which are businesses which provide electrical maintenance services to Council. During the year ended 30 June 2012, Council purchased services from Calect Electrical Ltd to the value of \$2,639 (2011: \$1,015) and, at year end, \$471 was owed by Council (2011: \$Nil). Council purchased services from Trafo Power Group Ltd to the value of \$5,960 (2011: \$Nil) and, at year end, \$Nil was owed by Council (2011: \$Nil).

## **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 2012 was \$242,816 (2011: \$236,172).

Michael Ross is a Director of the Waitaki Development Board Limited (appointed by Council). He received a director's fee of \$11,000 (2011: \$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's fee of \$6,000 (2011: \$6,000).

### **Key Management Personnel Compensation**

In addition to the Chief Executive, Council had 7 (2011: 6) and the Group had 18 (2011: 15) 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	
	2012	2011	2012	2011
	<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	2,014	1,889	847	805
Post-employment benefits	17	31	17	31
	<u>\$2,031</u>	<u>\$1,920</u>	<u>\$864</u>	<u>\$836</u>

### Severance Payments

The Local Government Act 2002 requires disclosure of the number and cost of any severance payments made during the year. Council made no severance payments during the year (2011 – one of \$16,000).

### Members Remuneration

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

	2012 \$000	2011 \$000
Mayor Alex FAMILTON	81	75
Councillors		
Rod Bidois (to October 2010)	-	6
Craig Dawson (from October 2010)	25	19
Kathy Dennison	22	22
Peter Garvan	22	21
Sally Hope (from October 2010)	18	13
Jim Hopkins	26	25
Geoff Keeling (from October 2010)	23	15
Gary Kircher (to October 2010)	-	8
Kevin Malcolm (from October 2010)	22	15
Alistair Mavor (to October 2010)	-	7
Struan Munro (to October 2010)	-	11
Hugh Perkins	19	13
Pam Spite (to October 2010)	-	7
Helen Stead	18	18
Peter Twiss (to October 2010)	-	7
Gary Young	18	13
Total	<u>\$294</u>	<u>\$295</u>

# Notes to the Financial Statements

Consolidated		Council Only	
2012	2011	2012	2011
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 26: Related Party Transactions

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. All transactions between these parties and Council are payable under normal contract terms or in the month following supply. Entities listed below may have transacted business between themselves – the values of such transactions are not detailed here, and are not considered material.

### Waitaki District Health Services Limited

	2012 \$000	2011 \$000
The Company purchased services from Council	51	40
Amount outstanding at year end	6	3

### Waitaki Development Board Limited

The Company purchased services from Council	39	39
Services provided to Council (operating grants from Council)	842	894
Amount outstanding at year end	-	22
The company manages the Oamaru Blue Penguin Colony (OBPC) on Council's behalf and undertakes other tourism and promotional activities within the District		

### Whitestone Limited Group of Companies

Services provided to Council	9,635	11,146
Balance outstanding from Council at year end	936	1,265
Services provided by Council during the year	80	164
Amounts outstanding to Council at year end	5	30
Subvention payment provided to Council	-	238
The Group performs various works for Council either by preferential right pursuant to Establishment Plans, non-public tendered contracts or by public tender		
Directors and Councillors may have purchased goods and services from the company on a normal commercial basis		

### Omarama Airfield Limited

Services provided by Council during the year	18	17
Balance receivable from Council	-	569
All Directors of the Company paid landing fees for use of the airfield		

### North Otago Irrigation Company Limited

Interest charged by Council during the year	491	536
Loan from Council – balance outstanding	13,172	12,713

# Notes to the Financial Statements

## 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 any loans or other receivables to related parties (2011 \$Nil).

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

	Consolidated		Council Only	
	2012	2011	2012	2011
	\$000	\$000	\$000	\$000
Net Operating Surplus after Taxation	1,435	(406)	367	(451)
<u>Add/(Less) non-cash items</u>				
Depreciation/Amortisation	13,818	13,516	12,074	11,669
Interest compounded	(490)	(535)	(490)	(535)
Increase/(Decrease) in Doubtful Debts Provision	9	52	12	59
Increase/(Decrease) in Landfill Closure & Other Provisions	(19)	(221)	(19)	(221)
Net Loss/(Profit) on sale of Assets	18	559	232	551
Loss/(Gain) on Forestry revaluation	115	(253)	115	(253)
Vested Assets	(1,293)	(68)	(1,293)	(68)
Adjustments to Assets	(85)	(36)	-	-
Increase/(decrease) in Deferred Tax position	(13)	66	-	-
	12,060	13,080	10,631	11,202
<u>Add/(Less) movements in Other Working Capital items</u>				
Decrease/(Increase) in Trade & Other Receivables	674	(495)	822	(1,237)
Decrease/(Increase) in Inventories	15	(59)	(1)	(7)
Decrease/(Increase) in Work in Progress	(27)	54	-	-
Increase/(Decrease) in Trade & Other Payables	(1,526)	520	(1,661)	963
Increase/(Decrease) in Employee Entitlements	307	203	72	(5)
Increase/(Decrease) in Provision for Taxation	159	(100)	(7)	(1)
	(398)	123	(775)	(287)
<b>Net Cash Inflow from Operating Activities</b>	<b>13,097</b>	<b>12,797</b>	<b>10,223</b>	<b>10,464</b>

# Notes to the Financial Statements

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## **Note 28: Explanation of Major Variances Against Budget**

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.

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## **Note 29: Events Subsequent To Balance Date**

The Royal Forest & Bird Protection Society of New Zealand (Forest and Bird) lodged proceedings with the High Court against a Council Resource Management Act decision in July 2011. This case was heard by the High Court in July 2012 and a decision issued in August 2012. The outcome of the case was in favour of Forest and Bird. As part of the decision the issue of costs was addressed by the Court. The Court process allows the successful party to apply for costs on a pre-determined basis and Council expects to incur a liability of approximately \$40,000 as a result of this decision.

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

## **Managing Our People**

# Managing our People

## Recruitment and Retention

The manner of approving recruitments was updated during the year. All vacancies now have a documented business case presented to the Executive Team which assesses the information provided and confirms, amends, declines or defers the recruitment proposal. This is proving to be a robust process which reinforces prudence in employment decisions and assists control over staffing expenditure.

## Employee Workplace Survey

The Best Workplaces staff survey was undertaken again during 2011. 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

The implementation of the Authority suite of modules has again impacted on professional development, contractual commitments and training and development in 2011/12. The reduced training budget has necessitated a leaner thinking approach to the development of our staff, and management has been prudent in decisions about the amount and types of training opportunities offered to staff. Legislative compliance has been the main focus of training, with industry good practice the other area to be addressed. More in-house training has been undertaken this year creating savings in travel and accommodation costs. These savings enable training budgets to be put into further training opportunities.

## Employee Headcount and Turnover

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

**Table 3: Staff Statistics**

	<b>Total Employee Turnover</b>	<b>Full Time Employee Turnover</b>	<b>Part Time Employee Turnover</b>	<b>Total Average FTE Vacancies</b>	<b>Total Average FTE Staff (including vacant positions)</b>
2009/10	9%	12.4%	4.3%	6.2	105.9
2010/11	15.7%	18.5%	10.2%	5.5	107.0
2011/12	15.8%	14.1%	19.9%	5.5	110.4

Turnover is comparable with the previous year, with a higher proportion of part-time employee turnover. There appears to be no particular factor attributable to the turnover rate, but Council's turnover is comparable with Councils overall.

The 2011/12 year saw an average of 104.9 FTE staff employed, with an average of 5.5 vacancies at any one time. The increase in total FTE's of 3.4 over 2010/11 is attributable to temporary factors:

- Additional staffing at the Museum to cover the absence of the Museum Director, which is classed as a 1.0 FTE vacancy
- Succession planning for a Planner going on parental leave – training a replacement planner while the existing planner is still employed
- Additional cover for Oamaru CSU from staff at Waihemo, to provide cover for vacancies in Oamaru
- A fixed-term position was created to provide additional resourcing for the transition to Authority modules in Finance and IT

# Managing our People

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All these situations are temporary in nature and will either have reduced or will reduce over time to the 2010/11 FTE staffing levels.

## **Volunteers**

Volunteers continue to play a vital part in Council's operations. The 2011/12 year saw an upsurge in volunteers for Civil Defence. Council's Emergency Services Manager, Chris Raine, has put a lot of effort into training volunteers at sector posts and welfare centres in outlying areas in readiness for any Civil Defence emergencies.

Other Council facilities which count volunteers amongst their 'workforce' are the Oamaru Opera House, North Otago Museum, Forrester Gallery, Waitaki District Library and all branch libraries throughout the District.

In return for volunteers' services Council provides learning opportunities, personal and work-based challenges, and a chance to contribute to the wider community. Council is very grateful that we have a community with so many people from all walks of life who are willing and able to provide volunteer services to a wide range of Council facilities.



# Governance Statement

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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

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

The District has two Community Boards: 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

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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 October 2010 and as a result, the following Committees and subcommittees, listed in alphabetical order, are currently overseeing particular parts of Council's operations:

# Governance Statement

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## **Council Committees**

- Executive Committee (Chairperson: Mayor FAMILTON)
- Committee of the Whole (Chairperson: Cr Jim Hopkins)

## **Council subcommittees**

- Development Contributions (Chairperson: Cr Craig Dawson)
- Emergency Management
- Community Buildings Project (Chairperson: Cr Jim Hopkins)
- Grants and Awards (Chairperson: Cr Kathy Dennison)
- Hearings (Chairperson: various)
- Harbour (Chairperson: Cr Garvan)
- Youth Council (Chairperson: Nicole McCone: Cr Geoff Keeling Councillor appointed to Youth Council)

The subcommittees 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 Council's offices.

## **Meetings**

All Council and Council subcommittee meetings are 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 subcommittee 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

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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 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 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 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, 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 Long Term Plan includes a statement which explains how Council is meeting this responsibility. There is also a report on this matter in 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

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## **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 166 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

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## Key Planning and Policy Documents

**The Long Term Plan (LTP)** 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 LTP 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 LTP 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 LTP 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 LTP 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

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- Cause offence to Tikanga 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](http://www.waitaki.govt.nz)

All emails to the Council should be addressed to: [service@waitaki.govt.nz](mailto:service@waitaki.govt.nz)

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

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

## **Contact details for the Mayor and Councillors**

Please refer to the list on page 163 of this Annual Report.



# Opportunities for Maori to Contribute to the Decision Making Process

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The Memorandum of Understanding (MoU) between Council and Te Runanga o Moeraki (TROM) and Relationship agreement with Waitaha Taiwhenua o Waitaki Trust Board, identifies the principles of the relationship between the Runanga, Trust Board and Council, and clarifies how this will work at an operational level.

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

- Early consultation on the right debate topics for the Long Term Plan and the wording for the Statement of Maori Contribution to decision making
- Input into community safety programmes
- Liaison on the resource consent for A2O Cycle Track location and construction relating to the Waitaki District
- Discussion regarding the Te Rōpu Taiao project with Ngai Tahu
- Asked feedback, via email, relating to the draft Recreation Strategy
- State of Environment Report for Takata Whenua Values (already met with them and underway with this)
- Minor Plan changes – notified as a potentially affected party
- Various resource consents – identified/notified as a potentially affected party
- Ecological Study Focus Group – they are a member of this and will continue to be involved
- District Plan Review – will be involved when this kicks off
- Input into Moeraki land stability issues
- Member of the North Otago Museum Advisory Group

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 and Trust Board will be working in partnership with Council to provide workshops for staff next year.

TROM have representation on the North Otago Museum Advisory Group, the Creative Communities Scheme, and the Culture and Heritage Strategy Group.

Council are in the process of consulting with TROM to review the Memorandum of Understanding. The target date for finalising the Memorandum of Understanding was July 2012.

## **General Information**

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# Overview

Due to the Christchurch Earthquakes, Statistics NZ advised that the census planned for March 2011 will be conducted in March 2013.

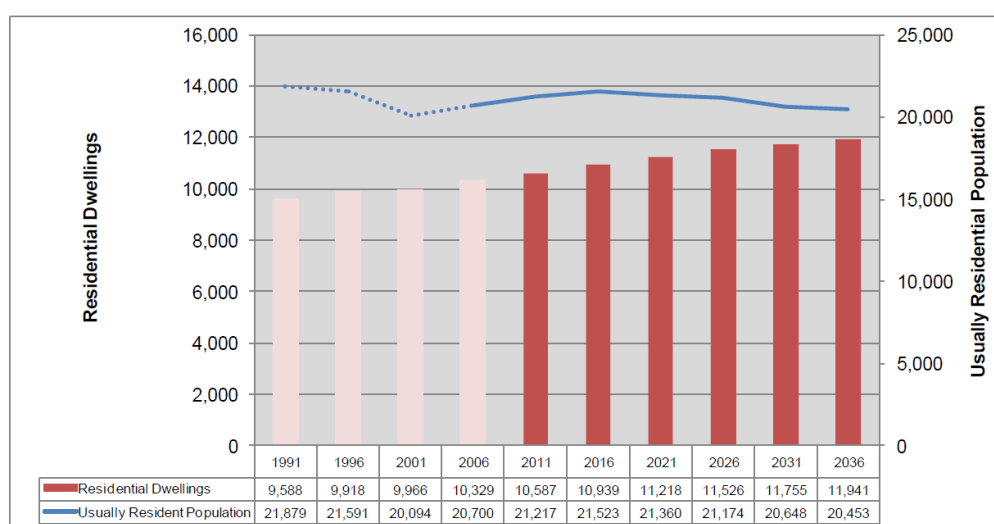
The Waitaki District Council was established in 1989. Council's operations extend over a total area of 8,990km<sup>2</sup>. The northern-western portion of the District, 4,315km<sup>2</sup> lies in the Canterbury Region. The remaining 4,675km<sup>2</sup> lies in Otago. The population density (people per square kilometre) is very low in Waitaki at 2.8 (NZ 15)<sup>11</sup>.

## People

The District population (as at 2006 census) was 20,223<sup>12</sup> (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.

The following graph shows both the historic and projected usually resident population and dwelling figures. This shows that the projections are consistent with recent trends, namely a relatively stable population and steady dwelling growth.

**Graph 10: Waitaki Residential Dwellings and Usually Residential Population**



Source: Waitaki District Council - Rationale Growth Projections 2011 Report

## Economy

The following economic analysis is based on information produced by Business and Economic Research Limited (BERL) up to December 2010 for the Waitaki Development Board (WDB) and the WDC Growth Projections 2011 Addendum report prepared by Rationale Limited for Waitaki District Council in September 2011.

The diagram on the following page prepared by Rationale, illustrates the economic profile of the Waitaki District. The Rationale report notes the District has over 8,900 full-time equivalent employees (FTE's) generating \$902 million in GDP and achieved 1.9% annual growth. Table four, developed by BERL, presents a similar if not slightly lower growth figure. This difference is likely the result the timing of the information provided by the two sources (Rationale and BERL) and the methodology applied. The important thing to note is that growth within the Waitaki District continued to outperform both Otago (-0.6%) and New Zealand (-1.6%) over a similar period. This resilient growth is all the more impressive given the District's falling population which generally affects GDP.

<sup>11</sup> NZ = New Zealand averages.

<sup>12</sup> All data from Statistics New Zealand 2006 Census if not stated otherwise.

# Overview

The three largest sectors by GDP all continued to grow:

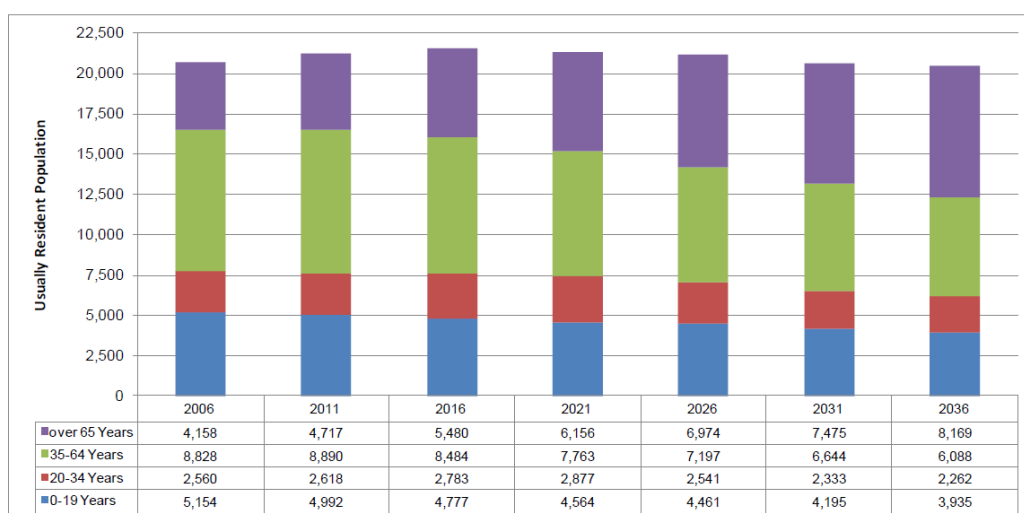
- Business and property services – 620 FTEs (which experienced 3.5% growth)
- Food and beverage manufacturing – 1350 FTEs (1.3% growth)
- Agriculture – 1600 FTEs (2.6% growth)

In addition, the Tourism – 550 FTE's and Mining sectors – 190 FTE's both experienced over 5% growth during the same period. This growth corresponded with a 0.3% growth in employment which again compares favourably with the Otago Region and New Zealand.

## Age Structure

As outlined in Rationale's report, New Zealand has an ageing population and this is putting more importance on the population projections to provide information about the changing age structure, which is at least as important as changes in total numbers. The following graph highlights the projected increase in the portion of elderly persons in Waitaki. The portion of over 65 year old residents is forecast to double from 20% in 2006 to 40% in 2036.

**Graph 11: Waitaki Resident Summary of Projected Age Structure**



Source: Waitaki District Council - Rationale Growth Projections 2011 Report

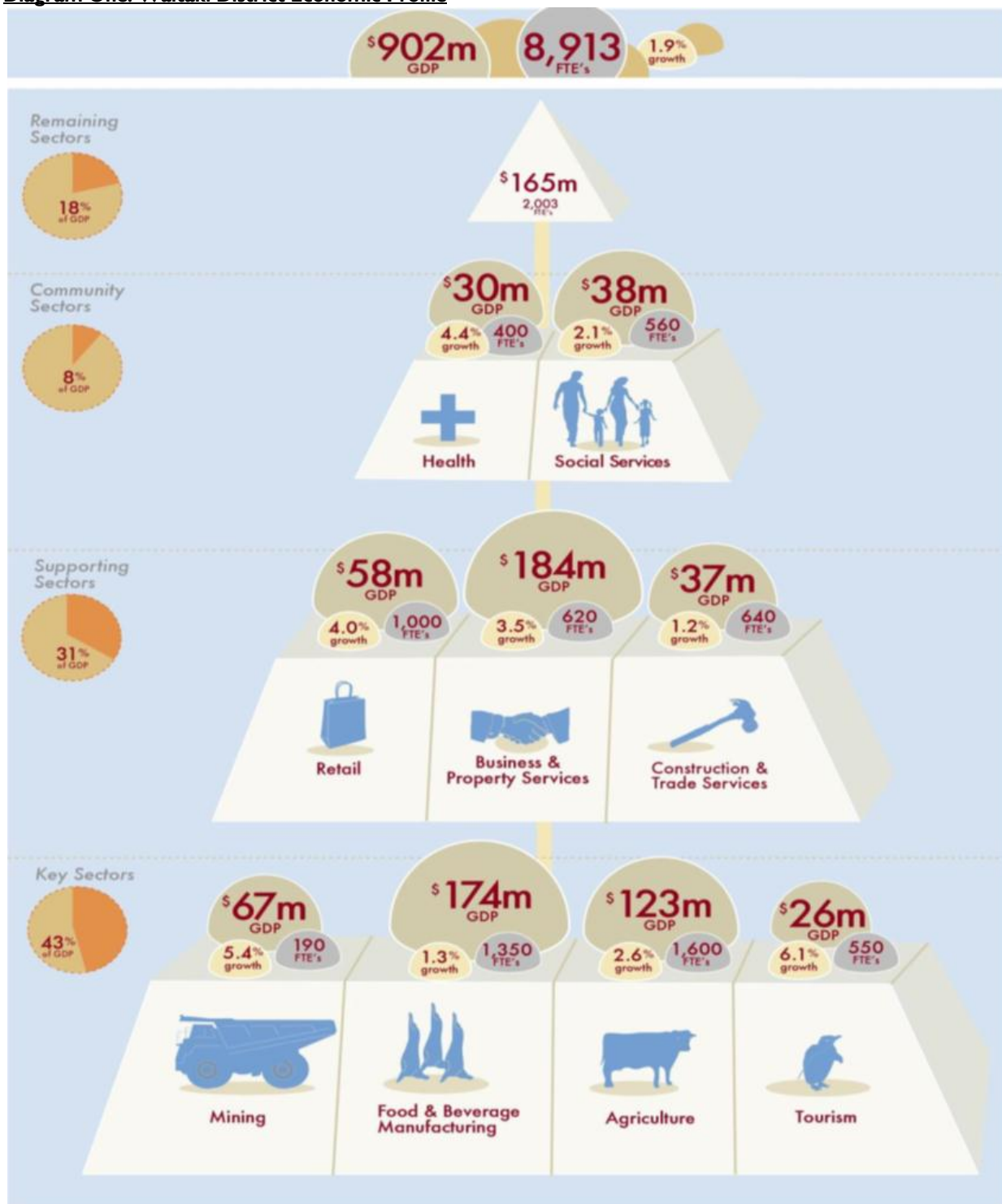
## Economic Profile

Waitaki's economic profile is represented as a pyramid and shows the key industry sectors in Waitaki are agriculture, food manufacturing, tourism and mining. The core philosophy of the pyramid is that if the base layer, the key industry sectors, grows then the whole pyramid benefits and the district's economic activity will increase. Central Government is placing more emphasis on ensuring that its investment increases economic productivity and growth.

Rationale used a pyramid to represent Waitaki's economic profile and the layers of the pyramid to categorise the industry sectors. The pyramid is shown on the following page.

# Overview

**Diagram One: Waitaki District Economic Profile**



Source: Waitaki District Council - Rationale Growth Projections 2011 Report

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

Waitaki District Council

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

Statistics New Zealand

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

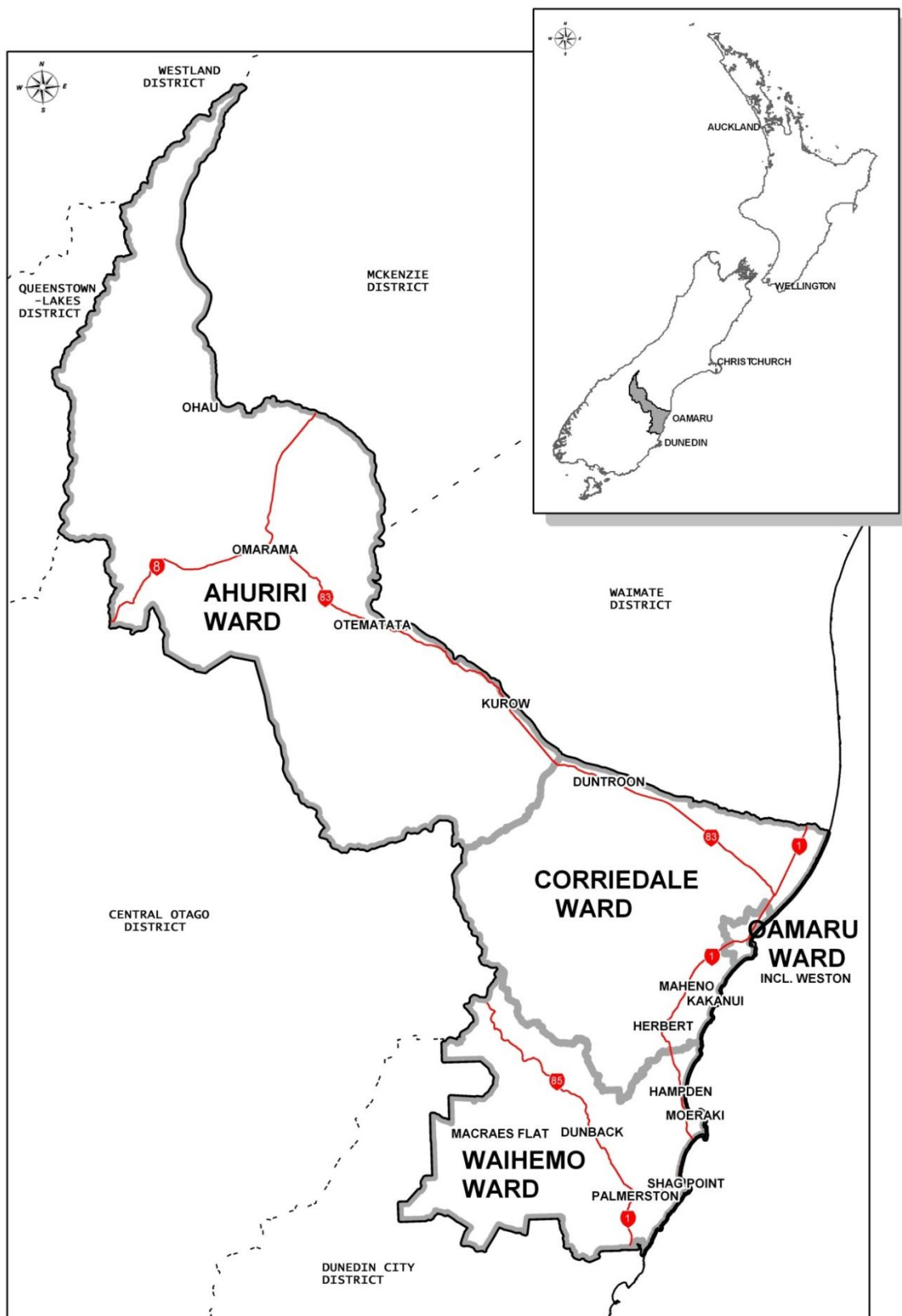
Tourism

[www.visitoamaru.co.nz](http://www.visitoamaru.co.nz)

Economic Development

[www.wdb.co.nz](http://www.wdb.co.nz)

# Map of the Waitaki District



# Mayor and Councillors (as at 30 June 2012)

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## **Mayor Alex Familton**

I R D

Palmerston

Ph (03) 465 1512

## **Oamaru Ward**

### **Cr Jim Hopkins**

14 Tay Street

Oamaru

Ph (03) 437-0863

### **Cr Sally Hope**

66 Reservoir Road

Oamaru

Ph (03) 437-2295

### **Cr Gary Young**

30 Reservoir Road

Oamaru

Ph (03) 437-0925

### **Cr Peter Garvan**

PO Box 453

Oamaru

Ph (03) 434 8717

### **Cr Helen Stead**

15 Wharfe Street

Oamaru

Ph (03) 434-1173

### **Cr Hugh Perkins**

32 Hull Street

Oamaru

Ph (03) 434-1160

## **Corriedale Ward**

### **Cr Geoff Keeling**

3635 State Highway

RD 5 K

Oamaru

Ph (03) 431-2511

### **Cr Kevin Malcolm**

570 Fortification Road

RD 3

Alma

Oamaru

Ph (03) 434-5654

## **Ahuriri Ward**

### **Cr Craig Dawson**

PO Box 65

Omarama

Ph (03) 438-9755

## **Waihemo Ward**

### **Cr Kathy Dennison**

563 Horse Range Road

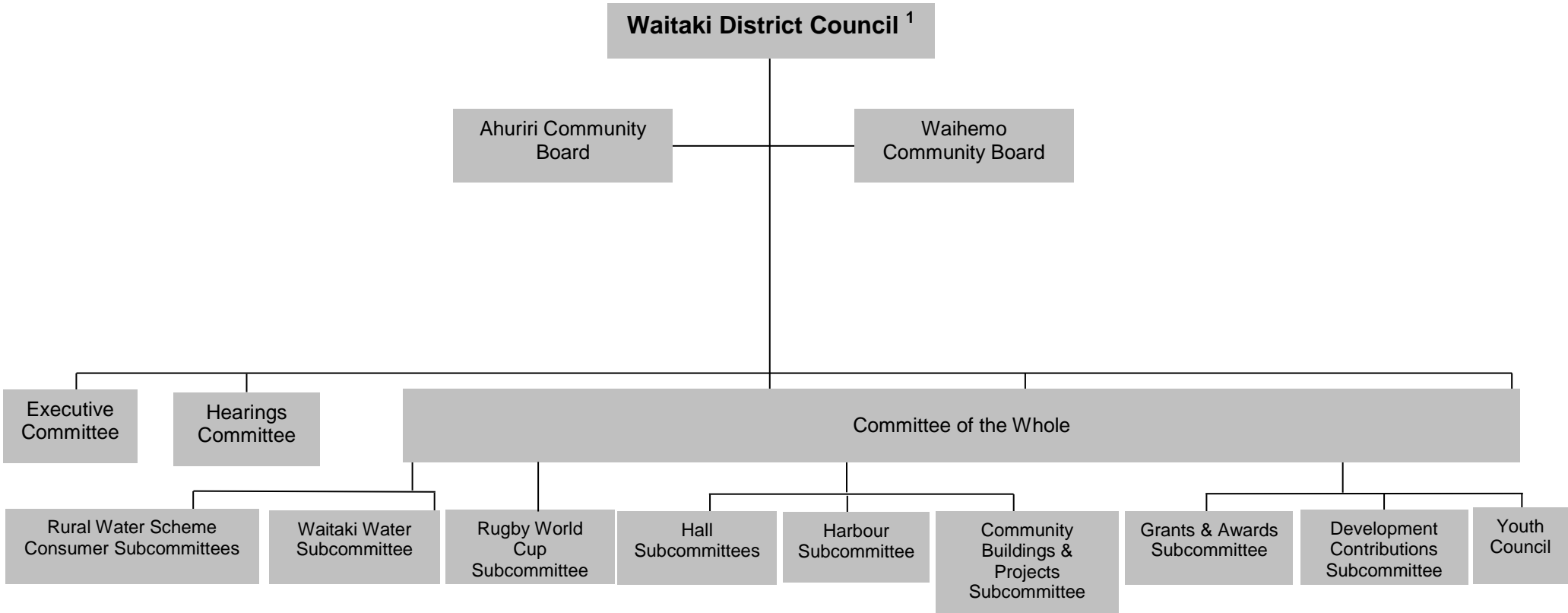
2 R D

Palmerston

Ph (03) 465-1213

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

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<sup>1</sup> Council is also represented on the Otago Emergency Management Group and the Waitaki Lakes Shoreline Authority



# Community Board Members (as at 30 June 2012)

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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**

### **Cathy Ferguson     Chair**

PO Box 204  
Omarama  
Ph (03) 438-9785

### **Calum Reid**

PO Box 75  
Kurow  
Ph (03) 436-0064

### **Graham Sullivan**

Willowbridge  
10 RD  
Waimate  
Ph (03) 689-9870

### **Michael Blackstock**

PO Box 5  
Omarama  
Ph (03) 438-9481

### **Barry Shepherd**

22a Sutherland Road  
Omarama  
Ph (03) 438-9687

### **Cr Craig Dawson**

## **Waihemo Community Board**

### **Rod Philip     Chair**

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

### **Ken Brown**

75 District Road  
Palmerston  
Ph (03) 465-1177

### **Diane Curtis [Resigned]**

### **Linda Begg**

1 RD  
Palmerston  
Ph (03) 465-1171

### **Jack Lyford**

8 Carlisle Street  
Hampden  
Ph (03) 439-4042

### **Cr Kathy Dennison**

# Management Structure

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This diagram shows the management structure and management team at 30 June 2012

# Principal Professional Advisors

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## **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  
Ratray Street  
Dunedin

Wagh Consultants  
Woolcombe Street  
Timaru

# Glossary of Terms

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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

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- 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

## **Local Government Act 1974**

Several sections of the LGA 1974 still apply although the LGA 2002 is in force

# Glossary of Terms

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**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

**LTP**

Long Term Plan 2012-22 (renamed in 2012 from the Long Term Council Community Plan)

**LTCCP**

Long Term Council Community Plan (Council's 2009-19 Long Term Plan)

**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

**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

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## **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 becomes 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

## **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

# Council Contact Information

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## 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](mailto:service@waitaki.govt.nz)  
Website [www.waitaki.govt.nz](http://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](mailto:info@forrestergallery.com)

### NORTH OTAGO MUSEUM

Thames Street, Oamaru  
Phone (03) 433 0852  
Email [museum@waitaki.govt.nz](mailto:museum@waitaki.govt.nz)

### OAMARU PUBLIC LIBRARY

Thames Street, Oamaru  
Phone (03) 434 1650  
Email [oamlibrary@waitaki.govt.nz](mailto:oamlibrary@waitaki.govt.nz)

### AQUATIC CENTRE

Steward Street, Oamaru  
Phone (03) 434 9940  
Email [aquaticcentre@waitaki.govt.nz](mailto:aquaticcentre@waitaki.govt.nz)

### OAMARU OPERA HOUSE

90 Thames Street, Oamaru  
Phone (03) 433 0779  
Email [oamaruoperahouse@waitaki.govt.nz](mailto:oamaruoperahouse@waitaki.govt.nz)