



Annual Report

For the year ended

30 June 2013

www.waitaki.govt.nz

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Chief Executive Report

The 2012/13 Annual Report presents Council's progress and performance against first year of the 2012-22 Long Term Plan. Council has achieved a very positive financial result with:

- Significantly better operating position compared to budget
- Improved asset values including Council's cash position
- Reduced debt, including internal borrowing

The actual surplus of \$1.96 million compares very favourably to a budget surplus of \$185,000. Various factors contributed to this result including extra revenue and good cost control as well as some one-off events. These factors are described in more detail in the report. This means Council will have further options available to it to take some pressure off rates and increase the capacity to respond to change. These were both objectives Council set in the 2012-22 Long Term Plan.

The last twelve months have seen a great deal of change for local government and for Waitaki as a District. Government reforms continued over the period, which amongst other things, has changed what councils can and cannot do. More change is expected as the government continues to roll out its reforms and responds to the Royal Commission on the Canterbury earthquakes. The last point is likely to have implications for property owners in the District which Council will need to respond to over the next twelve months. In addition to these new challenges, Council still had to respond to an environment of reduced funding subsidy from the New Zealand Transport Agency (NZTA) as well as increased insurance costs. During this period, Council continued to work on the following priorities agreed as part of the Long Term Plan:

- Investment in infrastructure
- Waste management and minimisation
- Community buildings
- Growing the economy
- Sustainable levels of service
- The future we want at the price we can afford

Many of these priorities were progressed through projects such as:

- The Alps2Ocean Cycle Trail
- Redevelopment of the Harbour Precinct
- North End Industrial Park

And more recently:

- The proposed development of a retirement village on Hospital Hill by Waitaki District Health Services

We continue to remain closely involved with irrigation expansion through the North Otago Irrigation Company (NOIC) and their imminent plans to launch stage two of their development. We expect further change as a result of the projects in the 2013/14 Annual Plan, which amongst other things included a new structure for Tourism Waitaki. This change in Tourism Waitaki also coincided with a review of Council's own structure which has provided an opportunity to consider a more streamlined organisation going forward.

The final change is of course the October election. One of the first tasks for the new Council will be the adoption of this Annual Report and work on the next 2014/15 Annual Plan and Long Term Plan. As with other recent consultation we look forward to your continuing input in the development of both documents.

Being in a position to make the most of the opportunities in Waitaki will continue to be a focus for the new Council - we anticipate the pace of our activities will be no less than last year. We invite you to read on to find out more about how Council contributed over the last twelve months towards making the Waitaki District a great place to live.

A handwritten signature in dark ink, appearing to read 'M. Ross', with a stylized, cursive script.

Michael Ross
Chief Executive



Council Only Financial Summary

Financial Statistics

Council Only	Actual 2013	Annual Plan 2013	Actual 2012
Proportion of Rates to Total Income (%)	63.7%	64.4%	61.1%
Rateable properties	13,032	12,968	12,888
Average Rates per rateable property	\$2,106.20	\$2,098.21	\$1,987.59
Net Public Debt - External (percentage of Total Assets)	0.001%	0.001%	0.001%
Net Public Debt - Internal (percentage of Total Assets)	3.38%	3.34%	3.60%
Net Public Debt - External (per rateable property)	\$0.41	\$0.46	\$0.62
Net Public Debt - Internal (per rateable property)	\$1,917.54	\$1,927.82	\$2,006.67
Current ratio	2.40	1.42	1.59
Ratio of Current Assets to Current Liabilities			
Liquid ratio	2.71	1.52	1.76
Ratio of Liquid Assets (cash & cash equivalents, trade & other receivables and other financial assets)			
to Liquid Liabilities (Trade & other payables, borrowings)			

Five Year Financial Summary

Council Only	2013	2012	2011	2010	2009
Rates revenue	27,448	25,616	24,465	23,884	23,046
Net Surplus/(Deficit)	1,960	367	(451)	(352)	6,905
Cashflows					
Operating Activities	12,423	10,207	10,464	14,283	12,467
Investing Activities	(11,530)	(8,480)	(9,619)	(12,690)	(11,450)
Financing Activities	(3)	(3)	(3)	(903)	(753)
Net Increase/(Decrease) in cash held	890	1,724	842	690	264
Net Public Debt - External	5	8	11	14	917
Net Public Debt - Internal	24,989	25,863	25,114	24,441	25,074
Total Assets	738,258	717,920	690,162	689,705	676,450

Outcomes, Policies, Plans and Statements

Community Outcomes

Community Outcomes

The following Community Outcomes were agreed by Council on 17 May 2011 as part of the 2012-22 Long Term Plan.

Waitaki people are safe and healthy (Social)

- Our communities are safe places to live work and play
- Our communities are protected through appropriate emergency responses, regulation and enforcement
- Our road network is well maintained and we promote safe travel
- We provide safe, reliable access to drinking water
- We have access to affordable, reliable and efficient waste disposal systems
- Our local hospital and health services are retained and easily accessible
- Our green-spaces, sports fields, cultural and recreational facilities are well managed and encourage healthy, active lifestyles and learning.

Waitaki's distinctive natural environment is valued and protected (Environmental)

- We promote and encourage awareness and protection of our unique natural environment
- We manage land use sustainably and sensitively
- We manage solid waste effectively and encourage minimisation, reuse and recycling
- We manage waste water effectively to protect environmental quality
- We support the sustainable use of water, air and marine resources and advocate on these matters to regional and central government.

Waitaki has a diverse, sustainable economy (Economic)

- Waitaki is recognised as a good place to do business, and people choose to invest in the District
- Opportunities for sustainable enterprise and growth are recognised and managed
- Our infrastructure and services are reliable and affordable
- Our infrastructure and services enable development in the District.

Waitaki is a desirable place to live (Cultural)

- We recognise, value and respect Waitaki as a great place to live, visit, work and play
- The community celebrates Waitaki's vibrant culture and regularly attends cultural facilities and events
- We preserve, promote and celebrate our built heritage
- We work in partnership with local Iwi and support mana whenua (territorial rights)
- We understand and respect our cultural traditions and values, including wahi tapu (sacred places) and wahi taoka (treasured resources).

Waitaki is served by responsive and efficient local government (Council)

- Council conducts its business in a transparent, efficient and prudent manner
- Council is viewed by our community as knowledgeable, trustworthy, approachable and accountable
- Waitaki residents actively contributed to Council decisions that affect their work, life and play
- We recognise and support the work of our volunteers
- We effectively engage with government and other stakeholders in the delivery of our community outcomes.

Community Outcomes Monitoring



Roads & Footpaths activities contribution to community outcomes

Social – Waitaki people are safe and healthy

- Our road network is well maintained and we promote safe travel

Economic – Waitaki has a diverse, sustainable economy

- Our infrastructure and services are reliable and affordable
- Our infrastructure and services enable development in the District

Outcome Indicator Selection	Outcome Snapshot Performance 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Resident satisfaction with road safety works and programmes	<p>Not achieved</p> <p>34% of surveyed residents were satisfied or very satisfied with road safety in 2013 (67% in 2012)</p> <p><i>There is a general recognition that the roads are stressed by increasing volumes of heavy traffic and land use changes. The two rain events have escalated concerns plus increasing expectations for much higher levels of service</i></p>	80%

Community Outcomes Monitoring



Water & waste activities contribution to community outcomes

Social – Waitaki people are safe and healthy

- We provide safe, reliable access to drinking water
- We have access to affordable, reliable and efficient waste disposal systems

Environmental – Waitaki's distinctive natural environment is valued and protected

- We manage land use sustainable and sensibly
- We manage solid waste effectively and encourage minimisation, reuse and recycling
- We manage waste water effectively to protect environmental quality

Economic – Waitaki has a diverse, sustainable economy

- Opportunities for sustainable enterprise are reliable and affordable
- Our infrastructure and services are reliable and affordable
- Our infrastructure and services enable development in the District

Outcome Indicator Selection	Outcome Snapshot Performance 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Community perceives the water supply is reliable	Achieved 80% of surveyed residents were satisfied or very satisfied with water supply in 2013 (83% in 2012)	70% of residents are satisfied or very satisfied with the water service
Percentage of Waitaki residents satisfied (waste management)	Not Achieved 36% of surveyed residents were satisfied or very satisfied with waste management in 2013 (38% in 2012)	60% of residents are satisfied or very satisfied in 2013
Annual cost of water service is less than other utility services	Achieved Average residential wastewater rate of \$476 is 24% ¹ of the average residential power bill and less than 33% ² of the average telephone & internet bill	Average residential wastewater rate is less than 40% of average residential power bill and less than 60% of the average telephone & internet bill
The number of choices available	Achieved Oamaru landfill open 6 days per week Palmerston landfill open 6 hours per week Resource Recovery Park open 7 days per week Three Contractors offer kerbside side collection *Omarara, Otematata, Kurow and Hampden Resource Recovery Parks open 6 hours per week Herbert, Papakaio and Enfield Recycling Drop-off Facility operational Ohau bin service available *Holiday hours: 4 hours daily from Boxing Day until 15 January, daily during Easter and Labour Weekend	Two or more options are available for recycling and waste disposal
The amount of material removed from the waste stream	<ul style="list-style-type: none"> • Achieved: Greenwaste – 1,900 tonnes (Includes approx. 15 tonnes from each recovery park, 236 tonnes from WRRT and 20 tonnes from Palmerston Landfill) • Achieved: Recyclables – 2,247 tonnes • Not achieved: Glass – 393 tonnes 	2012/13: at least <ul style="list-style-type: none"> • Greenwaste – 1,900 tonnes • Recyclables – 1,600 tonnes • Glass – 475 tonnes

¹ Prices based on electricity price trend June 2013 (\$2,000 – Median Price – nearest centre Dunedin) Source: Powerswitch.org.nz

² Based on \$120 a month for phone, broadband and toll calls – \$1,440 Source: Studylink - cost of living calculator

Community Outcomes Monitoring



Arts, heritage & community activities contribution to community outcomes

Social – Waitaki people are safe and healthy

- Our communities are safe places to live, work and play
- Our green-spaces, sports fields, cultural and recreational facilities are well managed and encourage healthy, active lifestyles and learning

Cultural – Waitaki is a desirable place to live

- The community celebrates Waitaki's vibrant culture and regularly attends cultural facilities and events
- We preserve, promote and celebrate our built heritage
- We recognise and support the work of our volunteers
- We work in partnership with local Iwi and support mana whenua (territorial rights)
- We understand and respect our cultural traditions and values, including wahi tapu (sacred places) and wahi taoka (treasured resources)

Outcome Indicator Selection	Outcome Snapshot Performance 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Residents' perception that the Waitaki District is a safe place to live	Achieved 96% of surveyed residents were satisfied or very satisfied that the district is a safe place to live in 2013 (93% in 2012)	95% of residents are satisfied or very satisfied that the Waitaki District is generally a safe place to be
Visitor satisfaction with Forrester Gallery	Achieved 94% of surveyed residents were satisfied or very satisfied with Forrester gallery in 2013 (97% in 2012)	90% of residents are satisfied with the gallery
Percentage of residents are satisfied or very satisfied with library services	Achieved 95% of surveyed residents were satisfied or very satisfied with library services in 2013 (93% in 2012)	92% of residents are satisfied or very satisfied with library services
Percentage of surveyed borrowers are satisfied or very satisfied with library service	Achieved 94% of surveyed residents were 'satisfied' or 'very satisfied' with the service when borrowing from a library	92% of surveyed borrowers are satisfied or very satisfied with library service
Visitor satisfaction with Museum in Residents Survey	Not achieved 83% of surveyed residents were satisfied or very satisfied with North Otago Museum in 2013 (86% in 2012)	>85% satisfaction
Resident satisfaction with Oamaru Opera House	Achieved 94% of surveyed residents were satisfied or very satisfied with Oamaru Opera House in 2013 (96% in 2012)	90% satisfied

Community Outcomes Monitoring



Parks & recreation activities contribution to community outcomes

Social – Waitaki people are safe and healthy

- Our green-spaces, sports fields, cultural and recreational facilities are well managed and encourage healthy, active lifestyles and learning

Outcome Indicator Selection	Outcome Snapshot Performance 2011/12	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Percentage of residents who are satisfied or very satisfied with Waitaki's parks and reserves	Not achieved 85% of surveyed residents were satisfied or very satisfied with Waitaki's parks and reserves in 2013 (89% in 2012)	90% of residents are satisfied or very satisfied with Waitaki's parks and reserves
Percentage of residents are satisfied or very satisfied with Waitaki's sports fields and facilities	Achieved 88% of surveyed residents were satisfied or very satisfied with Waitaki's sports fields and facilities in 2013 (92% in 2012)	75% of residents are satisfied or very satisfied with Waitaki's sports fields and facilities
Customers satisfied with the Aquatic Centre	Achieved 88% of surveyed residents were satisfied or very satisfied with the Aquatic Centre in 2013 (91% in 2012)	65% of customers satisfied or very satisfied with the Aquatic Centre

Community Outcomes Monitoring



Community amenities activities contribution to community outcomes

Social – Waitaki people are safe and healthy

- Our communities are safe places to live, work and play
- Our communities are protected through appropriate emergency responses, regulation and enforcement
- We have access to affordable. Reliable and efficient waste disposal systems
- Our green-spaces, sports fields, cultural and recreational facilities are well managed and encourage healthy, active lifestyles and learning

Outcome Indicator Selection	Outcome Snapshot Performance 2011/12	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Percentage of residents who are satisfied with public toilets	Achieved 74% of surveyed residents were satisfied or very satisfied with public toilets in 2013 (78% in 2012)	70%
Community satisfaction with cemetery	Achieved 87% of surveyed residents were satisfied or very satisfied in 2013 (87% in 2012)	75%

Community Outcomes Monitoring



Oamaru harbour & historic precinct activities contribution to community outcomes

Social – Waitaki people are safe and healthy

- Our green-spaces, sports fields, cultural and recreational facilities are well managed and encourage healthy, active lifestyles and learning

Economic – Waitaki has a diverse, sustainable economy

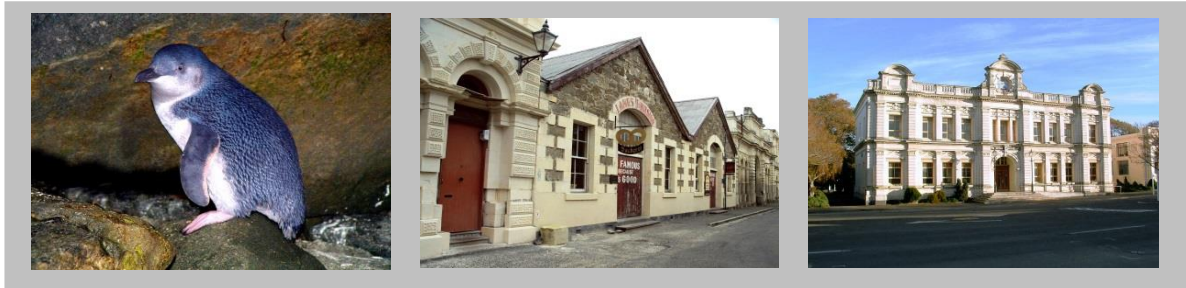
- Opportunities for sustainable enterprise and growth are recognised and managed
- Our infrastructure and service enable development in the District

Cultural – Waitaki is a desirable place to live

- We preserve and promote our built heritage

Outcome Indicator Selection	Outcome Snapshot Performance 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Number of residents who visit the harbour area and level of residents' satisfaction	Achieved 84% of surveyed residents visited the harbour recreational area in 2013 88% of surveyed residents were satisfied or very satisfied with the harbour recreational area in 2013 (85%)	Year one establish benchmark and years two and three increase usage and satisfaction to level of other Council parks

Community Outcomes Monitoring



Commercial property & development activities contribution to community outcomes

Economic – Waitaki has a diverse, sustainable economy

- Our infrastructure and services are reliable and affordable
- Waitaki recognised as a good place to do business, and people choose to invest in the District
- Council encourages and supports an economic environment that allows the growth of a strong and diverse economy

Outcome Indicator Selection	Outcome Snapshot Performance 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Population stable or increasing	Achieved 2013 census recorded an increase in Waitaki District's population by 3%, taking the overall population to 20,829 (population 20,223 at 2006 census)	Population > 21,500 by 2015

Community Outcomes Monitoring



Democracy, accountability & governance activities contribution to community outcomes

Council – Waitaki is served by responsive and efficient local government

- Waitaki residents actively contribute to Council decisions that affect their work, life and play
- Council is viewed by our community as knowledgeable, trustworthy, approachable and accountable
- Council conducts its business in a transparent, efficient and prudent manner

Outcome Indicator Selection	Outcome Snapshot Performance 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Percentage of residents that feel comfortable approaching the Mayor and Councillors	Not achieved 82% of surveyed residents were comfortable or very comfortable with the approachability of the Mayor and Councillors in 2013 (90% in 2012)	90% of residents would be comfortable approaching the Mayor and Councillors
Residents satisfaction with performance of Mayor and Councillors	Not achieved 59% of surveyed residents were satisfied or very satisfied with the performance of the Mayor and Councillors in 2013 (46%)	75% of residents are satisfied or very satisfied with the performance of the Mayor and Councillors
Percentage of residents rate the performance of Community Board members as satisfactory or very satisfactory	Ahuriri: Not achieved 72% of surveyed residents were satisfied or very satisfied in 2013 (85% in 2012) Waihemo: Not achieved 52% of surveyed residents were satisfied or very satisfied in 2013 (66% in 2012)	85% of residents rate the performance of the Ahuriri Community Board as satisfactory or very satisfactory 85% of residents rate the performance of the Waihemo Community Board as satisfactory or very satisfactory
Percentage of residents who regard the Waitaki Link as a useful source of information on Council activities	Achieved 73% of surveyed residents were satisfied or very satisfied in 2013 (78% in 2012)	65% of residents regard the Waitaki Link as a useful source of information on Council activities
Percentage of residents satisfied or very satisfied with Council consultation	Not achieved 43% of surveyed residents were satisfied or very satisfied in 2013 (54% in 2012)	50% of residents satisfied or very satisfied with Council consultation

Community Outcomes Monitoring



Environment, regulation & safety activities contribution to community outcomes

Social – Waitaki people are safe and healthy

- Our communities are safe places to live, work and play
- Our communities are protected through appropriate emergency responses, regulation and enforcement

Environmental – Waitaki's distinctive natural environment is valued and protected

- We manage land use sustainably and sensitively

Economic – Waitaki has a diverse, sustainable economy

- Our infrastructure and service enable development in the District
- Waitaki recognised as a good place to do business, and people choose to invest in the District

Council – Waitaki is served by responsive and efficient local government

- We recognise and support the work of our volunteers
- Council conducts its business in a transparent, efficient and prudent manner

Outcome Indicator Selection	Outcome Snapshot Performance 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Resident satisfaction (Emergency services)	Achieved 71% of surveyed residents were satisfied or very satisfied with emergency services in 2013 (86% in 2012)	70% of residents satisfied or very satisfied with emergency services
Resident satisfaction (with dog control services)	Achieved 75% of surveyed residents were satisfied or very satisfied in 2013 (79% in 2012)	70% of residents satisfied with dog control services
Customer feedback and online survey (District planning)	Not achieved The online survey has been decommissioned and a new targeted survey developed for 2013/14	80% of applicants satisfied with service

Community Outcomes Monitoring



Council Controlled organisations activities contribution to community outcomes

Social – Waitaki people are safe and healthy

- Our local hospital and health services are retained and easily accessible
- Our green-spaces, sports fields, cultural and recreational facilities are well managed and encourage healthy, active lifestyles and learning

Economic – Waitaki has a diverse, sustainable economy

- Waitaki is recognised as a good place to do business and people choose to invest in the District
- Opportunities for sustainable enterprise and growth are recognised and managed
- Our infrastructure and services enable development in the District

Cultural – Waitaki is a desirable place to live

- We recognise, value and respect Waitaki as a great place to live, visit, work and play

Outcome Indicator Selection	Outcome Snapshot Performance 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Residents satisfaction survey (Waitaki Development Board)	Achieved First year assessed to gain benchmark 81% of surveyed residents were satisfied or very satisfied with Waitaki Development Board in 2013	Maintain residents' satisfaction with the Company's efforts to attract tourists to the District above the national average

Audit Report and Statement of Compliance

Independent Auditor's Report

To the readers of Waitaki District Council's and group's annual report for the year ended 30 June 2013

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 audit:

- the financial statements of the District Council and group that comprise:
 - the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2013 on pages 109 to 112;
 - the funding impact statement of the District Council;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council;
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements
- the non-financial performance information of the District Council and the funding impact statements in relation to each group of activities of the District Council on pages 23 to 94.

In addition, the Auditor-General has appointed me to report on whether the District Council and group's annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing;
 - council-controlled organisations;
 - reserve funds;
 - each group of activities carried out by the District Council;
 - remuneration paid to the elected members and certain employees of the District Council;
 - employee staffing levels and remuneration; and
 - severance payments;

- a statement of compliance signed by the mayor of the Council, and by the District Council and group's chief executive.

Opinion

Audited information

In our opinion:

- the financial statements of the District Council and group:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council's and group's financial position as at 30 June 2013; and
 - the results of its operations and cash flows for the year ended on that date.
- the funding impact statement of the District Council fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- The non-financial performance information of the District Council:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service for the year ended 30 June 2013, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council's and group's annual report complies with the *Other Requirements* of schedule 10 that are applicable to the annual report.

Our audit was completed on 29 October 2013. 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 we 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 information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the non-financial performance information of the District Council. 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 information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's and group's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's 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 information we audited;
- determining the appropriateness of the reported non-financial performance information within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and the non-financial performance information that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council's and group's financial position, financial performance and cash flows;
 - fairly reflect its service performance, including achievements compared to forecast;
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the *Other Requirements* of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out this audit, which includes our report on the *Other Requirements*, we followed the independence requirements of the Auditor-General, which incorporate the independence

requirements of the External Reporting Board. Other than this audit, which includes our report on the *Other Requirements*, we have no relationship with or interests in the District Council or any of its subsidiaries.



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

Statement of Compliance & Responsibility

Compliance

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

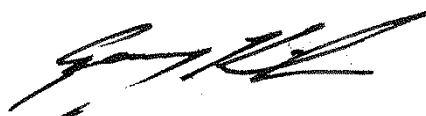
Responsibility

- Council and management accept responsibility for the preparation of the Annual report Financial Statements and the judgments 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

29 October 2013



Gary Kircher
Mayor of Waitaki

29 October 2013

The Year in Review

How did Council move the key issues forward in 2012/13?

INVESTMENT IN INFRASTRUCTURE

Water supplies

- Continued progress on drinking water upgrades; including amalgamating the three supplies of Palmerston, Goodwood and Dunback and building a combined water treatment plant for the combined Waihemo area
- Constructed a water main extension to the North End Industrial Park. As part of this project, underground power cables were installed for Network Waitaki to remove overhead lines in the area.
- Commenced work to replace 24km of watermain in the Waihemo area in April 2012. A total of 11kms were completed before bad weather and ground conditions suspended work.
- Undertook various water, sewer and stormwater renewals during the year to maintain existing service levels
- 80% of surveyed residents in the 2013 residents' survey were satisfied or very satisfied with water supply.

Roading

- Maintained a policy of not undertaking unsubsidised seal extensions (as in previous year). Council resurfaced 55km of roads and 600m² of footpaths
- Deferred resurfacing programme in Oamaru while construction of the Ultra-Fast Broadband (UFB) system in footpaths and grass berms is progressing. Once the UFB project is complete, Council will re-commence and accelerate the resurfacing programme to catch up with planned works within the 2013/14 financial year
- Completed renewal and strengthening works on the Weston rail over-bridge and the centre pier of the Ngapara-Georgetown bridge. Construction of a replacement bridge at Bowalley will likely commence 2013/14. Continued monitoring of the Stenhouse Road Bridge for the effects of logging traffic. An abutment strengthening design is underway. Widened the Parsons Road culvert to improve traffic safety. Undertook extensive consultation to increase capacity, but no affordable solution was found
- Completed a number of Minor Improvement Safety projects
- Awarded Council's roading maintenance contract to a new contractor, SouthRoads Ltd., which commenced activities on 1 July 2012. This contractor has performed well in this first of a three year contract
- Suffered two significant rain events (August 2012 and June 2013), resulting in approximately \$2.3 million of damage, including the loss of Dansey's Pass Bridge 66, with proposed replacement costs of \$500,000
- Received confirmation from NZTA of the Three Year Regional Land Transport Programme in September 2012. A 1% reduction in Funding Assistant Rate (FAR) was confirmed and Council elected to maintain the programmed expenditure through the use of rates
- Used savings gained from the new maintenance contract to invest in additional substantive works. The effectiveness of these projects has been proven by the limited time that targeted roads were closed from the rain event in June 2013
- Completed public consultation on the Coastal Roads Strategy 2013, and presented this to Council
- Continued the review of rules and bylaws which, it is hoped, will ensure greater clarity for ratepayers and contractors in the District. Adopted the Code of Practice for Stock Crossings, the Speed Limit Review and Extent of Network Policy. The Roding Bylaw, which includes speed limits, went through a consultation process and is expected to be adopted in September 2013
- Recorded no significant variations to budgets, and programmed maintenance closed 1% less than budget at year end, with some maintenance funding carried over to 2013/14.

Oamaru Harbour

- Resolved not to fund dredging of the harbour as part of the 2012-22 Long Term Plan. The effect of this decision on users is yet to be considered in the longer term
- Progressed the Harbour Development Strategy with continued development of the playground at Friendly Bay. This is now mostly complete so far as landscaping, barbecues and rubbish receptacles are concerned, and work on the junior playground still remains to be finished

The Year in Review

Oamaru Harbour, continued

- Appreciated continued high levels of volunteer support for the harbour development, including landscaping and maintenance. Much work has gone into the 'boat', the key piece for the junior playground at Friendly Bay, which will be in place before summer
- Progressed maintenance of Holmes Wharf, with new steps and landing, and completed landscape works at Sumpter Wharf to support the Scott 100 celebrations
- Remediated the contaminated land site between Oamaru Creek and Wansbeck Street with final landscaping yet to progress.

WASTE MANAGEMENT AND MINIMISATION

- Continued to meet all of the resource consent conditions for landfills and transfer stations
- Completed consultation and successfully adopted the Waste Minimisation and Management Plan
- Continued to divert waste from the landfill, with the result that there is now enough "air space" to allow the Oamaru landfill to run to the end of its consent in 2016.

COMMUNITY BUILDINGS

- Approved, as part of the 2012-22 Long Term Plan, a project to investigate options for the potential redevelopment of the Gallery, Museum, Library and Archives
- Hosted over 17,600 visitors to the Forrester Gallery, which was lower than the 23,000 target set in the 2012-22 Long Term Plan
- Hosted a total of 197,259 visitors to the Oamaru and Palmerston libraries. This continues the decline observed nationally, but there were more online visits to the website. 95% of surveyed residents in the 2013 residents' survey were satisfied or very satisfied with library services
- Experienced a drop of 11% in visitor numbers at the North Otago Museum. 83% of surveyed residents in the 2013 residents' survey were satisfied or very satisfied with North Otago Museum
- Noted a slight increase in the usage of Oamaru Opera House due, in part, to international entertainment acts coming to Oamaru, namely Dame Kiri Te Kanawa and the Seven Irish Tenors. There was an increase in meeting usage, but conference and function usage was low - this will be a focus of the 2013/14 business plan. The Opera House was well patronised by the community and community organisations, and the Opera House sponsored several community fund raising events. 94% of surveyed residents in the 2013 residents' survey were satisfied or very satisfied with Oamaru Opera House
- Reported occupancy rates at community housing of 98%. All operational community buildings have a "warrant of fitness"
- Continued to improve parks and recreation facilities through better maintenance. Drafted a Reserve Management Plan and updated parks and recreation asset information. Focused attention on bringing assets up to standard by implementing playground and track improvements, and two closedown weeks at the aquatic centre. Two floods during the year caused damage and delayed other planned works.

SUSTAINABLE LEVELS OF SERVICE

- After consulting with the community as part of the preparation of the 2012-22 Long Term Plan on choices and trade-offs on existing service levels in the future, Council implemented many of the changes that were made under Sustainable Levels of Service. As was noted last year, these included the decision to self-insure above ground water and waste water assets below \$1 million in value and property assets valued below \$750,000 to off-set rates, and to cease dredging the Harbour

THE FUTURE WE WANT AT THE PRICE WE CAN AFFORD

- Council also implemented changes related 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 of rates, plus profits of up to \$100,000 per annum arising from the Oamaru Blue Penguin Colony (OBPC)
 - Adopting a tiered approach to Hall rate charges which, for the majority of halls, involved either an increase or a decrease to the most appropriate tier level

The Year in Review

THE BOTTOM LINE: FINANCIAL PERFORMANCE

One of the new features in the 2012-22 Long Term Plan (LTP) was the requirement for Council to produce and adopt a Financial Strategy. The intent of this Financial Strategy was to set out Council's financial goals for the ten years covered by the LTP, outline how it was going to achieve them and describe how these related to the other aspects covered by the LTP including service levels, projects and expected performance. The 2013 Annual Report is the first opportunity Council has had to report on progress on these issues.

The main focus of the Financial Strategy was addressing the theme of "the future we want at the price we can afford". This was intended to highlight the issues Council faces of trying to control the growth in rates while still allowing Council to have a role in growing and developing the community. As Council is reluctant to reduce services the way to achieve this goal is by finding better, more effective ways to deliver services.

These same themes were included in changes the government made the Local Government Act in 2012. These changes include requiring Councils "to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses". How Council has decided to meet these needs is not by trying to make large, one-off changes but by instead developing a culture of always looking for better ways to achieve the goals that have been set. This recognises that there will be the occasional large win but most change will be small, however this should have a significant cumulative effect.

So how has Council done meeting these goals during 2012-13?

The year got off to a challenging start with a significant amount of money being spent to address the damage caused by the floods in July 2012. Although the NZTA Rooding Subsidy helped meet most of this cost the amount Council had to fund was significant. This highlighted one of the other reasons Council identified to reduce rate growth: increasing Council's capacity to respond to change.

The next major development that occurred had a significant positive effect. Council has invested significant time and resources improving and developing its understanding of the condition and performance of its assets, particularly water and waste water assets. This improved understanding showed that the assets were in better condition than initially estimated and were capable of delivering the required level of service for longer. The information meant that the annual depreciation charge could be lowered and that there would still be enough money available to replace these assets when required. What is significant about this change is that the impact was not limited to one year but had long term benefits. Although this change came too late to affect the rates in the 2012-13 year it did allow Council to hold and, in most cases reduce, the water and sewer rates for the 2013-14 year.

After this net positive start, Council set about trying to improve its financial performance in all other areas. As the chart that follows shows, Council considers it has achieved this goal. Eleven of the thirteen groups of activities report a better than budgeted financial result. The reasons for these are noted in each of the group funding impact statements. The common themes are improved revenue and controlled costs. The cumulative effect of all these changes is shown in the actual surplus of \$1.96million compared to a budget surplus of \$185,000.

As we have noted in prior years, a surplus for Council is not like a profit. Much of the surplus is committed to specific areas and not available to everyone. It will be used to purchase new assets or repay debt. A good example of this is the increase in grants and donations. The Omarama Hall Committee has done a great job of getting external funding to pay for the redevelopment of their Hall. This money has been received by Council in the 2012-13 year and will be spent in 2013-14. However, even after allowing for this and other similar, although smaller, amounts that have specific purposes attached to them, this is a very positive result.

As Council was expecting a good result it has already made some decisions to spread the benefits of where possible. It made the decision to repay some loans early and so reduce the on-going cost to ratepayers. The expectation of reduced rates requirements allowed the rates for the 2013-14 year to be set at a level well below what was indicated in the LTP. The lower level of increase was after Council made the decision to spend an extra \$512,000 on new services and projects.

The Year in Review

Overall Council believes it has made a good start to achieving the long term goal of reducing the rates required to fund existing services and creating capacity to respond to new issues as they arise. The development of this approach and a culture to support it is an on-going challenge which if achieved will have a positive impact on the entire community.

	2012/13 Actual \$000	2012/13 Budget \$000	Variance \$000
Surplus / (Deficit) of Operating and Capital Funding per Activity Funding Impact Statements			
Roads and Footpaths	2,811	2,707	104
Waste Water	1,436	1,099	337
Stormwater Drainage	401	360	41
Water Supply	2,358	1,804	554
Waste Management and Minimisation	156	(51)	207
Arts, Heritage and Community	233	169	64
Parks and Recreation	816	544	272
Community Amenities	672	439	233
Oamaru Harbour & Historic Precinct	52	110	(58)
Democracy, Accountability & Governance	(35)	6	(41)
Commercial & Development Activities	681	46	635
Environment, Regulation & Safety	186	22	164
Support Services (Net Allocated)	298	972	(674)
Net Surplus (Deficit) from Council activities	10,065	8,227	1,838
Add Total funding for Capital per the FIS	2,959	3,844	(885)
Deduct increase / (decrease) in debt per the FIS	3	4	(1)
Deduct Depreciation not allowed for in the FIS	(11,427)	(11,659)	232
Deduct Fixed Asset Sales contra	(34)	(692)	658
Adjust net internal recoveries	5	143	(138)
Internal recoveries included in capital	389	318	71
Net Operating Surplus/(Deficit) per Statement of Comprehensive Income	1,960	185	1,775

OUR BALANCE SHEET

Council's total assets increased from \$718 to \$738 million, largely as a result of the revaluation of Council's water infrastructure assets at the start of the year. Although there was some movement in the other types of assets, 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 reduced from \$25.862 million to \$24.989 million.

Council raised new internal loans for the following major items:

- Oamaru North End business park infrastructure
- Omarama water main extension
- Oamaru Harbour breakwater upgrades
- Oamaru Harbour Park development
- Additions to existing loans (primarily compounded interest – see below)

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

The Year in Review

Council repaid a total of \$2.580m, or 9.98% of the opening internal loans balance, during the year (refer note 18). This increased level of repayment was made possible through continued low interest rates and the use of identified surpluses. The level of repayment is also affected by the property loans referred to above, but all other loans are being repaid over the term that was agreed to when the project was approved. Overall Council is in a strong financial position and is still operating well within the borrowing limits set out in the Liability Management and Investment Policy.

	Actual	Policy
Interest Expense as a Percentage of General Revenues	0.00%	20%
Net Debt per Rateable Property	\$1,917	\$4,000

HOW IS COUNCIL PERFORMING IN THE EYES OF THE COMMUNITY?

Residents Survey 2013

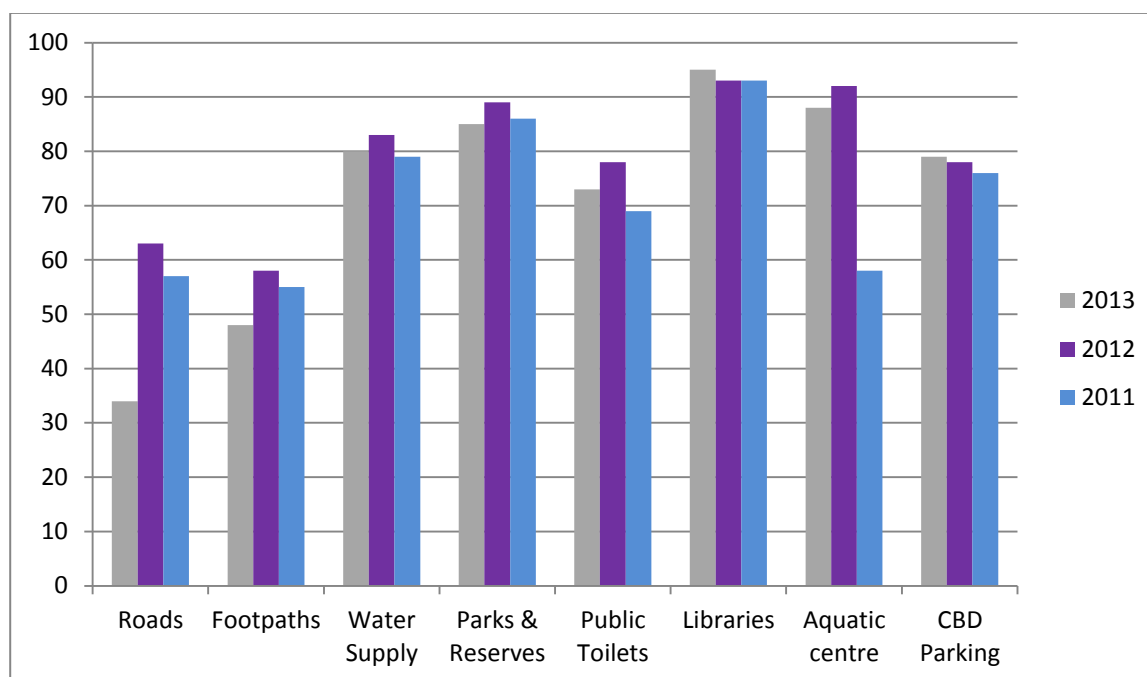
A number of performance measures and targets refer to the 'Residents' Survey' which is Waitaki District Council's Residents' Survey, carried out by Pulse Business Solutions in July 2013.

All interviews were conducted by telephone, with 400 calls being made between 5pm and 9pm on weekdays and 10am 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 wards, gender and age groups in the District as of the 2006 Census.

Overall, levels of satisfaction with Council services and operations were lower than the 2011/12 year.

Graph 1: Summary Residents' Survey comparison



Notes on Council Activities

Performance Measures and Targets - Each group of activities contains a variety of 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 the 2012-22 Long Term Plan.

Groups of Activities

Roads and footpaths

Roads and footpaths – What we did

Roads and Land Transport Network

Waitaki District has one of the largest rural 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.

Thirty-five per cent of rural roads are sealed. While there are requests for gravel roads to be upgraded, Council has not allocated any budget to sealing gravel roads, and New Zealand Transport Agency (NZTA) will only subsidise Council's seal extensions if the safety benefits increase by 50%, and a high level of efficiency is achieved.

Roads

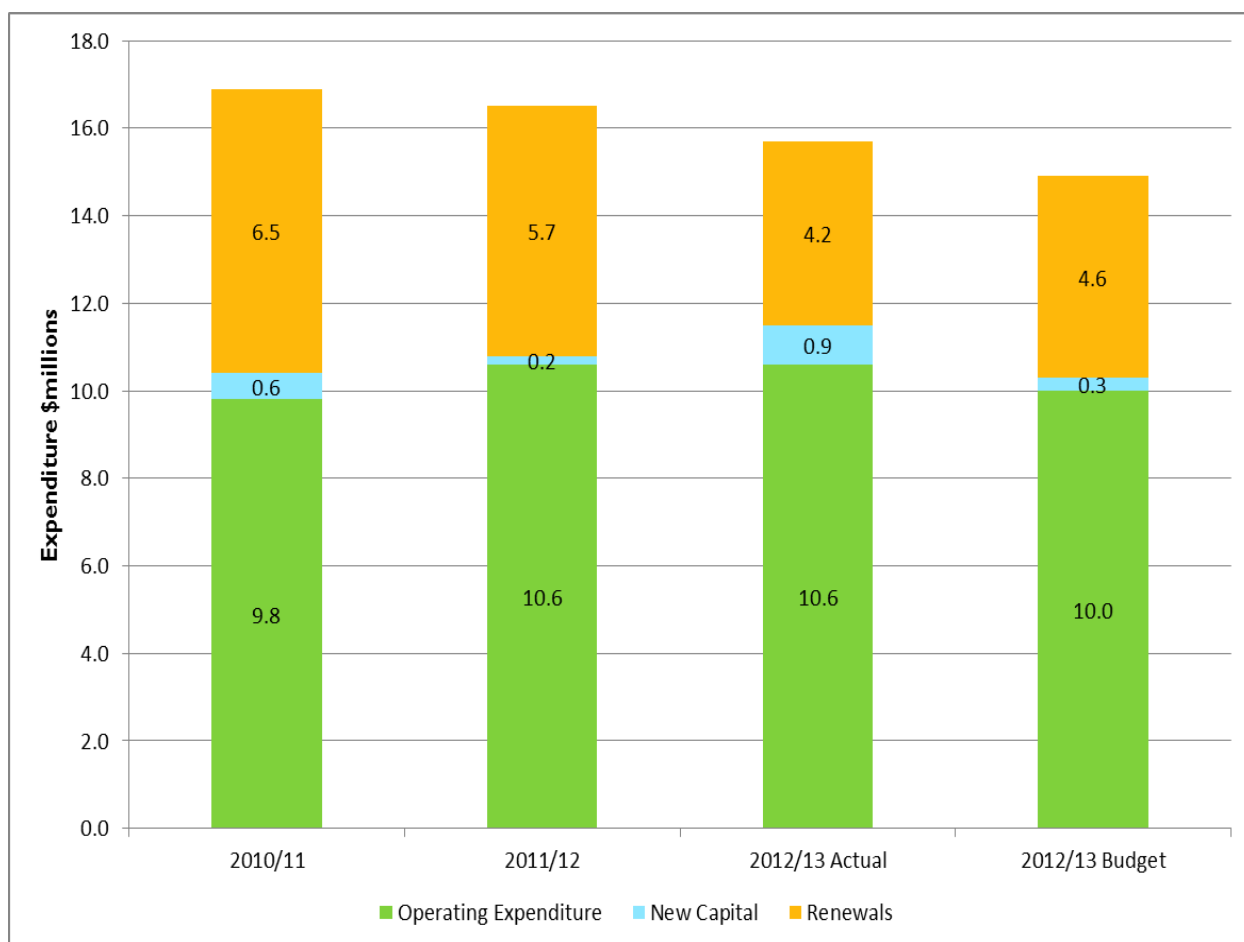
- Resurfaced 55km of roads and 600m² of footpaths
- Completed renewal works on Weston rail over-bridge, Ngapara-Georgetown bridges plus widened the culvert under Parsons Road to permit two lanes of traffic
- Consulted on the Coastal Roads Strategy 2013, as well as the Speed Limits Review, Extent of Network Policy and Roading Bylaw
- Suffered two significant rain events, in August 2012 and June 2013, which disrupted normal programmed maintenance activities; however good progress has been made to come within 1% of the programmed expenditure at year end.

Road Safety

- Continued providing Older drivers' theory refresher courses through 2012/13, following these up with mobility scooter courses and practical driving assessments
- Brought 'Bikes 4 Fun' back to visit five local primary schools, spreading the message about active transport, cycle maintenance, the history of bicycles and the joy of riding their more than 60 quirky cycle contraptions
- Supported Waitaki Road Safe Inc. (WRSI) who provided fatigue stops for motorists over holiday weekends, and communicated the road safety message to the community through radio and newspaper advertising, articles, interviews and opinion pieces throughout the year.
- Provided travellers' tips and brochures with local information regarding holiday parks, travel times, special interest roads, road safety tips and the locations of dump stations at locations in Hampden, Moeraki, Shag Point, Kurow, Otematata and Omarama.
- Placed advertisements over the summer holiday season in local newspapers promoting bars and pubs in the district that provide a courtesy vehicle, as a reminder to people to consider their journey home
- Spent time with several Year 12 classes at Waitaki Girls High School throughout the year. These lessons are an ideal opportunity for controlled, realistic conversations with one of Council's target audiences.

Roads and footpaths

Graph 2: Council Roding Expenditure (\$ million)



Graph 2 shows that Council spent \$15.7 million on roads in 2012/13 compared with \$16.5 million in 2011/12. The actual areas of expenditure for 2012/13 are explained in more detail below.

Financial Performance

The overall results and actual spend indicated for the year was slightly higher than the 2012/13 budget. The increase in Operational Expenditure was largely around the annual depreciation expense of the roading network, a small amount of additional footpath maintenance and the cost of the storm event experienced at the end of the financial year. Increased Capital Expenditure was due to the purchase and installation of new parking meters in Oamaru, additional minor improvements expenditure on the Tokarahi-Ngapara Road rehabilitation project and the completion of Amenity Rate projects in the District. A reduction in renewals is attributed to Council placing a deliberate hold on footpath resurfacing whilst the Ultra Fast Broadband (UFB) project is underway in Oamaru. A small amount of resurfacing continued in the District where that was not affected by the UFB project.

It should be noted when comparing 2011/12 and 2012/13, that the expenditure budget for 2012/13 was based on flat line expenditure of 2011/12 with cost escalation adjustments only and the primary difference was due to the reduction in bridge renewal expenditure.

Roads and footpaths

Roads and footpaths - How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our road network is well maintained and we promote safe travel

Roads and footpaths Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
By providing transport networks and services that are safe	Resident satisfaction with road safety works and programmes	<p>Not achieved</p> <p>34% of surveyed residents were satisfied or very satisfied in 2013 (67% in 2012)</p> <p><i>There is general recognition that the roads are stressed by increasing volumes of heavy traffic and land use changes. The two rain events have escalated concerns and have increased expectations for much higher levels of service</i></p>	80%
	Incidence and severity of road crashes is declining	<p>10 Year Moving Average (tyma) reduction on:</p> <p>Not achieved: Number of crashes: 2013 (tyma) 88.3, 2012 (tyma) 87.4</p> <p>Not Achieved: Number of fatal crashes: 2013 (tyma) 0.9, 2012 (tyma) 0.7</p> <p>Achieved: Number of severe injury crashes: 2013 (tyma) 9.1, 2012 (tyma) 10</p> <p>Not achieved: Number of minor injury crashes: 2013 (tyma) 23.7, 2012 (tyma) 23</p>	<p>10 Year moving average reduction on:</p> <ul style="list-style-type: none"> • Number of crashes • Number of fatalities • Number of severe injuries

Note: Last year's results (previously SH and Local Roads reported on an annual calendar year. Now being reported on for WDC local roads only within a financial year)

Roads and footpaths

Roads and footpaths - How we performed (continued)

Wellbeing – Waitaki has a diverse, sustainable and growing economy (Economic)

Community Outcomes

- Our infrastructure and services are reliable and affordable
- Our infrastructure and services enable development in the District

Roads and footpaths Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
By providing transportation infrastructure that supports a diverse, sustainable and growing economy	Residents' satisfaction with the roading network	Not achieved 38% of surveyed residents were satisfied or very satisfied in 2013 (63% in 2012) <i>The recent rain events figure prominently as causes for dissatisfaction amongst respondents. Ultra-Fast Broadband (UFB) and heavy traffic are contributors</i>	70% of residents are satisfied or very satisfied with the roading network
	Resident satisfaction with footpaths, walkways and cycleways	Not achieved Footpaths: 48% of surveyed residents were satisfied or very satisfied in 2013 (58% in 2012) Achieved Walkways: 79% of surveyed residents were satisfied or very satisfied in 2013 (84% in 2012) Achieved Cycleways: 75% of surveyed residents were satisfied or very satisfied in 2013 (71% in 2012) <i>The UFB project has created significant negative feedback noting maintenance has been deliberately deferred pending completion. Disability access is an increasing concern – though council has deliberately targeted this group to bring their issues to the fore for planning purposes</i>	70% of residents are satisfied with footpaths, walkways and cycleways
	Resident satisfaction with parking in commercial and shopping areas	Not achieved 79% of surveyed residents were satisfied or very satisfied in 2013 (78% in 2012) <i>The cost of parking (fees increased and hours changed) is a common cause for feedback. New meters should remove issues about reliability of ticketing. No feedback concerning standard of parking</i>	80% of residents are satisfied or very satisfied with parking in commercial and shopping areas
	Cost of Roding Rate per month compared to average annual household power bill and telephone and internet bill	Achieved Monthly Roding Rate \$33.83 or \$406 per annum, less than 12% of annual power bill ¹ (\$2000), and telephone and internet bill ² (\$1440) less than 12% of annual power bill, \$2000 and telephone and internet bill, \$1440	Monthly roading rate cost <50% of average annual household power bill, telephone and internet

¹ Prices based on electricity price trend June 2013 (\$2,000 - Median Price - nearest centre Dunedin) Source: Powerswitch.org.nz

² Based on \$120/month for phone, broadband and toll calls - \$1,440 Source: Studylink – cost of living calculator

Roads and footpaths

Roads and footpaths - How we performed (continued)

Roads and footpaths Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
By providing transportation infrastructure that supports a diverse, sustainable and growing economy	Public enquiry response time met through the CRM process. The Annual Residents' Survey will be used to measure resident's satisfaction with level of service and outcomes.	<p>Not achieved</p> <p>Roading responded to 87% of CRM's (1417 out of 1628 CRM's in 2013); and resolved 93% (1524 out of 1633 in 2013)</p> <p><i>The customer satisfaction survey showed a perceived lack of response; however our data shows that we were on or close to target. It is expected that the survey being conducted after a flood event has influenced people's perception of our performance.</i></p>	CRM shows that 90% of public enquires responded to within approved response times

Notes to snapshot performance

Roading Asset Management Plans assume a certain 'economic life' of roads; however the actual life of those roads will vary from forecast, so actual road resurfacing will vary depending on the condition of the roads as Council engineers evaluate them road-by-road.

The length of kerb and channel renewed (335m in Oamaru) 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.

Roads & Footpaths				
2011/12 Actual \$(000)	2011/12 Budget \$(000)		2012/13 Actual \$(000)	2012/13 Budget \$(000)
163	163	General Rates	127	127
4,502	4,486	Targeted Rates	4,695	4,641
4,665	4,649	Rates Revenue	4,822	4,768
2,395	2,155	Operating Subsidies and Grants	2,639	2,228
165	182	Fees and Charges	206	182
-	-	Interest and Dividends from Investments	-	-
12	-	Internal Recoveries including Internal Interest Income	15	2
216	320	Other Receipts (Fines, infringements, Fuel Tax, other)	224	346
2,788	2,657	Operating Revenue	3,084	2,758
7,453	7,306	Total Operating Funding	7,906	7,526
4,265	3,900	Payments	4,324	4,038
-	-	Finance Cost	-	-
738	807	Internal Charges and Overheads Applied	771	781
-	-	Other operating funding applications	-	-
5,003	4,707	Total Applications of Operating Funding	5,095	4,819
2,450	2,599	Surplus / (Deficit) of Operating Funding	2,811	2,707
3,149	2,772	Subsidies and Grants for Capital	2,516	2,531
85	150	Development and Financial Contributions	154	128
-	-	Increase / Decrease in Debt	-	-
1	-	Asset Sales	-	-
3,235	2,922	Total Sources of Capital Funding	2,670	2,659
353	709	Improve Levels of Service	857	157
-	-	Meet Additional Demand	-	-
5,438	4,545	Replace Existing Assets	4,115	4,520
(106)	267	Increase / (Decrease) in Reserve	509	689
-	-	Increase / (Decrease) in Investments	-	-
5,685	5,521	Total Applications for Capital Funding	5,481	5,366
(2,450)	(2,599)	Surplus / (Deficit) of Capital Funding	(2,811)	(2,707)
-	-	Funding Balance	-	-

Commentary on Major Changes

A flood event at the start of the year had a number of consequences that were felt throughout the year. This required a higher level of spending at the start of the year which also produced a higher level of subsidy income. However, the effort required to address these issues put the planned work program behind schedule throughout the year. Although every effort was made to catch up this work there were some items outstanding at year end that will be undertaken over the next twelve months instead.

Water & Waste

The Water and Waste group of activities includes:

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

Three Waters - What we did

- Completed the new water treatment plant for the combined Waihemo water supply. This included building a new pump station and treatment building, and mechanical fit-out with filtration and UV treatment. The new plant now supplies Drinking Water Standard compliant water from the refurbished Palmerston bore sites to the Goodwood and Dunback zones
- Completed construction of two production bores at the new Otematata water treatment site, along with detailed treatment plant design
- Completed exploratory drilling at Omarama for a cleaner, easier to treat water source. Further exploratory bores may be sunk to find the best source of water for the town. If a suitable site that provides at least 30m depth can be found over that same aquifer, then the level of treatment required to meet the Drinking Water Standards reduces significantly
- Completed significant public consultation to successfully confirm the proposal to join the Kakanui Water and Wastewater supplies to the greater Oamaru systems. This allowed detailed design work to commence, with pipeline construction scheduled before the end of December
- Completed construction of the water main extension to feed the North End Industrial Park. As part of the work. Council installed underground power cables to allow Network Waitaki to remove overhead lines in the area. This proved to be a successful shared service arrangement
- Upgraded the water main supplying one of Council's largest consumers to provide a more secure supply, as well as increasing capacity to allow for future anticipated demand. Various other water main renewals or upgrades occurred, including Beach Road and Tyne Street in Oamaru, and Mill Road in Palmerston
- Commenced construction of 24km of replacement water mains in the Waihemo area in April, with 11km completed before bad weather and ground conditions suspended work. This work will allow the provision of an additional 130 points of water to an area that has been closed for the supply of more water for about 20 years
- Secured a 50% funding grant from Central Government to allow for the completion of mitigation of the contaminated foreshore land. The \$150,000 project commenced in March, involving capping approximately 7,000m² of land.

Solid Waste - What we did

- Commenced work on the future of Solid Waste Services, post Oamaru Landfill closure
- Continued to successfully divert waste from landfills (estimated at 40% of the total potential waste), and the Oamaru landfill now has enough space to dispose of refuse beyond the expiry of its consent in 2016
- Provided the following waste grants:
 - \$270,000 value to the Waitaki Resource Recovery Trust (made up of \$220,000 cash, \$40,000 value lease and \$10,000 ground maintenance)
 - \$7,500 to the Waihemo Waste Busters
- Promoted and advertised the TV 'Take Back' scheme which was extremely successful, far exceeding expectations
- Successfully participated in the 'cloth nappy' initiative again this year
- Continued to make the Large Waste Disposer Waste Minimisation Incentive Education programme available

Water & Waste

Waste water - How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- We have access to affordable, reliable and efficient waste disposal systems

Waste water Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Protecting the communities from wastewater related health issues by providing community reticulated systems in agreed areas	Emergency response <1 hour in accordance with contract criteria	Achieved 91% of emergency responses occurred in <1 hour	90% of emergency responses occur in <1 hour
	Minor works** <2-5 working days	Achieved 100% of minor works response occurred in <2-5 working days	90% of minor works response occur in <2-5 working days

* Emergency response – response to incidents that require almost immediate attention such as notification of overflow public, public sewer main blocked, broken or missing sewer lid, etc.

** Minor works – response to incidents that do not require immediate attention, such as notification of Sewer General, Sewer Odor Complaint, etc.

Water & Waste

Waste water - How we performed

Wellbeing – Waitaki has a diverse, sustainable and growing economy (Economic)

Community Outcomes

- We manage wastewater effectively to protect environmental quality
- Our infrastructure and service are reliable and affordable
- Our infrastructure and services enable development in the District

Waste water Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
<ul style="list-style-type: none"> ○ Acknowledging and incorporating the natural environment in design, construction, operating and maintenance of infrastructure ○ Timely response to service requests and system failures ○ Equitable pricing mechanisms ○ Long term planning of maintenance, renewals, and provision for growth will provide assurance for a sustainable, efficient and effective wastewater service 	To comply with Resource Consent conditions	Achieved No abatement notices issued by Regional Councils	No abatement notices issued by Regional Councils
	Response to blockages <1 hour	Achieved 92% of blockages were responded to in < 1 hour	90% of blockages were responded to in < 1 hour
	Response to overflows <1 hour	Achieved 100% of overflows were responded to in < 1 hour	90% of overflows were responded to in < 1 hour
	Annual cost of wastewater service is less than other utility services	Achieved Average residential wastewater rate of \$262 is 13% ¹ of the average residential power bill and less than 18% ² of the average telephone & internet bill	Average residential wastewater rate is less than 40% of average residential power bill and less than 60% of the average telephone & internet bill
	Council will provide spare capacity at its wastewater treatment systems	Achieved Oamaru has 34% spare wastewater treatment capacity while Moeraki has 62%	Oamaru 30% Potential Moeraki 50% Potential

¹ Prices based on electricity price trend June 2013 (\$2,000 – Median Price – nearest center Dunedin) Source: Powerswitch.org.nz

² Based on \$120 a month for phone, broadband and toll calls - \$1,440 Source: Studylink - cost of living calculator

Waste Water				
2011/12 Actual \$(000)	2011/12 Budget \$(000)		2012/13 Actual \$(000)	2012/13 Budget \$(000)
-	-	General Rates	-	-
2,235	2,229	Targeted Rates	2,257	2,241
2,235	2,229	Rates Revenue	2,257	2,241
-	-	Operating Subsidies and Grants	-	-
156	165	Fees and Charges	300	170
-	-	Interest and Dividends from Investments	-	-
288	269	Internal Recoveries including Internal Interest Income	293	260
11	10	Other Receipts (Fines, infringements, Fuel Tax, other)	6	-
455	444	Operating Revenue	599	430
2,690	2,673	Total Operating Funding	2,856	2,671
990	1,018	Payments	989	1,132
-	-	Finance Cost	-	-
418	520	Internal Charges and Overheads Applied	431	440
-	-	Other operating funding applications	-	-
1,408	1,538	Total Applications of Operating Funding	1,420	1,572
1,282	1,135	Surplus / (Deficit) of Operating Funding	1,436	1,099
140	-	Subsidies and Grants for Capital	-	-
72	204	Development and Financial Contributions	88	106
-	-	Increase / Decrease in Debt	-	-
-	-	Asset Sales	-	-
212	204	Total Sources of Capital Funding	88	106
-	-	Improve Levels of Service	15	230
-	-	Meet Additional Demand	-	-
97	85	Replace Existing Assets	62	280
1,397	1,254	Increase / (Decrease) in Reserve	1,447	695
-	-	Increase / (Decrease) in Investments	-	-
1,494	1,339	Total Applications for Capital Funding	1,524	1,205
(1,282)	(1,135)	Surplus / (Deficit) of Capital Funding	(1,436)	(1,099)
-	-	Funding Balance	-	-

Commentary on Major Changes

The most significant change during the year is not reflected in this statement. The further work on the relevant asset management plans, in particular work on asset lives and condition allowed the depreciation costs to be lowered. This had a positive impact on the cash flow in these activities which is reflected in the higher than budgeted increase in reserve. The other variance of noted that reduced payments was having fewer maintenance repairs than normal.

Water & Waste

Stormwater - How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- We have access to affordable, reliable and efficient waste disposal systems

Stormwater Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Manage flooding events in urban areas	Emergency flood response* <1 hour in accordance with contract criteria	Achieved 100% of emergency flood responses* <1 hour in accordance with contract criteria	90% of emergency flood responses* <1 hour in accordance with contract criteria
	Minor works response **<2 - 5 working days	No measurement in reporting period No minor works were carried out during the year	90% of minor works** responded in <2 - 5 working days
	Managing flooding to prevent inundation into dwellings (in accordance with design standards)	Achieved No habitable floor dwellings were flooded during the year	Prevent habitable floor dwellings from flooding during a 2% Annual Exceedance Probability (AEP) storm

* Emergency response – response to incidents that require almost immediate attention such as notification of stormwater flooding affecting private property, broken or missing stormwater manhole lid, etc.

** Minor works – response to incidents that does not require immediate attention such as notification of stormwater general, etc.

¹ Prices based on electricity price trend June 2013 (\$2,000 – Median Price – nearest centre Dunedin) Source: Powerswitch.org.nz

² Based on \$120 a month for phone, broadband and toll calls - \$1,440 Source: Studylink - cost of living calculator

Wellbeing – Waitaki's distinctive natural environment is valued and protected (Environmental)

Community Outcomes

- We manage wastewater effectively to protect environmental quality

Stormwater Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Acknowledging and incorporating the natural environment in design, construction, operating and maintenance of infrastructure	Stormwater systems comply with Resource Consent conditions	Achieved No abatement notices issued by Regional Councils	No abatement notices issued by Regional Councils

Water & Waste

Stormwater - How we performed

Wellbeing – Waitaki has a diverse, sustainable and growing economy (Economic)

Community Outcomes

- Our infrastructure and service are reliable and affordable

Stormwater Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Timely response to service requests and system failures	Response to flooding <1 hour	Achieved 100% responses to flooding in <1 hour	90%

Stormwater Drainage				
2011/12 Actual \$(000)	2011/12 Budget \$(000)		2012/13 Actual \$(000)	2012/13 Budget \$(000)
-	-	General Rates	-	-
545	545	Targeted Rates	542	542
545	545	Rates Revenue	542	542
-	-	Operating Subsidies and Grants	-	-
-	-	Fees and Charges	-	-
-	-	Interest and Dividends from Investments	-	-
-	-	Internal Recoveries including Internal Interest Income	-	-
-	-	Other Receipts (Fines, infringements, Fuel Tax, other)	-	-
-	-	Operating Revenue	-	-
545	545	Total Operating Funding	542	542
55	50	Payments	47	68
-	-	Finance Cost	-	-
110	117	Internal Charges and Overheads Applied	94	114
-	-	Other operating funding applications	-	-
165	167	Total Applications of Operating Funding	141	182
380	378	Surplus / (Deficit) of Operating Funding	401	360
-	-	Subsidies and Grants for Capital	-	-
-	-	Development and Financial Contributions	-	-
-	-	Increase / Decrease in Debt	-	-
-	-	Asset Sales	-	-
-	-	Total Sources of Capital Funding	-	-
-	-	Improve Levels of Service	-	-
-	-	Meet Additional Demand	-	-
258	-	Replace Existing Assets	2	-
122	378	Increase / (Decrease) in Reserve	399	360
-	-	Increase / (Decrease) in Investments	-	-
380	378	Total Applications for Capital Funding	401	360
(380)	(378)	Surplus / (Deficit) of Capital Funding	(401)	(360)
-	-	Funding Balance	-	-

Commentary on Major Changes

The activities in this group operated as expected and no detailed comments are required.

Water & Waste

Water Supply Activity - How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- We provide safe, reliable access to drinking water

Water Supply Activity Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
<ul style="list-style-type: none"> ○ Protecting the community from drinking water related health issues by providing quality potable water to agreed areas ○ Provide fire protection within Oamaru to assist in the safety, and health of the community 	Drinking water will comply with the Health Act 1956 and hence the Drinking Water Standards for New Zealand where appropriate	Not Achieved Work to demonstrate compliance of the Hampden/Moeraki, Herbert, Waianakarua and Ohau water supplies is underway and varying in progress. Dunrobin was placed on hold pending the Rural Agricultural standards being confirmed by the Ministry of Health	Hampden/Moeraki, Herbert, Waianakarua, Ohau, Dunrobin – To comply in 12/13 Otekaieke, Duntroon, – To comply in 13/14 Stoneburn, Tokarahi – To comply in 14/15
	To facilitate the requirements of the Code of Practice for Fire Fighting (SNZ PAS 4509:2008) and this may include pressure, flow or fire cells size control	No measurement in reporting period No hydrants were tested by the fire service during 2013 (15 were tested in 2012) No complaints were received regarding fire hydrants during 2013 <i>The fire service have a 5 yearly cycle in which they endeavour to test key hydrants, the next testing date is still to be advised</i>	90% of hydrants tested comply with the required flow rate for the appropriate fire cell (to be developed in association with the NZ Fire Service)

Water & Waste

Water Supply Activity - How we performed continued

Wellbeing – Waitaki has a diverse, sustainable and growing economy (Economic)

Community Outcomes

- Our infrastructure and service are reliable and affordable
- Our infrastructure and services enable development in the District

Water Supply Activity Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
<ul style="list-style-type: none"> ○ Timely response to service requests and system failures ○ Equitable pricing mechanisms ○ Long term planning of maintenance, renewals, and provision for growth will provide assurance for a sustainable, efficient and effective water service 	Emergency response* <1-4 hours in accordance with Urban & Rural Contract criteria	Achieved 92% of emergencies* responded to within <1-4 hours in accordance with Urban & Rural Contract criteria	90% of emergencies responded within <1-4 hours in accordance with Urban & Rural Contract criteria
	Minor works** response <2 - 5 working days	Achieved 95% of minor works** responded to within <2 - 5 working days	90% of minor works** responded to within <2 - 5 working days
	Community perceives the water supply is reliable	Achieved 80% of surveyed residents were satisfied or very satisfied in 2013 (83% in 2012).	70% of residents are satisfied or very satisfied with the water service
	Annual cost of water service is less than other utility services	Achieved Average residential water supply rate of \$476 is 24% ¹ of the average residential power bill and less than 33% ² of the average telephone & internet bill	Average residential water supply rate is less than 40% of average residential power bill and less than 60% of the average telephone & internet bill
	Council will provide spare capacity*** at its water supply	Achieved Oamaru has 35% spare capacity, Waihemo has 10%	Oamaru 20% potential Waihemo (Palmerston) 5% potential by 2012

* Emergency response – response to incidents that require almost immediate attention such as notification of no water, urban water main breaks, water quality failure etc.

** Minor works – response to incidents that does not require immediate attention such as notification of cannot find toby, toby cannot shut off, rural water leak, etc.

*** Spare capacity - is defined as available spare water leaving the treatment plant on extremely high water use days. All treatment plants that are upgraded to comply with the drinking water standards will have overbuilt capacity to allow for forecast growth

¹ Prices based on electricity price trend June 2013 (\$2,000 – Median Price – nearest centre Dunedin) Source: Powerswitch.org.nz

² Based on \$120 a month for phone, broadband and toll calls - \$1,440 Source: Studylink - cost of living calculator

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

Water Supply				
2011/12 Actual \$(000)	2011/12 Budget \$(000)		2012/13 Actual \$(000)	2012/13 Budget \$(000)
-	-	General Rates	2	2
5,137	5,134	Targeted Rates	5,451	5,406
5,137	5,134	Rates Revenue	5,453	5,408
-	-	Operating Subsidies and Grants	-	-
484	416	Fees and Charges	549	411
-	-	Interest and Dividends from Investments	-	-
380	420	Internal Recoveries including Internal Interest Income	324	364
73	3	Other Receipts (Fines, infringements, Fuel Tax, other)	16	-
937	839	Operating Revenue	889	775
6,074	5,973	Total Operating Funding	6,342	6,183
2,576	2,678	Payments	2,729	2,957
-	-	Finance Cost	-	-
1,243	1,439	Internal Charges and Overheads Applied	1,255	1,422
-	-	Other operating funding applications	-	-
3,819	4,117	Total Applications of Operating Funding	3,984	4,379
2,255	1,856	Surplus / (Deficit) of Operating Funding	2,358	1,804
55	-	Subsidies and Grants for Capital	12	-
291	491	Development and Financial Contributions	243	250
-	-	Increase / Decrease in Debt	-	-
7	-	Asset Sales	-	-
353	491	Total Sources of Capital Funding	255	250
2,587	1,952	Improve Levels of Service	1,232	2,318
-	-	Meet Additional Demand	-	-
600	850	Replace Existing Assets	1,238	475
(579)	(455)	Increase / (Decrease) in Reserve	143	(739)
-	-	Increase / (Decrease) in Investments	-	-
2,608	2,347	Total Applications for Capital Funding	2,613	2,054
(2,255)	(1,856)	Surplus / (Deficit) of Capital Funding	(2,358)	(1,804)
-	-	Funding Balance	-	-

Commentary on Major Changes

The most significant change during the year is not reflected in this statement. The further work on the relevant asset management plans in particular work on asset lives and condition allowed the depreciation costs to be lowered. This had a positive impact on the cash flow in these activities which are reflected in the higher than budgeted increase in reserve. The other variances of note were reduced payments because of fewer maintenance repairs than normal and improved metered water recoveries. In addition to these operational issues there was greater than budgeted capital expenditure both on renewals and new assets. This reflected the catch up on the drinking water standard projects that have been underway for several years now.

Water & Waste

Waste Management - How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- We have access to affordable, reliable and efficient waste disposal systems

How this activity contributes to the community outcomes	Waste Management Service Level		
	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
By providing resource recovery station, landfills and recycling drop off stations.	Percentage of Waitaki residents within 25km of resource recovery stations, landfills and recycling drop off stations	Achieved New measure and target. 97% of residents are within 25km of a transfer station, landfill or recycling drop off station	90% of residents are within 25km of a transfer station, landfill or recycling drop off station
	Percentage of Waitaki residents satisfied	Not achieved 47% of surveyed residents were satisfied or very satisfied in 2013 (38% in 2012)	60% of residents are satisfied or very satisfied in 2013 65% of residents are satisfied or very satisfied in 2014 and 2015

Water & Waste

Waste Management - How we performed, continued

Wellbeing – Waitaki has a diverse, sustainable and growing economy (Economic)

Community Outcomes

- Our infrastructure and service are reliable and affordable

How this activity contributes to the community outcomes	Waste Management Service Level		
	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
By minimising the cost of waste services on rates and encouraging the provision of different options by the private sector	Choices are available for recycling and waste disposal	<p>Achieved</p> <p>Oamaru landfill opens 6 days per week and the Resource Recovery Park 7 days per week</p> <p>Palmerston landfill and Omarama, Otematata, Kurow and Hampden Resource Recovery Parks open 6 hours per week</p> <p>Herbert, Papakaio and Enfield Recycling Drop-off Facilities are operational, a bin service is operating in Ohau and three contractors provide regular kerbside collections in Oamaru.</p> <p>*Holiday hours: 4 hours daily</p> <p>*Holiday hours: 4 hours daily from Boxing Day until 15 January, daily during Easter and Labour Weekend</p>	Two or more options are available for recycling and waste disposal

Water & Waste

Waste Minimisation - How we performed

Wellbeing – Waitaki’s distinctive natural environment is valued and protected (Environmental)

Community Outcomes

- We manage solid waste effectively and encourage minimisation, reuse and recycling

Waste Minimisation Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
By providing funding for waste minimisation programmes and initiatives	The amount of material removed from the waste stream	2012/13 Achieved: <ul style="list-style-type: none"> • Greenwaste – 1,900 tonnes (Includes an estimated 15 tonnes from each recovery park, 236 tonnes from WVRT and 20 tonnes from Palmerston Landfill) • Recyclables -2,247 tonnes 2012/13 Not Achieved: <ul style="list-style-type: none"> • Glass – 393 tonnes 	2012/13: at least <ul style="list-style-type: none"> • Greenwaste – 1,900 tonnes • Recyclables – 1,600 tonnes • Glass – 475 tonnes 2013/14: at least <ul style="list-style-type: none"> • Green waste – 1,900 tonnes • Recycling – 1,700 tonnes • Glass – 500 tonnes 2014/15: at least <ul style="list-style-type: none"> • Green waste – 1,900 tonnes • Recyclables – 1,800 tonnes • Glass – 525 tonnes

Waste Management & Minimisation					
2011/12 Actual \$(000)	2011/12 Budget \$(000)		2012/13 Actual \$(000)	2012/13 Budget \$(000)	
546	544	General Rates	880	871	
-	-	Targeted Rates	-	-	
546	544	Rates Revenue	880	871	
70	60	Operating Subsidies and Grants	124	60	
1,058	964	Fees and Charges	924	977	
-	-	Interest and Dividends from Investments	-	-	
-	-	Internal Recoveries including Internal Interest Income	-	-	
5	-	Other Receipts (Fines, infringements, Fuel Tax, other)	2	-	
1,133	1,024	Operating Revenue	1,050	1,037	
1,679	1,568	Total Operating Funding	1,930	1,908	
1,521	1,749	Payments	1,516	1,711	
-	-	Finance Cost	-	-	
251	225	Internal Charges and Overheads Applied	258	248	
-	-	Other operating funding applications	-	-	
1,772	1,974	Total Applications of Operating Funding	1,774	1,959	
(93)	(406)	Surplus / (Deficit) of Operating Funding	156	(51)	
-	-	Subsidies and Grants for Capital	-	-	
-	-	Development and Financial Contributions	-	-	
-	-	Increase / Decrease in Debt	-	-	
-	-	Asset Sales	-	-	
-	-	Total Sources of Capital Funding	-	-	
-	-	Improve Levels of Service	-	-	
-	-	Meet Additional Demand	-	-	
-	-	Replace Existing Assets	-	-	
(93)	(406)	Increase / (Decrease) in Reserve	156	(51)	
-	-	Increase / (Decrease) in Investments	-	-	
(93)	(406)	Total Applications for Capital Funding	156	(51)	
93	406	Surplus / (Deficit) of Capital Funding	(156)	51	
-	-	Funding Balance	-	-	

Commentary on Major Changes

The continuing reduction in the volume of waste being delivered to the Oamaru landfill reduced the income received. However, this was more than offset by the cost saving produced by changing the way the landfill was operated particularly the area open at any time and the amount of cover material required.

Arts, heritage & community

Arts, heritage & community – What we did

Community Safety and Development Unit

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.

Community Development– What we did

The Community Safety and Development Facilitator actively participated with a significant number of Government, non-Government and community groups and organisations on an on-going basis. Activities include strategic and business planning, networking, recruitment and events.

- Established Community Patrols that are now independently operational
- Submitted a written application to World Health Organisation (WHO) Collaborating Centre on Community Safety Promotion Sweden November 2012
- Hosted site visits for International Safe Communities assessment team (4 and 5 December 2012)
- Achieved International Safe Communities (WHO) Accreditation in December 2012 with a formal ceremony held 18 March 2013
- Secured coordination funding of \$10,000 for Safer Waitaki project
- Secured external funding of \$10,000 for coordination of road safety projects
- Secured project funding to undertake research project and prepare report for Youth Coalition
- Secured funding and sponsorship to enable family violence project.

Waitaki Alcohol and other Drugs Harm Reduction project

Youth Coalition – What we did

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, workshops and forums. The Youth Coalition has:

- Undertaken a research project with year 9 to 13 students in the Waitaki district
- Trialled an Alcohol-free Youth Space
- Launched a Legal Highs working group, and initiated a media campaign.

Youth Council

Youth Council is vibrant with a strong membership which is representative of a range of youth organisations. Projects undertaken include development of a Facebook page, and planning is well underway for a quiz night, drive in movie night and fountain for the Friendly Bay playground. The Youth Council has:

- Secured representation from a range of youth organisations including St John Youth and SADD
- Successfully gained funding of \$1,060 from Youthtown to sponsor the 'Amazing Race' in Oamaru in May 2013
- Enabled Youth Councillors to attend a youth leadership / Youth Council development training event in May 2013
- Submitted to Council on the 2013/14 Annual Plan for water fountains in the Friendly Bay playground
- Presented to Rotary on 24 June.

Community Safety - What we did

- Waitaki Guardians' street patrols continued with the Guardians consistently reporting a lessening of anti-social behaviour in the Oamaru's central business district
- Undertook activities to raise awareness of, and reduce the incidence of, family violence in the Waitaki District. These collaborative events involved the Community Safety and Development Facilitator, and included a series of school and community presentations by Vic Tamati of the 'It's Not OK' campaign, and Leslie Elliot of the Sophie Elliot Foundation in September and November 2012
- Enforced temporary liquor bans in Otematata over Labour Weekend and Christmas 2012, and Easter 2013, and in Omarama during the Christmas 2012 Rodeo event. Feedback from the Ahuriri Community Board indicated that these bans were successful
- Successfully coordinated an Otago-wide road safety event at the Edgar Centre in Dunedin, and the development of educational road safety resources
- Contributed to Crime Prevention through Environmental Design input for the Friendly Bay Playground

Arts, heritage & community

Community Safety, development & grants – How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our communities are safe places to live, work and play

Community Safety, development & grants Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
The perception that the Waitaki District is a safe place to live	External Survey of resident perception	Achieved 96% of surveyed residents were satisfied or very satisfied in 2013 (93% in 2012)	95% of residents are satisfied or very satisfied that the Waitaki District is generally a safe place to be

Wellbeing – Waitaki is served by responsive and efficient local government (Council)

Community Outcomes

- We recognise and support the work of our volunteers

Community Safety, development & grants Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
By building capacity and capability of the volunteers	Percentage of customers satisfied with community development advice and support	Achieved 99% satisfaction	Benchmark established in year 1. 5% increase by year 3 of customers satisfied or very satisfied with community development advice and support

Arts, heritage & community

Forrester Gallery – How well we performed

Wellbeing – Waitaki is a desirable place to live (Cultural)

Community Outcomes

- We recognise, value and respect Waitaki as a great place to live, visit, work and play

Forrester Gallery Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Active preservation, interpretation and exhibition of artworks contribute to the cultural heritage of the Waitaki community	Visitor access provided	Achieved Street-level spaces are accessible to people with physical disabilities	Street level spaces accessible to people with physical disabilities
	Visitor satisfaction as monitored by Council resident survey and visitor survey.	Achieved 94% of surveyed residents were satisfied or very satisfied in 2013 (97% in 2012)	90% of residents are satisfied with the gallery
	Visitor satisfaction as monitored by visitor book comments	Achieved 98% of monitored comments were satisfied	90% of visitors are satisfied with the gallery visit
	Number of school visits	Achieved 45 school visits recorded (43 visits recorded in 2012)	Maintain current number of school visits
	Gallery attendance as monitored by electronic/manual counter	Not achieved Gallery attendance as recorded by manual counter 17,638 is down on last year due to a much reduced <i>Steampunk</i> presence. (2012 <i>Steampunk</i> attendance 25,321)	23,000
	Number of volunteer hours contributed to Gallery operations	Not achieved 42 hours (50 hours in 2012) <i>In addition to normal front of house duties individual volunteers are delivering posters on a regular basis and assisting in some collection management areas.</i>	Maintain current number of volunteer hours

Arts, heritage & community

Waitaki District Libraries – How well we performed

- Conducted regular School holiday programmes in conjunction with the North Otago Museum and Forrester Gallery. Library staff have visited schools, and it is interesting to note that the library's web pages reflect increased activity after these visits
- Promoted "Wriggle & Rhyme", an active movement programme for 0-24 month olds, which is going very well
- Promoted "Toddler Time" at the Library, and observed steadily growing attendances
- Continued developing the library's webpage, and started using Facebook and Twitter, as marketing tools, and worked with the Forrester Gallery and North Otago Museum to pool resources to develop the webpage further
- Inaugurated "eBook" clinics to teach patrons how to operate their devices, and these have proven popular
- Made cemetery records publicly available on Council's website
- Collaborated in providing several educational and outreach events with the North Otago Museum and the Forrester Gallery, including class visits by several schools
- Hosted an evening in conjunction with the Janet Frame Eden Street Trust marking the addition of two books to the Janet Frame collection
- Installed an automated booking system at the APNK computers
- Held a number of successful events and displays to celebrate Book Month, Music Month, Sea Week and the Scott 100 celebrations. Several authors, musicians and DOC workers have presented talks, performances and demonstrations in the Library, with over 60 people attending one event. In total, 4,626 people have attended events, a 64% increase compared to 2012
- Hosted the Oamaru branch of the NZ Society of Genealogists for an afternoon
- Launched 'Books on Prescription', a national initiative in collaboration with the Primary Health Organisation (PHO). This collection contains mental health/self-help material, supplied by the PHO and prescribed by Health Professionals, and is housed in the Library.

Arts, heritage & community

Waitaki District Libraries – How well we performed continued

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our green-spaces, sports fields, cultural and recreational facilities are well managed and encourage healthy, active lifestyle and learning

Waitaki District Libraries Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Libraries provide reading material and spaces, access for education, recreation and leisure, with professional staff to provide support and access to the above	Number of visitors (measured by door counts)	Not achieved 197,259 physical library visits (218,692 physical library visits in 2012) <i>This 15% drop is in line with a national and international trend of more virtual visits. Also, the closing of the bank in Palmerston, has seen a drop of 4,000 p.a. in visitor numbers</i>	230,000 physical library visits
	Level of service: Maintain or increase the number of electronic visits to the libraries website.	Not achieved Year 1 data not available, monitoring electronic visits has recently commenced	To be determined by the first three years' performance.
	Number of annual issues per capita	Not achieved 12.18 annual issues per capita (12 annual issues per capita in 2012) <i>This reduction is in line with a national and international trend of more virtual visits. 2,471 fewer issues in Palmerston have had an impact on this figure. We are now marketing and up-skilling at the Palmerston Library to ensure a more community focused service</i>	14 annual issues per capita
	Percentage of members that borrowed from library within last 2 years	Not achieved 56% (57% in 2012) <i>The Library borrower database is purged periodically of inactive members, so this percentage may not be exact</i>	60% of members borrowed from library within last 2 years
	Number of items available at no cost as a percentage of total collection	Achieved 96% of lending items were free (96.6% in 2012)	95% of lending items are free lending items are free

Arts, heritage & community

Waitaki District Libraries – How well we performed continued

Wellbeing – Waitaki is a desirable place to live (Cultural)

Community Outcomes

- We recognise, value and respect Waitaki as a great place to live, visit, work and play

How this activity contributes to the community outcomes	Waitaki District Libraries Service Level		
	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Libraries provide a key focal point for community and social activities	Percentage of residents are satisfied or very satisfied with library services	Achieved 95% of surveyed residents were satisfied or very satisfied in 2013 (93% in 2012)	92% of residents are satisfied or very satisfied with library services
	Percentage of surveyed borrowers are satisfied or very satisfied with library service	Achieved 94% of surveyed residents were satisfied or very satisfied	92% of surveyed borrowers are satisfied or very satisfied with library service

Arts, heritage & community

North Otago Museum – How well we performed

- Held two temporary exhibitions, one on “Creek Creatures” found in Oamaru Creek, the other celebrating the 150th year of the North Otago A&P Association
- Continued to publish ‘History in Focus’ photographs daily in the Oamaru Mail and on North Otago Museum’s Facebook page. The Facebook page now has over 800 likes, and hundreds of people appearing in the photographs have been successfully identified
- Collaborated successfully with Library, the Forrester Gallery, Heritage Education Services and local schools to attract 1,223 student visits
- Attended a number of training and networking opportunities, including the Vernon User Group meeting and the Otago Local National Digital Forum BarCamp in Dunedin, the ARANZ Conference in Wellington and the Museums Aotearoa Conference in Hamilton
- Hosted elements of several community events, including the Scott 100 commemoration, Anzac Day and the celebration of Oamaru’s 150th anniversary.
- Posted burial records from Oamaru Cemetery online
- Used enthusiastic volunteers to work on a number of projects including improving the accessibility to the Museum’s newspaper clippings collection, digitising photographs and indexing records.

Wellbeing – Waitaki is a desirable place to live (Cultural)

Community Outcomes

- We recognise, value and respect Waitaki as a great place to live, visit, work and play

How this activity contributes to the community outcomes	North Otago Museum Service Level		
	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
The museum contributes to the cultural wellbeing of the District by preserving, celebrating and exhibiting the District’s cultural heritage and enabling the community to access Museum and Council archives	Annual number of visits to the Museum	Not achieved 14,984 visitors in 2013 (10.6% decrease from 2012)	Maintain current visitor numbers prior to redevelopment
	Number of volunteer hours contributed to Museum operations	Not achieved 2,184 volunteer hours contributed (2,437 in 2012)	Maintain current number of volunteer hours
	Survey of comments of Museum visitor book, within a specified time period	Achieved Visitors book comments in 2013 show 95% satisfaction	>85% satisfaction
	Visitor satisfaction with the Museum in Residents’ Survey	Not achieved 83% of surveyed residents were satisfied or very satisfied in 2013 (86% in 2012)	>85% satisfaction
	In house survey of satisfaction of visitors to Museum	Not achieved 74% satisfaction in the Museum’s Aotearoa 2013 visitor survey	>85% satisfaction
	Survey of comments of Archive User Register, within a specified time period	Achieved 100% satisfaction shown by archive user register comments in 2013	>90% satisfaction
	Level of compliance with the Mandatory Archive Standard	Achieved 84% compliance with Mandatory Archive Storage Standard	80% compliance with standard
	No irreparable loss or damage is caused to the collections as a result of handling by members of the public or staff	Achieved No irreparable loss or damage to collections	No collection losses

Arts, heritage & community

North Otago Museum – How well we performed continued

Wellbeing – Waitaki is served by responsive and efficient local government (Council)

Community Outcomes

- Council conducts its business in a transparent, efficient and prudent manner

North Otago Museum Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
The Archive is the repository for archived Local Authority Records and the Public records of the Ministry of Education. These archives need to be stored and made accessible to the public free of charge under the Public Records Act 2005. Storage of Local Authority and Public Records must meet mandated standards	Level of compliance with the Mandatory Archive Standard	Achieved 84% compliance with Mandatory Archive Storage Standard	80% compliance with standard

Arts, heritage & community

Oamaru Opera House – How well we performed

Wellbeing – Waitaki is a desirable place to live (Cultural)

Community Outcomes

- The community celebrates Waitaki's vibrant culture and regularly attends cultural facilities and events

Oamaru Opera House Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
By creating a venue that supports commercial and tourism opportunities, delivers positive economic outcomes, and enables performing arts, community and cultural activities	Residents' Survey	Achieved 94% of surveyed residents were satisfied or very satisfied in 2013 (96% in 2012)	90% Satisfied
	Volunteer Satisfaction Survey	Not achieved Being held in August 2013	90% Satisfied
	Occupancy Levels Via Ungerboeck reporting	Not achieved 8,650 entertainment patrons Achieved 117 Community Green Room Hires Not achieved 14 Conference half days Not achieved Total Contracted Hires 291 Achieved Income \$264,000	11,000 entertainment patrons 80 Community Green Room Hires 35 Conference half days Total contracted hires 330 Income \$110,000

Arts, Heritage & Community				
2011/12 Actual \$(000)	2011/12 Budget \$(000)		2012/13 Actual \$(000)	2012/13 Budget \$(000)
150	150	General Rates	196	194
2,526	2,518	Targeted Rates	3,041	3,013
2,676	2,668	Rates Revenue	3,237	3,207
233	204	Operating Subsidies and Grants	150	200
203	168	Fees and Charges	385	187
-	-	Interest and Dividends from Investments	-	-
-	-	Internal Recoveries including Internal Interest Income	-	-
267	362	Other Receipts (Fines, infringements, Fuel Tax, other)	168	323
703	734	Operating Revenue	703	710
3,379	3,402	Total Operating Funding	3,940	3,917
2,464	2,545	Payments	2,469	2,533
-	-	Finance Cost	-	-
910	864	Internal Charges and Overheads Applied	1,238	1,215
-	-	Other operating funding applications	-	-
3,374	3,409	Total Applications of Operating Funding	3,707	3,748
5	(7)	Surplus / (Deficit) of Operating Funding	233	169
11	-	Subsidies and Grants for Capital	11	-
-	-	Development and Financial Contributions	-	-
-	-	Increase / Decrease in Debt	-	-
4	-	Asset Sales	4	-
15	-	Total Sources of Capital Funding	15	-
35	15	Improve Levels of Service	27	10
-	-	Meet Additional Demand	-	-
128	105	Replace Existing Assets	157	120
(143)	(127)	Increase / (Decrease) in Reserve	64	39
-	-	Increase / (Decrease) in Investments	-	-
20	(7)	Total Applications for Capital Funding	248	169
(5)	7	Surplus / (Deficit) of Capital Funding	(233)	(169)
-	-	Funding Balance	-	-

Commentary on Major Changes

The activities in this group operated as expected and no detailed comments are required.

Parks and Recreation

Parks and Recreation – What we do

Parks and Recreation includes

- Gardens and green-spaces - parks, reserves, public gardens, playgrounds, memorials and street beautification
- Sports and Recreation - sports fields, and grants to other recreation providers such as the Recreation Centre
- Waitaki Aquatic Centre - the aquatic centre, and grants to other community pool providers.

The primary objective of the Recreation Unit is to contribute to social, cultural and economic community well-being by providing high quality and affordable recreation opportunities which help create a vibrant and healthy community. Recreation is a major contributor to the District's quality of life, which in turn helps make Waitaki attractive to existing and prospective residents and businesses. Recreational facilities provide a secure and healthy place for residents to participate in a wide range of recreational activities in a safe and enjoyable environment.

Council provides open space and recreation services that the private sector is unable or unwilling to provide due to cost, scale and risk. Council delivers these services because they contribute to wider community outcomes and good. Parks and Recreation contributes to:

Table 1: Parks and Recreation contribution to wider community outcomes

What	How
Physical health	Provision of venues for physical activity such as parks and sports fields, and programmes such as aqua-aerobics
Mental health	Provision of green-space settings and locations of respite
Social connections	Provision of places where people meet, interact and build relationships to foster a sense of civic pride
Youth Development	Playgrounds, aquatic centres and locations where children can play and build cognitive, social, mental and emotional skills
Environmental health	Improving air, land and water quality and moderating climatic effects
Economic benefits	Ensuring Waitaki is a desirable place to live, develop businesses and tourist / lifestyle choice
Safety	Provision of swimming and safety programmes

Gardens and Green Spaces - What we did

- Maintained our Parks, Gardens and Green Spaces
- Completed a Recreation Strategy
- Drafted a Reserves Management Plan
- Began updating our asset inventory
- Responded to and repaired damage from two floods
- Fenced Omarama Bike track
- Updated asset data
- Repaired Monuments in Palmerston and Moeraki
- Worked with North End Business Park to resolve landscape issues
- Worked with Chorus to protect street trees
- Worked with the community on playgrounds in Palmerston, Kurow and Otematata
- Worked with Kurow Community and NZTA on a design for Kurow main street
- Provided venues for a variety of events including Relay for Life
- Completed Palmerston stage 2 streetscape improvements
- Replaced soft fall at Reclamation Park
- Provided advice on Friendly Bay playground
- Audited playground facilities to ensure compliance with NZ Standard
- District wide inventory of street trees completed
- Commenced planting project of additional street trees and shrubs on Thames Street
- Liaised with A2O in planning for extension of bike track from Weston to Oamaru.

Parks and Recreation

Parks, gardens and green spaces - How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our green-spaces, sports fields, cultural and recreational facilities are well managed and encourage healthy, active lifestyle and learning

Parks, gardens and green spaces Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Parks, gardens and green space provide many of the venues and facilities that contribute to healthy, active lifestyles and learning	Percentage of tracks accessible by people with disabilities	Not achieved Data collection expected to be completed in February 2014	10% of tracks accessible by people with disabilities
	Percentage of playgrounds which meet New Zealand Standard 5828:2004	Achieved 74% of playgrounds meet New Zealand standard 5828:2004 as at May 2013	70% of playgrounds which meet New Zealand Standard 5828:2004
	Percentage of tracks which meet New Zealand Standard 8630:2004	Not achieved Data collection expected to be completed in February 2014	60% of tracks which meet New Zealand Standard 8630:2004

Wellbeing – Waitaki is a desirable place to live (Cultural)

Community Outcomes

- We recognise, value and respect Waitaki as a great place to live, visit, work and play

Parks, gardens and green spaces Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Parks, gardens and green spaces attract and retain people in a community and are fundamental to a liveable community	Current Council-approved Strategies and Management Plans are in place	Not achieved Strategy adopted. Management plan deferred to February 2014. Plans and strategies are on track to meet target in 2015	Current Council-approved Strategies and Management Plans are in place by 2015
	Percentage of residents who are satisfied or very satisfied with Waitaki's parks and reserves	Not achieved 85% of surveyed residents were satisfied or very satisfied in 2013 (89% in 2012)	90% of residents are satisfied or very satisfied with Waitaki's parks and reserves
	Number of kilometres of walking and cycle tracks in District	Not achieved 22km estimated. Data collection expected to be complete in February 2014	Benchmark set in year 1

Parks and Recreation

Sports and Recreation - What we did

- Worked to develop a 'Sports Partnership' for clubs and codes
- Supported funding applications to Lotteries from the North Otago Recreational Turf Trust and Excelsior Combined Sporting Bodies
- Maintained sports fields for Community use
- Provided a venue for a pre-season Super 15 clash
- Placed bollards around Centennial Park to protect the newly re-leveled turf from damage caused by vehicles
- Replaced fencing at Whitestone Stadium
- Provided a grant to Waitaki Community Recreation Centre
- Installed drainage sumps and removed dead trees at Mill Domain.

Sports & Recreation - How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our green-spaces, sports fields, cultural and recreational facilities are well managed and encourage healthy, active lifestyle and learning

How this activity contributes to the community outcomes	Sports & Recreation Service Level		
	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Parks, gardens and green space provide many of the venues that contribute to healthy, active lifestyles and learning	Percentage of residents per annum who are satisfied or very satisfied with Waitaki's sports fields and facilities	Achieved 88% of surveyed residents were satisfied or very satisfied in 2013 (92% in 2012)	75% of residents are satisfied or very satisfied with Waitaki's sports fields and facilities
	Number of national and regional events held per annum	Not achieved 3 National Heartland games 1 National Hawke Cup game 1 National Preseason Super 15 game 0 Regional games (6 National events and 3 regional events in 2012)	2 National and 3 Regional events held per annum
	Number of incidents per annum	Achieved 0 incidents (Number of incidents were not recorded during previous reporting period)	0 incidents per annum

Wellbeing – Waitaki is a desirable place to live (Cultural)

Community Outcomes

- We recognise, value and respect Waitaki as a great place to live, visit, work and play

How this activity contributes to the community outcomes	Sports & Recreation Service Level		
	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Parks, gardens and green spaces attract and retain people in a community and are fundamental to a liveable community	Current Council-approved Strategies and Management Plans are in place.	Achieved Strategy adopted. Management Plan deferred to February 2014. Plans and strategies are on track to meet target in 2015	Current Council- approved Strategies and Management Plans are in place by 2015

Parks and Recreation

Aquatic Centre - What we did

- Received a cumulative total of 137,893 users at the Aquatic Centre
- Ran holiday and survival skills programmes
- Provided learn to swim and survival skills training
- Provided aquatic classes and active fitness programmes
- Achieved 'poolsafe' accreditation
- Resurfaced changing room floors
- Carried out a Learn to Swim Pilot Programme in conjunction with Sport Waitaki and Water Safety New Zealand
- Hosted a national ranking round of Canoe Polo.

Aquatic Centre - How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our communities are safe place to live, work and play
- Our green-spaces, sports fields, cultural and recreational facilities are well managed and encourage healthy, active lifestyle and learning

Aquatic Centre Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
<ul style="list-style-type: none"> ○ Council provides a safe environment and supports opportunities for the community to learn to swim ○ The Aquatic Centre provides a venue for healthy, active lifestyles and learning 	Achievement of Pool safe accreditation	Achieved (April 2013)	Achieved
	Compliance with New Zealand Standard 5826:2000	Achieved 100% compliance	100% compliance
	Opening hours per week	Achieved 86 opening hours per week	86 hours

Wellbeing – Waitaki has a diverse, sustainable and growing economy (Economic)

Community Outcomes

- We recognise, value and respect Waitaki as a great place to live, work and play

Aquatic Centre Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Reliable and affordable recreational facilities encourage participation by the community	Number of visits per annum	Not achieved 137,893 as at end of June 2013. Reduction in numbers attributed to; <ul style="list-style-type: none"> • 4,000-6,000 two weeks closedown. • 1,500-2,000 Timaru swim reduction <i>Other reduction attributed to impact of the recession, competition from Timaru for general admissions and flooding/ snow impact</i>	2% increase in number of visits per annum

Parks and Recreation

Aquatic Centre - How we performed, continued

Wellbeing – Waitaki is a desirable place to live (Cultural)

Community Outcomes

- We recognise, value and respect Waitaki as a great place to live, visit, work and play

	Aquatic Centre Service Level		
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Parks, gardens and green spaces attract and retain people in a community and are fundamental to a liveable community	Customers either satisfied or very satisfied with the Aquatic Centre	Achieved 88% of surveyed residents were satisfied or very satisfied in 2013 (91% in 2012)	65% of customers satisfied or very satisfied with the Aquatic Centre

Parks & Recreation				
2011/12 Actual \$(000)	2011/12 Budget \$(000)		2012/13 Actual \$(000)	2012/13 Budget \$(000)
507	505	General Rates	468	465
2,433	2,425	Targeted Rates	2,646	2,621
2,940	2,930	Rates Revenue	3,114	3,086
62	-	Operating Subsidies and Grants	51	-
577	468	Fees and Charges	590	562
-	-	Interest and Dividends from Investments	-	-
-	-	Internal Recoveries including Internal Interest Income	-	-
45	170	Other Receipts (Fines, infringements, Fuel Tax, other)	290	524
684	638	Operating Revenue	931	1,086
3,624	3,568	Total Operating Funding	4,045	4,172
2,675	2,656	Payments	2,825	2,988
-	-	Finance Cost	-	-
570	581	Internal Charges and Overheads Applied	404	640
-	-	Other operating funding applications	-	-
3,245	3,237	Total Applications of Operating Funding	3,229	3,628
379	331	Surplus / (Deficit) of Operating Funding	816	544
-	-	Subsidies and Grants for Capital	-	-
-	-	Development and Financial Contributions	-	-
-	-	Increase / Decrease in Debt	-	-
-	-	Asset Sales	-	-
-	-	Total Sources of Capital Funding	-	-
383	487	Improve Levels of Service	58	47
-	-	Meet Additional Demand	-	-
45	55	Replace Existing Assets	38	95
(49)	(211)	Increase / (Decrease) in Reserve	720	402
-	-	Increase / (Decrease) in Investments	-	-
379	331	Total Applications for Capital Funding	816	544
(379)	(331)	Surplus / (Deficit) of Capital Funding	(816)	(544)
-	-	Funding Balance	-	-

Commentary on Major Changes

The activities in this group operated mostly as expected. The reduction in payments reflected savings in a number of areas. The reduced Other Receipts reflect s project income which was not available so the project did not proceed.

Community Amenities

Community Amenities – What we did

Lake camps were maintained and provided a popular venue for locals and tourists.

Camping Grounds - How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our green-spaces, sports fields, cultural and recreational facilities are well managed and encourage healthy, active lifestyle and learning

How this activity contributes to the community outcomes	Service Level		
	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Camping is part of the culture of living in a rural and wilderness area. It encourages learning safety in the outdoors and facilitates family and community bonding	User satisfaction with the quality of the District's camping grounds	Achieved 89% of users are satisfied or very satisfied with the quality experience of the District camping grounds	>70% of users are satisfied or very satisfied with the quality experience of the District camping grounds

Community Amenities

Community Housing - How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our communities are safe places to live, work and play

How this activity contributes to the community outcomes	Community Housing Service Level		
	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Community housing provides safe, affordable accommodation for those members of the community who are unable to access market accommodation	Proportion of tenants to meet policy criteria	Achieved 93% of tenants meet Tenancy Policy criteria	80% of tenants meet Tenancy Policy criteria
	Community housing to be self-funding	Achieved 100% of operating costs met from rent	90% of operating costs met from rent
	Average rental as a percentage of gross income	Not achieved Average rental is 24% of gross income based on national superannuation	Average rental set at between 25% and 30% of gross income based on national superannuation
	Partnerships with tenant welfare service providers in place.	Achieved 100% of tenants visited for welfare by welfare partner	100% of tenants visited by welfare partner
	Annual formal and informal maintenance inspections	Achieved 100% of units inspected for maintenance issues	100% of units inspected for maintenance issues

Community Amenities

Community Halls - How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our communities are protected through appropriate emergency responses regulation and enforcement
- Our green-spaces, sports fields, cultural and recreational facilities are well managed and encourage healthy, active lifestyle and learning

How this activity contributes to the community outcomes	Community Halls Service Level		
	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
<ul style="list-style-type: none"> Community Halls encourage community interaction (especially for smaller communities) as well as providing facility for indoor pursuits and events Community Halls are publicly warranted buildings 	Properties occupied	Achieved Hall Committees manage the various community halls, except for the Drill Hall, which is managed by Council. The Drill Hall has 100% of lettable floor space occupied	90% of lettable floor space occupied
	Buildings have current warrant of fitness	Not achieved As detailed in the 2012-22 Long Term Plan, not all Community Halls meeting fire safety standards <i>A Community Hall review is planned, but it is not yet known when this will take place</i>	Building warrant of fitness in place in 100% of community halls requiring same. Fire Evacuation procedures in place in 100% of community halls requiring same

Community Amenities

Public Toilets - What we did

- Provided clean toilet facilities in most towns
- Assessed disability issues in Oamaru toilets
- Responded to numerous vandalism incidents.

Public Toilets - How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- We have access to affordable, reliable and efficient waste disposal systems

Public Toilets Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Public toilets provide a service to the community that results in clean and hygienic communities	Percentage of toilets that meet accessibility criteria	Not Achieved Data collection expected to be completed in February 2014	75%
	Percentage of residents who are satisfied or very satisfied with public toilets	Achieved 74% of surveyed residents were satisfied or very satisfied in 2013 (78% in 2012)	70%
	Number of incidents requiring notification to Department of Labour	Achieved Nil incidents requiring notification to Department of labour	Nil

Community Amenities

Cemeteries - What we did

- Removed overgrown hedge at Duntroon Cemetery
- Cut back hedge at Kurow Cemetery
- Provided burial services.

Cemeteries - How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our communities are protected through appropriate emergency responses regulation and enforcement

Cemeteries Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Cemeteries meet District need	Annual survey of funeral director satisfaction	Achieved 100% as per phone survey June 2013	90% satisfaction
	Compliance with resource consent conditions	Achieved 100% compliance	100%
	Annual Residents' Survey	Achieved 87% of surveyed residents were satisfied or very satisfied in 2013 (87% in 2012)	75%

Community Amenities				
2011/12 Actual \$(000)	2011/12 Budget \$(000)		2012/13 Actual \$(000)	2012/13 Budget \$(000)
375	374	General Rates	678	671
1,318	1,312	Targeted Rates	1,066	1,055
1,693	1,686	Rates Revenue	1,744	1,726
7	4	Operating Subsidies and Grants	423	5
638	615	Fees and Charges	742	573
-	-	Interest and Dividends from Investments	-	-
8	8	Internal Recoveries including Internal Interest Income	8	6
1	-	Other Receipts (Fines, infringements, Fuel Tax, other)	-	-
654	627	Operating Revenue	1,173	584
2,347	2,313	Total Operating Funding	2,917	2,310
1,480	1,509	Payments	1,989	1,548
-	-	Finance Cost	-	-
243	287	Internal Charges and Overheads Applied	256	323
-	-	Other operating funding applications	-	-
1,723	1,796	Total Applications of Operating Funding	2,245	1,871
624	517	Surplus / (Deficit) of Operating Funding	672	439
6	-	Subsidies and Grants for Capital	-	-
-	-	Development and Financial Contributions	-	-
(3)	(3)	Increase / Decrease in Debt	(3)	(4)
-	-	Asset Sales	-	-
3	(3)	Total Sources of Capital Funding	(3)	(4)
35	67	Improve Levels of Service	-	-
-	-	Meet Additional Demand	-	-
486	8	Replace Existing Assets	8	222
106	439	Increase / (Decrease) in Reserve	661	213
-	-	Increase / (Decrease) in Investments	-	-
627	514	Total Applications for Capital Funding	669	435
(624)	(517)	Surplus / (Deficit) of Capital Funding	(672)	(439)
-	-	Funding Balance	-	-

Commentary on Major Changes

The Omarama Hall Committee is undertaking a redevelopment of the Omarama Hall. To fund this redevelopment they have secured grants from a number of sources. These have been passed to Council and appear in the Grants line. The initial payments for this development appear in the Payments section. Additional revenue was generated in a number of activities including Camps and Community Housing from increased activity and charges.

Oamaru harbour and historic precinct

Port – What we did

- Undertook repairs to Holmes Wharf landing and stairs; decking replacement is due to commence later in 2013
- Undertook landscaping works near Sumpter Wharf in support of the Scott 100 celebration
- Substantially completed development of the Friendly Bay playground in respect of the older children's area, which is being used extensively by the community and is attracting a lot of tourism interest with its Steam Punk fantasy theme. The junior playscape is awaiting a large boat and will be completed with the help of volunteers
- Capped contaminated land near the harbour's edge between Oamaru creek and Wansbeck Street. This area will be landscaped in Spring 2013.

Port - How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our communities are safe places to live, work and play

Oamaru Port Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Safe access to the harbour	Meet 100% of minimum safety requirements	Achieved Harbour entrance lights and markers are maintained	Harbour entrance lights and markers are maintained

Wellbeing – Waitaki's distinctive natural environment is valued and protected (Environmental)

Community Outcomes

- We promote and encourage awareness and protection of our unique natural environment

Oamaru Port Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Protection of the breakwater and rock wall reduces coastal erosion	Breakwater maintained and rock wall built from Holmes wharf to Oamaru creek	Not achieved The breakwater had over \$200,000 spent on it this year, with six areas of concern addressed through armouring and concrete repair. Design options for the rock wall from Holmes Wharf to Oamaru creek are being developed	Breakwater holding rock wall prevents erosion

Oamaru harbour and historic precinct

Oamaru Port - How we performed continued

Wellbeing – Waitaki has a diverse and sustainable economy (Economic)

Community Outcomes

- Our infrastructure and services are reliable and affordable

Oamaru Port Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Facilities are available in the harbour area	Maintain wharves to a level that is appropriate for their use. This use is subject to 2013/14 harbour use study	Achieved Holmes and Normanby wharves remain operational	Holmes and Normanby Wharves remain operational
	Sumpter Wharf in situ as historic monument	Achieved Scott 100 celebration undertaken by volunteers highlighted the historic Sumpter Wharf, and was used as an opportunity to seek further funding and support for restoration.	Trust progressing restoration efforts

Oamaru harbour and historic precinct

Harbour precinct - How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our green-spaces, sports fields, cultural and recreational facilities are well managed and encourage healthy, active lifestyle and learning

Harbour precinct Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Increased access to the waterfront with parks, walkways and tidy beaches which encourage outdoor activity	Number of residents who visit the harbour area and level of satisfaction in residents survey	Achieved 84% of surveyed residents visited in 2013 88% of surveyed residents satisfied or very satisfied in 2013 (85% in 2012)	Year one establish benchmark and years two and three increase usage and satisfaction to level of other Council parks

Wellbeing – Waitaki has a diverse and sustainable economy (Economic)

Community Outcomes

- Our infrastructure and services enable development in the District

Harbour precinct Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Increased pedestrian flow and tourism in precinct encourages business investment	Increased lease income	Not achieved No increase reflects static provincial commercial market	Lease income reflects market
	Increased private investment	Private investment interest increased with two new businesses developed	Private investment interest increasing
	Percentage return of capital value	Not achieved Not measured will be measured by 2013/14 Annual Report	Capital values increased

Wellbeing – Waitaki is a desirable place to live (Cultural)

Community Outcomes

- We preserve, promote and celebrate our built heritage

Harbour precinct Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Working with the OWCT helps ensure historic integrity of the area	Regular meetings held with OWCT and OWCT remains involved in the development	Achieved Oamaru Whitestone Civic Trust remains involved with the Harbour sub-committee Group Manager and Mayor attended the Annual General Meeting	Regular meetings held

Oamaru Harbour & Historic Precinct				
2011/12 Actual \$(000)	2011/12 Budget \$(000)		2012/13 Actual \$(000)	2012/13 Budget \$(000)
33	33	General Rates	57	57
353	352	Targeted Rates	328	326
386	385	Rates Revenue	385	383
-	-	Operating Subsidies and Grants	-	-
150	156	Fees and Charges	160	170
-	-	Interest and Dividends from Investments	-	-
-	-	Internal Recoveries including Internal Interest Income	-	-
3	2	Other Receipts (Fines, infringements, Fuel Tax, other)	2	5
153	158	Operating Revenue	162	175
539	543	Total Operating Funding	547	558
246	257	Payments	396	352
-	-	Finance Cost	-	-
85	141	Internal Charges and Overheads Applied	99	96
-	-	Other operating funding applications	-	-
331	398	Total Applications of Operating Funding	495	448
208	145	Surplus / (Deficit) of Operating Funding	52	110
11	130	Subsidies and Grants for Capital	5	-
1	-	Development and Financial Contributions	-	-
-	-	Increase / Decrease in Debt	-	-
-	-	Asset Sales	-	-
12	130	Total Sources of Capital Funding	5	-
595	1,236	Improve Levels of Service	287	828
-	-	Meet Additional Demand	-	-
23	-	Replace Existing Assets	11	-
(398)	(961)	Increase / (Decrease) in Reserve	(241)	(718)
-	-	Increase / (Decrease) in Investments	-	-
220	275	Total Applications for Capital Funding	57	110
(208)	(145)	Surplus / (Deficit) of Capital Funding	(52)	(110)
-	-	Funding Balance	-	-

Commentary on Major Changes

Generally this area operated as expected. The increase in payments is a reflection of the increased activity and development in this area. The variance in the capital expenditure was the result of the decision to delay Coastal Protection work in the Holmes Wharf area until further information was obtained. This is now expected to take place in 2013/14.

Commercial & development activities

Operational buildings – How we performed

Wellbeing – Waitaki has a diverse, Sustainable and growing economy (Economic)

Community Outcomes

- Our infrastructure and services are reliable and affordable

Operational buildings Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Effective property management and earning support our infrastructure	Percentage return on the capital value	Not achieved Not yet calculated	New level of service - Benchmark to be determined in 2012. Attain the benchmark in years 2-3
	Percentage return on forestry assets	Achieved No percentage return on forestry asset as there was no harvest during reporting period. Council has a replanting plan to ensure no liability related to the ETS	New level of service return on forestry assets in accord with industry standard ETS costs contained
	Number of days of disruption	Achieved No unplanned disruptions	New level of service - Maintenance planned and undertaken so that no major unplanned disruptions to services in Council buildings

Commercial & development activities

Oamaru Airport – How we performed

Wellbeing – Waitaki has a diverse, Sustainable and growing economy (Economic)

Community Outcomes

- Waitaki is recognised as a good place to do business, and people choose to invest in the District

Oamaru Airport Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
An operational airport provides for services of a commercial nature requiring air transport	All Civil Aviation Authority safety requirements met	Achieved All Civil Aviation Authority safety requirements met	All Civil Aviation Authority safety requirements met
	Satisfaction of users with facilities as monitored through a biennial survey	Not achieved Not yet measured	User satisfaction >80%

Economic development, grants and services

Economic development, grants and services – How we performed

Wellbeing – Waitaki has a diverse, sustainable and growing economy (Economic)

Community Outcomes

- Waitaki is recognised as a good place to do business, and people choose to invest in the District
- Opportunities for sustainable enterprise and growth are recognised and managed

Economic development, grants and services Service Level																	
How this activity contributes to the community outcomes	Performance Measures Achievements 2012/13 Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)																
Council encourages and supports an economic environment that allows the growth of a strong and diverse economy	Population stable or increasing	Achieved 2013 census recorded an increase in Waitaki District's population by 3%, taking the overall population to 20,829 (population 20,223 at 2006 census)	Population > 21,500 by 2015														
	90 day bill rate exceeded in each quarter	Achieved <table><tr><td>Average interest rate</td><td>RBNZ 90 day rate</td></tr><tr><td>Q1</td><td>3.49%</td><td>2.64%</td></tr><tr><td>Q2</td><td>3.00%</td><td>2.65%</td></tr><tr><td>Q3</td><td>3.25%</td><td>2.64%</td></tr><tr><td>Q4</td><td>3.48%</td><td>2.65%</td></tr></table>	Average interest rate	RBNZ 90 day rate	Q1	3.49%	2.64%	Q2	3.00%	2.65%	Q3	3.25%	2.64%	Q4	3.48%	2.65%	Exceed the average 90-day bill rate for commercial and cash investments
	Average interest rate	RBNZ 90 day rate															
Q1	3.49%	2.64%															
Q2	3.00%	2.65%															
Q3	3.25%	2.64%															
Q4	3.48%	2.65%															
Annual GDP per capita higher than national average	Not achieved Could not be measured due to a lack of data.	2% pa higher than national average															

Commercial & Development Activities

2011/12 Actual \$(000)	2011/12 Budget \$(000)		2012/13 Actual \$(000)	2012/13 Budget \$(000)
(386)	(386)	General Rates	175	177
(83)	(82)	Targeted Rates	(205)	(210)
(469)	(468)	Rates Revenue	(30)	(33)
1	-	Operating Subsidies and Grants	275	7
1,420	1,343	Fees and Charges	1,529	1,670
660	1,191	Interest and Dividends from Investments	977	819
(688)	(697)	Internal Recoveries including Internal Interest Income	(640)	(632)
584	313	Other Receipts (Fines, infringements, Fuel Tax, other)	577	367
1,977	2,150	Operating Revenue	2,718	2,231
1,508	1,682	Total Operating Funding	2,688	2,198
2,407	2,075	Payments	2,367	2,405
3	-	Finance Cost	-	-
(440)	(788)	Internal Charges and Overheads Applied	(360)	(253)
-	-	Other operating funding applications	-	-
1,970	1,287	Total Applications of Operating Funding	2,007	2,152
(462)	395	Surplus / (Deficit) of Operating Funding	681	46
-	-	Subsidies and Grants for Capital	-	158
1,293	-	Development and Financial Contributions	2,520	-
-	-	Increase / Decrease in Debt	-	-
401	746	Asset Sales	(2,705)	468
1,694	746	Total Sources of Capital Funding	(185)	626
337	566	Improve Levels of Service	108	750
-	-	Meet Additional Demand	-	-
128	17	Replace Existing Assets	4	155
767	558	Increase / (Decrease) in Reserve	384	(233)
-	-	Increase / (Decrease) in Investments	-	-
1,232	1,141	Total Applications for Capital Funding	496	672
462	(395)	Surplus / (Deficit) of Capital Funding	(681)	(46)
-	-	Funding Balance	-	-

Commentary on Major Changes

The additional grants received related to third party income received to assist with the development of the Alps to Ocean cycleway. This was not expected when the budget was developed. The reduced User Charges are a reflection of the reduced income from the Oamaru Blue Penguin Colony, a reflection of the market they are operating in. The interest income result reflects the impact of the subvention payment rather than dividend received from Whitestone Contracting Limited. Council received \$300k rather than \$150k budgeted for. The increase in Other Revenue was from the penalties charged on unpaid rates.

Democracy, accountability and governance



What we do

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

- Council prepared, consulted on and adopted the 2013/14 Annual Plan. Key milestones included:
 - Consideration of 51 submissions, hearing 39 speak to the draft Annual Plan and the draft Coastal Roads Strategy 2013 on 21 and 22 May 2013
 - Adoption of the 2013/14 Annual Plan on 25 June 2013

Democracy, accountability and governance – How we performed

Wellbeing – Waitaki is served by responsive and efficient local government (Council)

Community Outcomes

- Waitaki residents actively contribute to Council decisions that affect their work, life and play
- Council is viewed by our community as knowledgeable, trustworthy, approachable and accountable
- Council conducts its business in a transparent, efficient and prudent manner

Democracy, accountability and governance

Democracy, accountability and governance – How we performed continued

Waitaki District Council Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
<ul style="list-style-type: none"> ○ Council meetings and governance activities provide a framework for citizen engagement. Citizens who feel comfortable approaching elected members are more likely to contribute to council decisions ○ Elected members are a focus for citizen engagement. Citizens who are satisfied with the performance of elected members are more likely to view Council as knowledgeable, trustworthy, approachable and accountable ○ Council meetings and governance activities provide a framework for citizen engagement and a basis for accountability of Council to the community. Public conduct of Council business enables us to be transparent ○ The Long Term Plan and Annual Reports are the primary, independently audited statements of Council performance to the community. They provide transparency and a basis for evaluating the prudence of Council planning and decision-making ○ Accountability for delivery of services and completion of projects provides evidence to the community that it is served by responsive and efficient government 	Percentage of residents that feel comfortable approaching the Mayor and Councillors	Not achieved 82% of surveyed residents were comfortable or very comfortable in 2013 (90% in 2012)	90% of residents would be comfortable approaching the Mayor and Councillors
	Resident satisfaction with performance of Mayor and Councillors	Not achieved 59% of surveyed residents were satisfied or very satisfied in 2013 (46% in 2012)	75% of residents are satisfied or very satisfied with the performance of the Mayor and Councillors
	Percentage of Council resolutions passed in public meeting	Not achieved 80% of Council resolutions passed in public meetings	95% of Council resolutions passed in public meeting
	Percentage of meetings that each Councillor attends	Achieved Mayor Farnham 96% Cr Dawson 96% Cr Dennison 83% Cr Garvan 100% Cr Hope 91% Cr Hopkins 91% Cr Keeling 91% Cr Malcolm 83% Cr Perkins 96% Cr Stead 100% Cr Young 87%	Council members attend 80% of Council and committee meetings
	Audit opinion on the Long Term Plan and Annual Report are unmodified.	Achieved 2012-22 Long Term Plan was adopted within statutory timeframes, unmodified, on 26 June 2012 2011/12 Annual Report was adopted with an unmodified audit opinion within statutory timeframes on 30 October 2012	Long Term Plan and Annual Reports receive unmodified audit opinions and are adopted within statutory timeframes
	Long Term Plan and Annual Report are adopted within statutory timeframes		
	Percentage of Annual Plan projects completed	Not achieved Data not available	80% of approved project milestones are achieved each year.
	Percentage of service performance targets *substantially achieved each year		100% of service performance targets substantially achieved each year
	*Substantially achieved equates to 85% complete		

Note to project achievement

In practice, using an aggregate measure of project achievement to determine efficiency proved very difficult. Many projects started in 2012/13 but we did not expect to finish all of them within the year. Others started in earlier years and were 'carried forward' into 2012/13 and so were not strictly speaking, 2012/13 projects. Council needs to do more work to refine this measurement so that we can draw accurate conclusions from the data.

Democracy, accountability and governance

Ahuriri Community Board – How we performed

Wellbeing – Waitaki is served by responsive and efficient local government (Council)

Community Outcomes

- Waitaki resident actively contribute to Council decisions that affect their work, life and play

Ahuriri Community Board Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Local communities engage in transparent decision making	Percentage of residents rate the performance of Community Board members as satisfactory or very satisfactory	Not achieved 72% of surveyed residents were satisfied or very satisfied in 2013 (85% in 2012)	85% of residents rate the performance of the Ahuriri Community Board as satisfactory or very satisfactory
	Percentage of Community Board resolutions passed in public meeting	Achieved 100% of resolutions passed in a public meeting	95% of Ahuriri Community Board resolutions passed in public meeting
	Percentage of meetings that each Community Board member attends	Not achieved Mrs Ferguson (Chair): 87% Mr Reid: 75% Mr Sullivan: 87% Mr Blackstock: 75% Mr Shepherd: 75%	Community Board members attend 80% of Board meetings
	Number of submissions made to Council by the Board	Achieved 9 items submitted on	No fewer than 4 submissions made to Council, by the Board or workshops attended

Democracy, accountability and governance

Waihemo Community Board – How we performed

Wellbeing – Waitaki is served by responsive and efficient local government (Council)

Community Outcomes

- Waitaki resident actively contribute to Council decisions that affect their work, life and play

Waihemo Community Board Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Local communities engage in transparent decision making	Percentage of residents rate the performance of Community Board members as satisfactory or very satisfactory	Not achieved 52% of surveyed residents were satisfied or very satisfied in 2013 (66% in 2012)	85% of residents rate the performance of Waihemo Community Board members as satisfactory/very satisfactory
	Percentage of Community Board resolutions passed in public meeting.	Achieved 96% of resolutions passed in a public meeting	95% of Waihemo Community Board resolutions passed in public meeting
	Percentage of meetings that each Community Board member attends	Achieved Mr Philip (Chair): 100% Mrs Begg: 100% Mr Brown: 89% Mr Foote: 86% Mr Lyford: 100%	Community Board members attend 80% of Board meetings
	Number of submissions made to Council by the Community Board	Achieved 23 items submitted on	No fewer than 4 submissions made to Council, by the Board or workshops attended

Democracy, accountability and governance

Community Planning – How we performed

Wellbeing – Waitaki is served by responsive and efficient local government (Council)

Community Outcomes

- Waitaki resident actively contribute to Council decisions that affect their work, life and play

How this activity contributes to the community outcomes	Community Planning Service Level		
	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Local communities engage in planning process	Annual plans, policies and bylaws are adopted and reviewed within statutory timeframes	Achieved 2013/14 Annual Plan adopted within statutory timeframes on 25 June 2013	100% of Annual Plans, policies and bylaws are reviewed and adopted in accordance with the statutory timeframes and processes
	Percentage of residents who regard the Waitaki Link as a useful source of information	Achieved 73% of surveyed residents were satisfied or very satisfied in 2013 (78% in 2012)	65% of residents regard the Waitaki Link as a useful source of information on Council activities
	Percentage of residents satisfied or very satisfied with Council consultation	Not achieved 43% of surveyed residents were satisfied or very satisfied in 2013 (54% in 2012)	50% of residents satisfied or very satisfied with Council consultation

Democracy, accountability and governance

Community Accountability – How we performed

Wellbeing – Waitaki is served by responsive and efficient local government (Council)

Community Outcomes

- Council is viewed by our community as knowledgeable, trustworthy, approachable and accountable

	Community Accountability Service Level		
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Ensuring we are accountable to the community for the services we provide	Audit opinion on Annual Report	Achieved 2011/12 Annual Report received an unmodified audit opinion on 30 October 2012	Unmodified Audit Opinions on Annual Report

Democracy, Accountability & Governance

2011/12 Actual \$(000)	2011/12 Budget \$(000)		2012/13 Actual \$(000)	2012/13 Budget \$(000)
2,066	2,062	General Rates	1,705	1,700
1,097	1,093	Targeted Rates	1,367	1,353
3,163	3,155	Rates Revenue	3,072	3,053
26	5	Operating Subsidies and Grants	28	48
-	-	Fees and Charges	-	-
-	-	Interest and Dividends from Investments	-	-
-	-	Internal Recoveries including Internal Interest Income	-	-
2	5	Other Receipts (Fines, infringements, Fuel Tax, other)	-	-
28	10	Operating Revenue	28	48
3,191	3,165	Total Operating Funding	3,100	3,101
788	711	Payments	806	763
-	-	Finance Cost	-	-
2,586	2,619	Internal Charges and Overheads Applied	2,329	2,332
-	-	Other operating funding applications	-	-
3,374	3,330	Total Applications of Operating Funding	3,135	3,095
(183)	(165)	Surplus / (Deficit) of Operating Funding	(35)	6
-	-	Subsidies and Grants for Capital	-	-
-	-	Development and Financial Contributions	-	-
-	-	Increase / Decrease in Debt	-	-
-	-	Asset Sales	-	-
-	-	Total Sources of Capital Funding	-	-
-	-	Improve Levels of Service	-	-
-	-	Meet Additional Demand	-	-
-	-	Replace Existing Assets	-	-
(183)	(165)	Increase / (Decrease) in Reserve	(35)	6
-	-	Increase / (Decrease) in Investments	-	-
(183)	(165)	Total Applications for Capital Funding	(35)	6
183	165	Surplus / (Deficit) of Capital Funding	35	(6)
-	-	Funding Balance	-	-

Commentary on Major Changes

The activities in this group operated as expected and no detailed comments are required.

Environment, regulation & safety

Environment, regulation & safety – What we did

Civil Defence

- Maintained a force of 153 operational volunteers available for response in the district (142 in 2012)
- Completed a Civil Defence exercise: Exercise Te Ripahapa (Alpine Fault Earthquake) May 2013
- Developed a Community Response Plan for Waihemo Ward (Palmerston, Dunback, Macraes, Goodwood and Hampden), to assist with growing the volunteer base
- Provided an emergency generator for Waitaki Bridge Community Emergency Centre
- Activated the Kurow Community Response Plan in response to the June 2013 floods
- Activated the Emergency Operations Centre (EOC) five times during 2012/13, four for weather related issues in July, August 2012 and June 2013, and one for a tsunami alert in February 2013. Civil Defence Emergency Management (CDEM) volunteer sector posts activated in affected areas during this period
- Trained EOC and Customer Services staff in the use of the Emergency Management Information System (EMIS), which was used operationally for exercises and live emergency events during 2013
- Delivered two welfare and two first aid training courses to Waitaki CDEM volunteers during 2012/13, and sent EOC personnel to national CDEM training courses
- Developed a Rapid Disaster Impact Assessment (RDIA) project in conjunction with Ministry of Civil Defence Emergency Management (MCDEM), which is being trialed by Waitaki CDEM volunteers.

Rural Fire

- Sent four rural fire officers on specialist fire management courses
- Trained seven fire fighters on Safety on the Fire Ground – entry level unit standard
- Assessed about 40 fire fighters in 4 unit standards for dry & wet fire fighting and light pumps
- Issued, or extended, 1,310 fire permits (up from 1,288 in 2012). Implemented a prohibited fire season Zone 3 Upper Waitaki Valley in March and April 2013
- Attended 139 calls (157 calls in 2011/12)
 - 14% of calls were to medical assistance incidents
 - 24% of calls were to Department of Conservation areas
 - Incurred 1,350 hours of fire fighter time across the year
 - Incidents attended burned 756 ha of scrub and forest
- Replaced the aging Commer fire truck at Hampden with a Hino fire engine
- Purchased a replacement Hino for Kakanui from New Zealand Fire Authority (NZFS), which is in the process of being commissioned

Environment, regulation & safety

Emergency services – How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our communities are protected through appropriate emergency responses, regulation and enforcement
- Our communities are safe places to live, work and play

Emergency services Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
<ul style="list-style-type: none"> Emergency response Education, awareness raising and prevention Community confidence in service 	Response to emergency events	Achieved 100% of responses in 15 minutes for Rural Fire. <i>For Civil Defence emergencies Council is prepared to act, rather than respond to any messages received</i>	100% of responses within 15 minutes
	Response to requests for fire permits	Not achieved 96% of fire permits issued within two days. <i>Council does not currently measure how many days we take to issue all permits</i>	100% of responses within 2 days
	Residents Survey	Achieved 71% of surveyed residents were satisfied or very satisfied with emergency services in 2013 (86% in 2012)	70% of residents satisfied or very satisfied with emergency services

Wellbeing – Waitaki is served by responsive and efficient local government (Council)

Community Outcomes

- Council conducts its business in a transparent, efficient and prudent manner
- We recognise and support the work of our volunteers

Emergency services Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
<ul style="list-style-type: none"> Volunteer support for emergency services Volunteer support Professional, accountable emergency services 	Volunteer numbers	Not achieved 90 operational volunteers (87 volunteers in 2011/12) <i>Council believes that 74 volunteers are enough to retain a functional rural fire service</i>	Increase the total number of Rural Fire-fighters by 20% (96 volunteers)
	Volunteer numbers	Achieved 153 Operational volunteers (142 Operational volunteers in 2011/12)	Increase the total number of Civil Defence volunteers by 50% (150 volunteers)
	PMEF audit by the National Rural Fire Authority	Achieved Performance Monitoring Evaluation Framework (PMEF) Review Dec 2012 to assess progress on training corrective actions	Maintain standards required by national body

Environment, regulation & safety

Building control and property information – How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our communities are protected through appropriate emergency responses, regulation and enforcement

Building control and property information Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Ensures buildings are safe, healthy and promote sustainable development	To comply with the Building Act, Building Regulations, Building Code and other relevant legislation	Achieved The Building Control Authority (BCA) maintained its accreditation over this period	Waitaki Building Control Authority retains accreditation status
	20% of premises audited. High risk buildings (such as hotels) checked more than once every five years	Achieved 20% of premises audited High risk buildings are generally premises that have sleeping or care facilities i.e. rest homes, hospitals, motel/hotels, childcare facilities etc.	20% of premises audited. High risk buildings (such as hotels) checked more than once every five years

Wellbeing – Waitaki has a diverse. Sustainable and growing economy (Economic)

Community Outcomes

- Waitaki is recognised as a good place to do business, and people choose to invest in the District

Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Building consents are processed within statutory timeframes	95% of consents processed within 20 working days	Not achieved 611 Building consents were processed during 2012/13 of which 89% processed within 20 working days	95% of consents processed within 20 working days

Parking and other enforcement activity – How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our communities are protected through appropriate emergency responses, regulation and enforcement

Parking and other enforcement activity Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Parking enforcement is provided to ensure everyone has access to businesses in Oamaru	Parking Warden patrols Oamaru CBD parking spaces regularly	Achieved Parking Warden patrols occurred over a 6 day per week timeframe, Mon-Sat	Parking Warden patrols 6 days per week

Environment, regulation & safety

Environmental monitoring, liquor and protection – How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our communities are protected through appropriate emergency responses, regulation and enforcement

Environmental monitoring, liquor and protection Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
<ul style="list-style-type: none"> ○ Reducing the instance of food borne illness in the District ○ Reducing the incidence of water borne illness in the District ○ Reducing the instances of noise and other environmental impacts ○ Reducing the impact of alcohol related issues 	Annual inspection of 100% category 1 food premises and 50% of category 2 and 3 premises	Achieved Premises inspected during the period: Category 1 - 100% Category 2 - 85% Category 3 - 67% Over 40 % of Waitaki food premises operate under the VIP system, whilst the remainder are registered under the Food Hygiene Regulations 1974	Annual inspection of 100% category 1 food premises Annual inspection of 50% of category 2&3 premises
	Nil presence of E-coli indicator organism	Not achieved 4 (27%) of treated WDC supplies had E-coli present. 3/4 supplies are subject to periodic high flood loadings Of the 5 WDC untreated schemes, all had E-coli present. 4 of 5 WDC camping grounds had E coli present	Continue to assist private scheme owners to improve the standard of their water supplies by improving the level of treatment
	Timely resolution of commercial complaints and investigation of all afterhours domestic complaints in one hour	Not achieved 99% of complaints investigated during the period were within the one hour time frame. The small number of non-Oamaru complaints investigated, by necessity, fall outside this time frame. A number of stereo seizures were also carried out.	Investigation of 100% after hours domestic noise complaints in one hour
	Annual inspection of all on and off licenced premises. Annual inspection of 33% of club license premises	Not achieved 28% of club licenses were inspected	Annual inspection of all on and off licenced premises. Annual inspection of 33% of club licensed premises

Environment, regulation & safety

Animal control – How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our communities are protected through appropriate emergency responses, regulation and enforcement
- Our communities are safe places to live, work and play

Animal control Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Animal enforcement protects Waitaki residents from animal nuisances and dangerous, menacing or uncontrolled animals	100% of all known dogs registered	Achieved 100% of known dogs were registered	100% of all known dogs registered
	Annual Resident satisfaction survey	Achieved 75% of surveyed residents were satisfied or very satisfied in 2013 (79% in 2012)	70% of residents satisfied with dog control services
	Animal control Incidents responded to within two hours of notification	Achieved 100% of incidents were responded to within two hours of notification	100% of incidents responded to within two hours of notification
	(Stock control) Incidents responded to within two hours of notification	Achieved 100% of incidents were responded to within two hours of notification	100% of incidents responded to within two hours of notification
	Complaint feedback	Achieved Resident survey provided useful benchmark	Bench mark established. Complaints actioned and complainant satisfied

Environment, regulation & safety

District Planning – How we performed

Wellbeing – Waitaki has a diverse, Sustainable and growing economy (Economic)

Community Outcomes

- Waitaki is recognised as a good place to do business, and people choose to invest in the District

District Planning Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
<ul style="list-style-type: none"> ○ Sustainable management of land use and efficient processing of consents to enable timely business decisions ○ Protection of the environment and sustainable management of resources. Sustainable business opportunities, preservation of the built environment, cultural traditions and engagement with Iwi ○ Protection of the natural environment and sustainable management of land ○ Confidence of community, business and land owners in officer advice 	100% of consents processed are within the statutory timeframes.	<p>Achieved 100% of notified consents processed within timeframes (4 out of 4)</p> <p>Not achieved 99% of non-notified consents processed within timeframes (147 out of 149)</p>	<p>Notified: 100%</p> <p>Non-notified: 100%</p>
	Comply with Statutory timeframes	Achieved Preliminary work commenced, and working alongside neighbouring Councils to share resources where possible	Review of District Plan commenced by 2014
	Percentage of consents implemented	<p>Achieved All subdivision consents monitored through s224 RMA process. All notified consents monitored</p> <p>Not achieved Not all consents fully implemented. <i>Monitoring commenced in early 2013</i></p>	<p>100% of implemented subdivision consents and notified land use consents</p> <p>50% of implemented non-notified land use consents</p>
	Customer feedback and online survey for applicants	<p>Not achieved No information and not being recorded The online survey has been decommissioned and a new targeted survey developed for 2013/14</p>	80% of applicants satisfied with service

Environment, regulation & safety

District Planning – How we performed continued

Wellbeing – Waitaki's distinctive natural environment is valued and protected (Environmental)

Community Outcomes

- We manage land use sustainably and sensitively

District Planning Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
<ul style="list-style-type: none"> ○ Protection of communities and natural environment, sustainable land use management. Preservation of built heritage, cultural traditions and values are respected in collaboration with Iwi ○ Natural environment is protected, land use is managed sustainably. Cultural traditions and values are respected and we work with local Iwi to achieve this ○ Reporting and measurement of community safety, natural and built heritage, cultural values, land use changes and other natural public resources 	Notify and process changes in statutory deadlines	Achieved <ul style="list-style-type: none"> • Plan changes 7 and 8 completed • Oamaru Business Zone plan change heard, decision of commissioner pending • Four out of four minor plan changes agreed and three processed to a decision with no appeals lodged. 	Complete: <ul style="list-style-type: none"> • Changes 7 and 8 Oamaru Business Zone plan change • Minor plan changes (as agreed by Council) • Commence District Plan Review as per above
	Ecological study completed	Achieved Progressing completion of the remainder of the district by 2016	Complete for remainder of District by 2016
	Complete State of Environment report	Not achieved Reports for Takata Whenua, Signs and Natural Hazards commenced	Complete three reports by 2013

Environment, Regulation & Safety				
2011/12 Actual \$(000)	2011/12 Budget \$(000)		2012/13 Actual \$(000)	2012/13 Budget \$(000)
1,591	1,587	General Rates	1,518	1,507
429	428	Targeted Rates	454	450
2,020	2,015	Rates Revenue	1,972	1,957
29	10	Operating Subsidies and Grants	34	40
1,273	1,128	Fees and Charges	1,164	1,196
-	-	Interest and Dividends from Investments	-	-
142	146	Internal Recoveries including Internal Interest Income	157	142
145	95	Other Receipts (Fines, infringements, Fuel Tax, other)	181	97
1,589	1,379	Operating Revenue	1,536	1,475
3,609	3,394	Total Operating Funding	3,508	3,432
1,075	805	Payments	955	901
-	-	Finance Cost	-	-
2,205	2,468	Internal Charges and Overheads Applied	2,367	2,509
-	-	Other operating funding applications	-	-
3,280	3,273	Total Applications of Operating Funding	3,322	3,410
329	121	Surplus / (Deficit) of Operating Funding	186	22
-	-	Subsidies and Grants for Capital	1	-
140	150	Development and Financial Contributions	92	125
-	-	Increase / Decrease in Debt	-	-
5	-	Asset Sales	-	-
145	150	Total Sources of Capital Funding	93	125
-	10	Improve Levels of Service	24	25
-	-	Meet Additional Demand	-	-
10	55	Replace Existing Assets	-	-
464	206	Increase / (Decrease) in Reserve	255	122
-	-	Increase / (Decrease) in Investments	-	-
474	271	Total Applications for Capital Funding	279	147
(329)	(121)	Surplus / (Deficit) of Capital Funding	(186)	(22)
-	-	Funding Balance	-	-

Commentary on Major Changes

The activities in this group operated as expected and no detailed comments are required.

Support Services (Net Allocated)					
2011/12 Actual \$(000)	2011/12 Budget \$(000)		2012/13 Actual \$(000)	2012/13 Budget \$(000)	
76	76	General Rates	-	-	
2	2	Targeted Rates	-	-	
78	78	Rates Revenue	-	-	
7	-	Operating Subsidies and Grants	58	-	
29	26	Fees and Charges	19	29	
-	-	Interest and Dividends from Investments	-	-	
14,148	14,550	Internal Recoveries including Internal Interest Income	13,515	14,193	
57	21	Other Receipts (Fines, infringements, Fuel Tax, other)	54	22	
14,241	14,597	Operating Revenue	13,646	14,244	
14,319	14,675	Total Operating Funding	13,646	14,244	
8,443	8,247	Payments	8,813	8,804	
-	-	Finance Cost	-	-	
5,370	5,416	Internal Charges and Overheads Applied	4,535	4,468	
-	-	Other operating funding applications	-	-	
13,813	13,663	Total Applications of Operating Funding	13,348	13,272	
506	1,012	Surplus / (Deficit) of Operating Funding	298	972	
-	-	Subsidies and Grants for Capital	-	-	
-	-	Development and Financial Contributions	-	-	
-	-	Increase / Decrease in Debt	-	-	
40	-	Asset Sales	21	82	
40	-	Total Sources of Capital Funding	21	82	
48	229	Improve Levels of Service	91	85	
-	-	Meet Additional Demand	-	-	
655	237	Replace Existing Assets	180	835	
(157)	546	Increase / (Decrease) in Reserve	48	134	
-	-	Increase / (Decrease) in Investments	-	-	
546	1,012	Total Applications for Capital Funding	319	1,054	
(506)	(1,012)	Surplus / (Deficit) of Capital Funding	(298)	(972)	
-	-	Funding Balance	-	-	

Council Controlled Organisations (CCO's)



Council holds shares in four Council-Controlled Organisations (CCO's). Each year Council reconsiders its reason for ownership by reviewing each company's Statement of Intent. The four 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

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:

Omarama Airfield – How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our green-spaces, sports fields, libraries and recreation facilities are well managed and encourage healthy lifestyles and learning

Omarama Airfield Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
The airfield is managed efficiently and provides for a range of events	Operate within budgeted income and achieve a break even or better result	Achieved Better revenue and reduced need for maintenance provided an actual operating surplus of \$24,448, a marked improvement on the 2012 result of \$4,909, and twice as good as budget	Operate and provide planned services within budgeted income. Achieve a break even or better result after prudent provision for asset depreciation and replacement, and for future trading requirements

Wellbeing – Waitaki is a desirable place to live (Cultural)

Community Outcomes

- We recognise, value and respect Waitaki as a great place to live, visit, work and play

Omarama Airfield Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Community involvement	Update the Company's business plan on an annual basis	Achieved Business plan is updated annually, and provides for longer term replacement of critical plant for irrigation	Update complete and approved

Wellbeing – Waitaki has a diverse, Sustainable and growing economy (Economic)

Community Outcomes

- Waitaki has a diverse, sustainable and growing economy

Omarama Airfield Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Community benefits through local employment opportunities	Measure the economic benefits to the Omarama and Ahuriri community arising from the operation and development of the Airfield	Achieved The airfield uses local contractors for management and maintenance. Commercial tenants employ locals, with at least 20 staff on site during the "season". Regular gliding activities continue to attract large numbers of visitors.	Maintain or improve the level of economic benefits (against 2011/12 benchmarks)

Omarama Airfield Limited

Financial Performance	2013 \$000	2012 \$000
Revenues		
Operating Revenue	82	85
Rental Income	36	17
Other Income	5	5
Total Revenue	123	107
Expenditure		
Operating Expenditure	71	76
Audit Fees	9	8
Depreciation	19	18
Directors' Fees	-	-
Total Expenditure	99	102
Net Surplus / (Deficit) Before Taxation	24	5
Provision for Taxation	(4)	(3)
Net Surplus / (Deficit) for the Year	20	2

Financial Position	2013 \$000	2012 \$000
Shareholders Funds	1,231	1,211
Represented By		
Non-current Assets	1,213	1,220
Current Assets	102	68
Current Liabilities	(13)	(15)
Non-current Liabilities	(71)	(66)
Net Assets	1,231	1,211

The Company received an unqualified audit report for the year ended 30 June 2013 on 30 September 2013.

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

Waitaki Development Board Limited

Waitaki Development Board Limited was established in December 1996 and is 100% owned by 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 will 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 expedencies.
- 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

Performance Measures

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

Waitaki Development Board – How we performed

Wellbeing – Waitaki has a diverse, sustainable and growing economy (Economic)

Community Outcomes

- Waitaki is recognised as a good place to do business and people choose to invest in the District
- Opportunities for sustainable enterprise and growth are recognised and managed

Waitaki Development Board Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
<ul style="list-style-type: none"> ○ Promotion of the region and tourism supports a range of businesses across the District ○ By providing a coordinated approach to business development and growth 	Visitor numbers	Achieved An increase of 6.8% was recorded	Increase visitor numbers to the District
	Bed nights	Achieved Bed nights increased by 4.7% over 2012	Increase visitor bed nights purchased to 340,000
	Length of stay	Not achieved Average length of stay reduced by 1.5% to 1.51 nights	Increase average length of stay to 1.8 nights
	OBPC visitor numbers	Not achieved 64,847 visitors was a reduction of 1% on the numbers for 2012	Increase visitor numbers to the Oamaru Blue Penguin Colony by 5% annually
	Resident satisfaction survey	Achieved First year assessed to gain benchmark. 81% of surveyed residents were satisfied or very satisfied with Waitaki Development Board in 2013	Maintain residents' satisfaction with the Company's efforts to attract tourists to the District above the national average
	Labour capacity statistics	Not achieved Not measured	Labour capacity to be increased and measured – 95% of advertised jobs to be filled within three months

Waitaki Development Board Limited

Financial Performance	2013 \$000	2012 \$000
Revenues		
Waitaki District Council	693	842
Other Income and Grants	229	219
Total Revenue	922	1,061
Expenditure		
Operating Expenditure	853	970
Audit Fees	12	12
Depreciation	6	6
Directors' Fees	47	62
Total Expenditure	918	1,050
Net Surplus Before Taxation	4	11
Provision for Taxation	(4)	23
Net Deficit After Taxation	-	34

Financial Position	2013 \$000	2012 \$000
Shareholder's Funds	84	84
<u>Represented By</u>		
Non Current Assets	24	28
Current Assets	193	247
Current Liabilities	(133)	(191)
Net Assets	84	84

The Company received an unqualified audit report for the year ended 30 June 2013 on 30 September 2013.

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:

- Governance 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.
- 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

Waitaki District Health Services Limited – How we performed

Wellbeing – Waitaki people are safe and healthy (Social)

Community Outcomes

- Our local hospital and health services are retained and easily accessible

Waitaki District Health Services Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Provision of a well-managed hospital supports the health of residents benefits the community as a whole	Professional standards	Achieved Met all applicable standards, as confirmed by independent audits	Meet all professional and technical standards
	Professional standards and transparent and collaborative relations with the shareholder	Achieved Regular forums held throughout the District with health-related and other community groups, GPs and staff	Provide adequate forums for effective collaboration with stakeholders
	Service performance	Achieved Certified under Health & Disability sector standards, Infection Control standards and Restraint & Minimisation standards until the end of 2013	Meet and observe performance targets and service standards required under the Ministry of Health contractual arrangements with the Company

Wellbeing – Waitaki has a diverse. Sustainable and growing economy (Economic)

Community Outcomes

- Waitaki is recognised as a good place to do business and people choose to invest in the District

Waitaki District Health Services Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Provision of a well-managed hospital supports the health of residents benefits the community as a whole	Efficient and effective management	Achieved Net operating surplus for the parent was 96.24% of budget	Operate and provide planned services within budgeted income including services contract with District Health Board
	Prudent management of assets and liabilities	Achieved The parent achieved a surplus after depreciation and interest of \$5,400	Achieve a break-even or better result after prudent provision for assets depreciation and replacement and for future trading requirements
	Long Term Plan	Achieved Plan was updated	Update the Company's business plan annually

Waitaki District Health Services Limited

Financial Performance (Group)	2013 \$000	2012 \$000
Revenues		
Total Revenue	12,222	11,795
Expenditure		
Operating Expenditure	11,087	10,566
Audit Fees	25	25
Depreciation	707	675
Directors' Fees	110	91
Total Expenditure	11,929	11,357
Net Operating Surplus	293	438
Gain on Property Revaluation	-	683
Net Surplus After Taxation	\$293	\$1,121
Financial Position (Group)	2013 \$000	2012 \$000
Total Equity	\$16,706	\$16,413
Represented By		
Non Current Assets	10,350	10,821
Current Assets	8,629	7,623
Non Current Liabilities	(17)	(11)
Current Liabilities	(2,256)	(2,020)
Net Assets	\$16,706	\$16,413

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

The Company and Group received an unqualified audit report for the year ended 30 June 2013 on 30 September 2013.

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 focused 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.'

Information to be reported to the Shareholder

Within two months after the end of each financial year, the Directors must deliver 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:

Whitestone Contracting Limited

Whitestone Contracting Limited – How we performed

Wellbeing – Waitaki has a diverse, Sustainable and growing economy (Economic)

Community Outcomes

- Our infrastructure and services enable development in the District

Whitestone Contracting Limited Service Level			
How this activity contributes to the community outcomes	Performance Measures	Achievements 2012/13	Targets Yr. 1-3 2012-22 LTP (2012/13 – 14/15)
Through the operation of a successful business that 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	Profitability and return to shareholder	Not achieved Pre-tax return (prior to donations, sponsorships and subvention payments) was 0.09% on shareholders' funds	Achieve a before income tax return on opening shareholders' funds that is better than 7%
	Long term viability and profitability	Achieved Clients spending more than \$10,000 increased by five. Top ten clients were 73% of revenue (2012: 85%).	Continue to diversify the portfolio of work and clients
	Efficient and effective management	Achieved This review is on-going	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
	Acting as a good employer	Achieved Maintained ACC tertiary accreditation	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
	Quality standards	Achieved	Maintain ISO 9001 registration and related quality assurance progresses
		Achieved	Maintain ISO 14001 registration by ensuring systems are in place to meet environmental, legislative and regulatory requirements
Responsibility and compliance		Achieved Sales to Council made up only 24% of total revenue (2012: 49.6%)	Increase the percentage of revenue obtained from sources other than the Waitaki District Council
		Achieved At 30 June 2013, the ratio is 68% (2012: 80.0%)	Maintain the ratio of consolidated shareholder funds to total assets. In the range of 60% - 80%

Whitestone Contracting Limited

Financial Performance	2013 \$000	2012 \$000
Revenues		
Operating Revenue	19,378	19,406
Expenditure		
Operating Expenditure	17,998	17,541
Audit Fees	24	23
Depreciation	1,188	1,005
Directors' Fees	141	113
Interest Expense	72	10
Total Expenditure	19,423	18,692
Net Profit Before Taxation	(46)	714
Subvention Payment	(300)	-
Provision for Taxation	(81)	(142)
Net (loss)/profit After Taxation	(427)	572
Gain/(loss) on revaluation of land and buildings	-	-
Total Comprehensive Income	(\$427)	\$572

Financial Position	2013 \$000	2012 \$000
Shareholders' Funds	\$10,452	\$10,880
<u>Represented By</u>		
Non Current Assets	10,847	9,462
Current Assets	3,758	4,121
Non Current Liabilities	(920)	(294)
Current Liabilities	(3,233)	(2,409)
<u>Net Assets</u>	\$10,452	\$10,880

The Company received an unqualified audit report for the year ended 30 June 2013 on 28 August 2013.

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

Financial Statements

Statement of Comprehensive Income

For the year ended 30 June 2013

		Consolidated		Council Only		
		2013	2012	2013	2013	2012
					budget	
		\$000	\$000	\$000	\$000	\$000
Income						
Rates	1	27,413	25,596	27,448	27,210	25,616
User Charges		20,572	14,900	5,994	5,887	5,421
Regulatory Charges		1,164	1,270	1,164	1,196	1,270
Development and RMA Contributions		577	589	577	608	589
Government Grants and Subsidies	2	15,059	15,399	5,445	5,186	6,027
Other Grants and Donations		3,229	2,475	908	227	326
Finance Income	3	978	959	677	669	661
Infringements and Fines		44	34	44	47	34
Petrol Tax		179	197	179	221	197
Dividend and Subvention Payments		-	-	300	150	-
Penalties		539	490	539	325	490
Other revenue		186	152	-	-	-
Other Gains /(Losses)	2	(71)	1,160	(197)	-	946
Total Income	29	69,869	63,221	43,078	41,726	41,577
Expenditure						
Personnel costs	4	25,883	25,328	8,591	8,406	8,271
Depreciation and amortisation		13,393	13,818	11,427	11,659	12,074
Finance Costs	3	72	13	-	-	3
Other expenses	4	28,597	22,506	21,100	21,476	20,862
Total Operating Expenditure	29	67,945	61,665	41,118	41,541	41,210
Surplus / (Deficit) before Tax		1,924	1,556	1,960	185	367
Income Tax Expense / (Refund)	5	88	121	-	-	-
Surplus / (Deficit) after tax		1,836	1,435	1,960	185	367
Other Comprehensive Income						
Gain/(Loss) on revaluation of Infrastructural Assets		18,193	29,188	18,193	-	29,188
Impairment of Infrastructural Assets		(443)	-	(443)	-	-
Gain/(Loss) on revaluation of Properties		-	676	-	-	-
Other Comprehensive Income		-	-	-	-	-
Total Other Comprehensive Income		17,750	29,864	17,750	-	29,188
Total Comprehensive Income		\$ 19,586	\$ 31,299	\$ 19,710	\$ 185	\$ 29,555

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2013

	Consolidated		Council Only		
	2013	2012	2013	2013	2012
	\$000	\$000	\$000	budget \$000	\$000
Public Equity at 1 July	734,608	703,309	711,715	739,324	682,160
Total Comprehensive Income	19,586	31,299	19,710	185	29,555
Public Equity at 30 June	<u>\$ 754,194</u>	<u>\$ 734,608</u>	<u>\$ 731,425</u>	<u>\$ 739,509</u>	<u>\$ 711,715</u>

The accompanying notes form part of these financial statements.

Balance Sheet

As at 30 June 2013:

		Consolidated		Council Only		
		2013	2012	2013	2013	2012
					Budget	
		\$000	\$000	\$000	\$000	\$000
Public Equity						
Ratepayers' Equity	6	308,299	308,299	308,299	313,300	308,299
Revaluation Reserve	6	408,446	392,263	401,008	409,000	384,825
Operating Reserve	6	25,733	22,384	10,402	7,509	6,929
Other Reserves	6	11,716	11,662	11,716	9,700	11,662
Total Public Equity		\$ 754,194	\$ 734,608	\$ 731,425	\$ 739,509	\$ 711,715
Non-Current Assets						
Property Plant and Equipment	7	724,272	708,727	703,262	716,401	688,355
Intangible Assets	8	1,757	1,660	1,175	1,100	1,347
Forestry	9	1,020	997	1,020	1,000	997
Other Financial Assets						
- Investments in CCO's	10	-	-	4,858	5,000	4,858
- Investments in other entities	10	145	145	145	-	145
- Loans to other entities	10	13,126	13,467	13,126	13,722	13,467
		740,320	724,996	723,586	737,223	709,169
Current Assets						
Cash and Cash Equivalents	11	11,633	11,706	5,087	4,250	4,197
Trade and Other Receivables	12	8,685	6,731	5,451	5,592	4,294
Prepayments		386	202	255	200	176
Inventory	13	997	946	70	50	58
Work in Progress	14	1,219	159	-	-	-
Other Financial Assets						
- Investments in other entities	10	3,521	-	3,521	-	-
- Loans to other entities	10	41	17	41	17	17
Non-current Assets held for Sale	15	239	-	239	-	-
Provision for Tax paid in Advance		11	46	8	1	9
		26,732	19,807	14,672	10,110	8,751
Total Assets		767,052	744,803	738,258	747,333	717,920
Non-Current Liabilities						
Provisions	16	729	695	729	700	695
Employee Entitlement Liabilities	17	47	54	-	-	-
Borrowings	18	539	5	3	4	5
Deferred Tax Liability	5	386	324	-	-	-
		1,701	1,078	732	704	700
Current Liabilities						
Trade and Other Payables	19	6,563	5,750	5,204	6,500	4,836
Short Term Borrowings	18	887	3	2	2	3
Employee Entitlement Liabilities	17	3,600	3,278	895	618	666
Provisions	16	30	28	-	-	-
Provision for Taxation	5	77	58	-	-	-
		11,157	9,117	6,101	7,120	5,505
Total Liabilities		12,858	10,195	6,833	7,824	6,205
Net Assets		\$ 754,194	\$ 734,608	\$ 731,425	\$ 739,509	\$ 711,715

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 June 2013

	Notes	Consolidated		Council Only		
		2013	2012	2013	2013 budget	2012
		\$000	\$000	\$000	\$000	\$000
Cash flows from Operating Activities						
Receipts from Rates Revenue		27,277	25,582	27,277	27,210	25,582
Interest received		524	557	246	160	171
Receipts from Other Revenues		40,455	36,611	14,048	13,697	15,116
Payments to Suppliers & Employees		(55,300)	(49,679)	(29,068)	(29,882)	(30,687)
Interest Paid		(72)	(13)	-	-	(3)
Income Tax Paid		7	(12)	1	-	(7)
Net GST		(81)	35	(81)	-	35
Net Cash from Operating Activities	27	12,810	13,081	12,423	11,185	10,207
Cash Flows from Investing Activities						
Proceeds from Sale of P.P.& E		257	1,258	37	550	805
Proceeds from Sale of Investments		839	3,047	839	-	3,047
Dividends/Subvention payments received		-	-	300	150	-
Purchase of P.P.& E		(11,785)	(13,942)	(9,094)	(11,152)	(12,277)
Acquisition of Investments		(3,612)	(55)	(3,612)	-	(55)
Net Cash from Investing Activities		(14,301)	(9,692)	(11,530)	(10,452)	(8,480)
Cash Flows from Financing Activities						
Proceeds from Borrowing		1,421	-	-	-	-
Repayment of Borrowing		(3)	(322)	(3)	(4)	(3)
Net Cash from Financing Activities		1,418	(322)	(3)	(4)	(3)
Net Increase / (Decrease) in Cash		(73)	3,067	890	729	1,724
Total Cash Resources at 1 July		11,706	8,639	4,197	3,521	2,473
Total Cash Resources at 30 June	11	\$ 11,633	\$ 11,706	\$ 5,087	\$ 4,250	\$ 4,197

The accompanying notes form part of these financial statements.

Statement of Accounting Policies

Reporting Entity

The following financial statements of the Waitaki District Council are for the year ended 30 June 2013 and were authorised for issue by Council on 29 October 2013.

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

Statement of Accounting Policies

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

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

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

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

Omarama Airfield Limited

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

Specific Accounting Policies

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

Income Recognition

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

- Rates are recognised when set.
- Water billing revenue is recognised when 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, or deferred, income in the balance sheet.

Statement of Accounting Policies

Borrowing Costs

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

Leases

Finance Leases:

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

Operating Leases:

Operating leases are all other leases, i.e. 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 amortised 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

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. Any write down from cost to net realisable value is recognised immediately 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 that are not classified in the other categories above.

This category encompasses:

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

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

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

Statement of Accounting Policies

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

Impairment of Financial Assets

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

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

Financial Liabilities

Interest bearing borrowings are classified as other non-derivative financial instruments and are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised 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.

Investment properties are not depreciated, and 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, 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 the 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 revalued in June 2013 by Allan Laurie of Laurie Forestry Ltd.

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

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.

Statement of Accounting Policies

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 revalued 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 revalued. 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 2012 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

Infrastructural Assets – Work in Progress

Capital projects that are incomplete at balance date are regarded as Work in Progress. The value of the incomplete projects is included in Fixed Assets, but the asset is not depreciated until it is complete and has been commissioned. Movements into Work in Progress represent the value of work done on incomplete capital projects, while movements out of Work in Progress represent the final capitalisation of the completed project.

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, and include North Otago Museum artefacts, the 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.

Statement of Accounting Policies

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
- pumps	10 – 20 years
- treatment works	10 – 100 years

Infrastructural Assets (continued)

- 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

Statement of Accounting Policies

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 Intangible Assets, including:

Emissions Trading Scheme - Carbon credits

Carbon credits received under the Emissions Trading Scheme are assessed at their fair value, determined by the value they could be sold for on the tradable carbon credit market, as at 30 June each year.

Goodwill

Goodwill arising as part of a business combination is measured, as at the date of acquisition, at: fair value of consideration transferred, less fair value of assets acquired and liabilities assumed. It is subsequently assessed for impairment, and its value adjusted accordingly, on an annual basis, or more frequently as indicators of impairment become apparent.

Resource consents

Resource consents are initially valued at cost, and subsequently amortised on a straight-line basis over the term of the specific consent.

Other

These are other intangible assets with an identifiable useful life of 25 years, and 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 revalued 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 revalued amount, the total impairment loss is recognised in the surplus or deficit.

Statement of Accounting Policies

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.

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 or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the 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 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 on-going 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.

Statement of Accounting Policies

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.

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 comprises retained earnings and reserves. Net 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.

Statement of Accounting Policies

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.

Groups of Activities

The Groups of Activities, as provided in the LTP, 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:

- Evaluating the physical deterioration and condition of an asset - for example Council may be carrying an asset at an amount that does not reflect its actual condition, especially for those assets, which are not visible, such as 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 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.

Statement of Accounting Policies

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 2013.

- **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.

Forthcoming Change in Basis of Preparation

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) which has been developed by the External Reporting Board (XRB). Under this new Accounting Standards Framework, the Council is classified as a Tier 1 reporting entity and will be required to apply the full Public Benefit Entity Accounting Standards (PAS).

These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Council expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Council is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new PAS Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

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 may be relevant to members of Council's group of companies in the future, are:

NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced in stages, the first of which deals with 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 must be adopted for the year ended 30 June 2016. Waitaki District Council has not yet assessed either the effect of the new standard or the implications of the forthcoming adoption of PAS referred to above, and has not yet determined whether the new standard will still apply to Council or to any of its CCOs.

Notes to the Financial Statements

	Consolidated		Council Only		
	2013	2012	2013	2013 budget	2012
	\$000	\$000	\$000	\$000	\$000

Note 1: Rates Revenue

General Rates	1,855	1,828	1,890	1,893	1,848
District Services Rates	1,232	1,250	1,232	1,227	1,250
Universal Annual General Charge	3,917	3,273	3,917	3,880	3,273
Ward Rates	6,025	5,459	6,025	5,969	5,459
Separate Rates	14,384	13,786	14,384	14,241	13,786
Total	\$ 27,413	\$ 25,596	\$ 27,448	\$ 27,210	\$ 25,616

Council granted remissions of \$226,000 (2012: \$179,000). These remissions were primarily under Council's Bare Land Policy and were budgeted at \$175,000 for the year.

Note 2: Operating Revenue

Government Grants and Subsidies

New Zealand Transport Agency subsidies	5,218	5,631	5,218	4,839	5,631
Southern DHB operational contract funding	9,614	9,372	-	-	-
Other Government grants and subsidies	227	396	227	347	396
Total	\$ 15,059	\$ 15,399	\$ 5,445	\$ 5,186	\$ 6,027

Other gains / (losses)

Gain / (loss) on Forestry revaluation	23	(115)	23	-	(115)
Gain / (loss) on disposal of Property Plant and equipment	(2,722)	(200)	(2,735)	-	(244)
Depreciation recovered on disposal	132	182	19	-	12
Vested Assets - Property Plant & Equipment	2,481	1,293	2,481	-	1,293
Vested Assets - Intangibles	15	-	15	-	-
	(\$ 71)	\$ 1,160	(\$ 197)	-	\$ 946

Notes to the Financial Statements

	Consolidated		Council Only		
	2013	2012	2013	2013 budget	2012
	\$000	\$000	\$000	\$000	\$000

Note 3: Finance Income and Finance Costs

Finance Income

Interest on bank deposits	533	455	232	200	157
Interest on loan to North Otago Irrigation	431	491	431	459	491
Interest on other community loans	11	10	11	10	10
Sundry interest	3	3	3	-	3
Total Finance income	978	959	677	669	661

Finance costs

Interest on bank borrowings	51	10	-	-	-
Interest on bank overdraft	21	3	-	-	3
Total Finance costs	72	13	-	-	3
Net Finance revenue/(cost)	\$ 906	\$ 946	\$ 677	\$ 669	\$ 658

Note 4: Operating Expenses

Personnel Costs

Salaries and wages	25,534	24,854	8,444	8,265	8,152
Defined contribution plan employer contributions	255	227	147	141	119
Increase / (decrease) in employee entitlements	94	247	-	-	-
Total Personnel Costs	\$ 25,883	\$ 25,328	\$ 8,591	\$ 8,406	\$ 8,271

Other Operating Expenses

Audit Fees

Audit New Zealand

Audit Current Year Annual Report	149	143	105	121	102
Audit Prior Year Annual Report	14	26	14	-	26
Audit 2012-22 Long Term Plan	-	73	-	-	73

Other practitioners

Audit Current Year Annual Report	24	23	-	-	-
Other Services provided	9	10	-	-	-
Community grants and donations	611	589	609	691	586
Directors' Fees	313	266	-	-	-

Impairment of Receivables

Total Bad Debts written off	24	223	21	220	223
Change in Provision for Doubtful Debts	(448)	(214)	(443)	(161)	(211)
Rate remissions	226	179	226	175	179
Renting and Leasing	303	261	116	164	134
Other Expenditure	27,372	20,927	20,452	20,266	19,750
Total Other Operating Expenses	\$ 28,597	\$ 22,506	\$ 21,100	\$ 21,476	\$ 20,862

Notes to the Financial Statements

	Consolidated		Council Only	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Note 5: Taxation				
Relationship between tax expense and accounting profit				
Net surplus / (deficit) before taxation	1,924	1,556	1,960	367
Prima facie taxation at 28%	539	436	549	103
Plus/(Less) Taxation Effect of Differences				
- revenue not liable for taxation	(537)	(227)	(549)	(103)
- expenditure not deductible for taxation	82	(57)	-	-
- losses carried forward	4	(31)	-	-
Income tax expense	\$ 88	\$ 121	-	-
<i>This is represented by:</i>				
Current taxation	22	158	-	-
Prior year adjustment	4	(27)	-	-
Deferred taxation provision	62	(10)	-	-
Income tax expense	\$ 88	\$ 121	-	-
Deferred taxation liability/(benefit)				
Opening balance	324	337	-	-
Deferred taxation position current year	62	(13)	-	-
Total Deferred Tax	\$ 386	\$ 324	-	-
<i>Deferred taxation comprises:</i>				
Short term temporary differences	386	324	-	-
	\$ 386	\$ 324	-	-

Council has not recognised a deferred tax asset in relation to unused tax losses of \$786,085 which are available to be carried forward and offset against future taxable income (2012: \$695,091).

Whitestone Contracting Limited has imputation credits of \$1,652,418 (2012: \$1,648,697) which can be used to impute dividend payments to Council. These amounts are not recorded in the financial statements.

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

Notes to the Financial Statements

	Consolidated		Council Only	
	2013	2012	2013	2012
	\$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	392,263	362,630	384,825	355,875
Roading Increase	-	29,188	-	29,188
Roading Impairment	(443)	-	(443)	-
Roading Disposals (to operating reserve)	(532)	-	(532)	-
Water & Waste Increase	18,193	-	18,193	-
Water & Waste Disposals (to operating reserve)	(950)	(291)	(950)	(291)
Property Disposals (to operating reserve)	(85)	53	(85)	53
WDHSL Property Movement	-	683	-	-
Balance at 30 June	<u>\$408,446</u>	<u>\$392,263</u>	<u>\$401,008</u>	<u>\$384,825</u>

Represented by

Infrastructural Assets	359,142	342,959	359,142	342,959
Council Property	41,741	41,741	41,741	41,741
Council Other (Museum)	125	125	125	125
WDHSL	5,605	5,605	-	-
WCL	1,833	1,833	-	-
Balance at 30 June	<u>\$408,446</u>	<u>\$392,263</u>	<u>\$401,008</u>	<u>\$384,825</u>

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

Operating Reserves

Balance at 1 July	22,384	21,132	6,929	6,738
Net surplus/(deficit) after tax	1,836	1,436	1,960	367
Transfer from Revaluation Reserves	1,567	238	1,567	238
Transfer from Other Reserves	1,504	1,764	1,504	1,764
Transfer to Other Reserves	(1,558)	(2,186)	(1,558)	(2,178)
Transfer to Equity	-	-	-	-
Balance at 30 June	<u>\$25,733</u>	<u>\$22,384</u>	<u>\$10,402</u>	<u>\$6,929</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	
	2013	2012	2013	2012
	\$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	11,661	11,244	11,661	11,244
Deposits and Interest	1,530	2,150	1,530	2,150
To Operating Reserves to meet disbursements	(1,476)	(1,733)	(1,476)	(1,733)

Balance at 30 June	\$11,715	\$11,661	\$11,715	\$11,661
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Represented by

Special Funds	10,046	9,818	10,046	9,818
Trust Funds	1,668	1,842	1,668	1,842
Loan Funds	1	1	1	1

Balance at 30 June	\$11,715	\$11,661	\$11,715	\$11,661
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Trust Funds

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

Balance at 30 June	\$1	\$1	\$1	\$1
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Represented by

SPARC Commission Funds	-	-	-	-
Creative Communities Funds	\$1	\$1	\$1	\$1

	\$1	\$1	\$1	\$1
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Balance at 30 June

Total other reserves	\$11,716	\$11,662	\$11,716	\$11,662
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More details of the movements in Other Reserves are provided in the table appearing on the following page.

Notes to the Financial Statements

Note 6: Public Equity (Continued)

Other Reserves (Continued)

Type of Reserve	Purpose of Reserve	Balance at 1 July 2011 \$000	Transfers to Reserves \$000	Transfers from Reserves \$000	Balance at 30 June 2012 \$000	Transfers to Reserves \$000	Transfers from Reserves \$000	Balance at 30 June 2013 \$000
Note 6 Movements in Restricted Reserves								
Special Reserves								
<u>Development Funds</u>								
Roading	For future expansion and upgrading of infrastructure to allow for growth	287	97	-	384	168	-	552
Water		864	1,297	(707)	1,454	288	(410)	1,332
Sewer		1,644	136	-	1,780	149	(20)	1,909
Total Development Funds	A	2,795	1,530	(707)	3,618	605	(430)	3,793
<u>Other Council-created Funds</u>								
Disaster Fund	Contingency fund for rapid response	3,316	127	(237)	3,206	150	(129)	3,227
Land Endowment Fund	Operational funding	1,322	50	(50)	1,322	44	(44)	1,322
Community Housing Fund	Future community housing projects	633	24	(11)	646	22	-	668
Other reserve funds	Established for other purposes	1,091	201	(266)	1,026	545	(535)	1,036
Total Special Reserves		9,157	1,932	(1,271)	9,818	1,366	(1,138)	10,046
Trust Funds								
Waitaki Heritage Fund	Support for heritage projects	128	6	(2)	132	5	(8)	129
RMA Reserve	Future recreational developments	1,362	190	(450)	1,102	126	(280)	948
Oamaru Public Gardens	Grants, donations, bequests and other gifts for specific purposes	158	6	-	164	5	-	169
North Otago Museum		182	7	(6)	183	6	(46)	143
Other community purposes		256	9	(4)	261	22	(4)	279
Total Trust Funds		2,086	218	(462)	1,842	164	(338)	1,668
Loan Funds								
Arising from repayments of previous heritage loans		1	-	-	1	-	-	1
Total Loan Funds		1	-	-	1	-	-	1
Total Restricted Reserves		\$ 11,244	\$ 2,150	(\$ 1,733)	\$ 11,661	\$ 1,530	(\$ 1,476)	\$ 11,715

Note A - Development Contributions are intended to assist in funding infrastructure projects that provide expanded capacity necessary due to growth

Note B - Apart from the Disaster Fund, other Council-created funds may be accessed only by Council resolution

Note C - The Disaster Fund has been established to provide emergency funding to allow Council to respond quickly in the event of disaster

Note D - Endowment Funds have been established to provide additional operational funding for specific Council activities

Note E - Fund established by Council resolution setting aside funds from the sale of community housing units for other community housing developments

Note F - Financial contributions received from developers under the Resource Management Act are used for parks and green spaces to service new subdivisions

Notes to the Financial Statements

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

2013 Council Only	Cost/ Valuation 1-Jul-12	Current Year Additions	Current Year Disposals	Reval	Cost/ Valuation 30-Jun-13	Accum Depn & Impairment Charges 1-Jul-12	Current Year Depreciation	Current Year Disposals	Reval	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-13	Book Value 1-Jul-12	Book Value 30-Jun-13
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	44,691	18	(350)		44,359							44,691	44,359
Buildings and Improvements	41,972	794	(13)		42,753	4,184	1,914	(2)			6,096	37,788	36,657
Infrastructural Assets													
- Roading	456,562	11,290	(843)		467,009	5,069	4,958	(15)		443	10,455	451,493	456,554
- Bridges	20,799	3,008			23,807	615	620				1,235	20,184	22,572
- Water Supply Schemes	51,723	7,114	(1,093)	(3,102)	54,642	5,489	1,568	(108)	(5,411)		1,538	46,234	53,104
- Waste Schemes	36,174	322	(32)	5,475	41,939	4,246	964	(2)	(3,457)		1,751	31,928	40,188
- Drainage Schemes	8,566	273	(38)	5,864	14,665	1,094	201	(7)	(1,088)		200	7,472	14,465
- Oamaru Harbour	32,484				32,484	3,714	340				4,054	28,770	28,430
Total Infrastructural Assets	606,308	22,007	(2,006)	8,237	634,546	20,227	8,651	(132)	(9,956)	443	19,233	586,081	615,313
Operational Assets													
- Plant, Equipment and Vehicles	2,571	596	(62)		3,105	1,382	263	(45)			1,600	1,189	1,505
- Office Equipment and Fittings	2,855	150	(21)		2,984	2,136	245	(21)			2,360	719	624
Total Operational Assets	5,426	746	(83)		6,089	3,518	508	(66)			3,960	1,908	2,129
Collections	2,507	119	(80)		2,546	1,034	95	(55)			1,074	1,473	1,472
Capital Works in Progress	16,414	1,256	(14,338)		3,332							16,414	3,332
	717,318	24,940	(16,870)	8,237	733,625	28,963	11,168	(255)	(9,956)	443	30,363	688,355	703,262

Note:

Accum = Accumulated

Depn = Depreciation

Reval = Revaluation

Notes to the Financial Statements

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

2012 Council Only	Cost/ Valuation 1-Jul-11	Current Year Additions	Current Year Disposals	Reval	Cost/ Valuation 30-Jun-12	Accum Depn & Impairment Charges 1-Jul-11	Current Year Depreciation	Current Year Disposals	Reval	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-12	Book Value 1-Jul-11	Book Value 30-Jun-12
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$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
Total Infrastructural Assets	590,508	2,326	(471)	13,945	606,308	26,244	9,313	(88)	(15,242)		20,227	564,264	586,081
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
Total Operational Assets	5,173	415	(162)		5,426	3,092	548	(122)			3,518	2,081	1,908
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
	691,267	14,191	(2,085)	13,945	717,318	32,638	11,849	(282)	(15,242)		28,963	658,629	688,355

Note:

Accum = Accumulated

Depn = Depreciation

Reval = Revaluation

Notes to the Financial Statements

Note 7: Property, Plant and Equipment (Consolidated)

2013 Consolidated	Cost/ Valuation 1-Jul-12	Current Year Additions	Current Year Disposals	Reval	Cost/ Valuation 30-Jun-13	Accum Depn & Impairment Charges 1-Jul-12	Current Year Depreciation	Current Year Disposals	Reval	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-13	Book Value 1-Jul-12	Book Value 30-Jun-13
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	47,319	18	(350)		46,987							47,319	46,987
Buildings and Improvements	53,195	813	(14)		53,994	4,376	2,328	(2)			6,702	48,819	47,292
Infrastructural Assets													
- Roading	456,562	11,290	(843)		467,009	5,069	4,958	(15)		443	10,455	451,493	456,554
- Bridges	20,799	3,008			23,807	615	620				1,235	20,184	22,572
- Water Supply Schemes	51,723	7,114	(1,093)	(3,102)	54,642	5,489	1,568	(108)	(5,411)		1,538	46,234	53,104
- Waste Schemes	36,174	322	(32)	5,475	41,939	4,246	964	(2)	(3,457)		1,751	31,928	40,188
- Drainage Schemes	8,566	273	(38)	5,864	14,665	1,094	201	(7)	(1,088)		200	7,472	14,465
- Oamaru Harbour	32,484				32,484	3,714	340				4,054	28,770	28,430
Total Infrastructural Assets	606,308	22,007	(2,006)	8,237	634,546	20,227	8,651	(132)	(9,956)	443	19,233	586,081	615,313
Operational Assets													
- Plant, Equipment and Vehicles	22,491	3,180	(999)		24,672	14,827	1,700	(868)			15,659	7,664	9,013
- Office Equipment and Fittings	4,059	214	(55)		4,218	3,102	304	(51)			3,355	957	863
Total Operational Assets	26,550	3,394	(1,054)		28,890	17,929	2,004	(919)			19,014	8,621	9,876
Collections	2,507	119	(80)		2,546	1,034	95	(55)			1,074	1,473	1,472
Capital Works in Progress	16,414	1,256	(14,338)		3,332							16,414	3,332
	752,293	27,607	(17,842)	8,237	770,295	43,566	13,078	(1,108)	(9,956)	443	46,023	708,727	724,272

Note:

Accum = Accumulated

Depn = Depreciation

Reval = Revaluation

Notes to the Financial Statements

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

2012 Consolidated	Cost/ Valuation 1-Jul-11	Current Year Additions	Current Year Disposals	Reval	Cost/ Valuation 30-Jun-12	Accum Depn & Impairment Charges 1-Jul-11	Current Year Depreciation	Current Year Disposals	Reval	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-12	Book Value 1-Jul-11	Book Value 30-Jun-12
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$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
Total Infrastructural Assets	590,508	2,326	(471)	13,945	606,308	26,244	9,313	(88)	(15,242)		20,227	564,264	586,081
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
Total Operational Assets	26,138	2,058	(1,700)		26,496	17,493	1,838	(1,366)			17,965	8,645	8,531
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
	725,723	16,127	(3,797)	14,276	752,329	47,373	13,532	(1,715)	(15,588)		43,602	678,350	708,727

Note:

Accum = Accumulated

Depn = Depreciation

Reval = Revaluation

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 revalued 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

	2013			2012		
	Other \$000	Software \$000	Total \$000	Other \$000	Software \$000	Total \$000

Council only

Balance at 1 July

Cost	165	1,706	1,871	165	1,399	1,564
Accumulated Amortisation	(114)	(410)	(524)	(108)	(244)	(352)
Opening Book Value	51	1,296	1,347	57	1,155	1,212

Movements for the year

Additions	15	72	87	-	360	360
Disposals - cost	-	-	-	-	(53)	(53)
Amortisation charge	(7)	(252)	(259)	(6)	(219)	(225)
Disposals - accumulated amortisation	-	-	-	-	53	53
Net movement for the year	8	(180)	(172)	(6)	141	135

Balance at 30 June

Cost	180	1,778	1,958	165	1,706	1,871
Accumulated Amortisation	(121)	(662)	(783)	(114)	(410)	(524)
Closing Book Value	\$ 59	\$ 1,116	\$ 1,175	\$ 51	\$ 1,296	\$ 1,347

Notes to the Financial Statements

	2013			2012		
	Other \$000	Software \$000	Total \$000	Other \$000	Software \$000	Total \$000

Note 8: Intangible Assets (continued)

Consolidated

Balance at 1 July

Cost	636	1,713	2,349	628	1,405	2,033
Accumulated Amortisation	(273)	(416)	(689)	(218)	(249)	(467)
Opening Book Value	363	1,297	1,660	410	1,156	1,566

Movements for the year

Additions	339	72	411	8	360	368
Disposals - cost	-	(6)	(6)	-	(53)	(53)
Amortisation charge	(62)	(252)	(314)	(55)	(219)	(274)
Disposals - accumulated amortisation	-	6	6	-	53	53
Net movement for the year	277	(180)	97	(47)	141	94

Balance at 30 June

Cost	975	1,779	2,754	636	1,712	2,348
Accumulated Amortisation	(335)	(662)	(997)	(273)	(415)	(688)
Closing Book Value	\$ 640	\$ 1,117	\$ 1,757	\$ 363	\$ 1,297	\$ 1,660

	Consolidated		Council Only	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000

Note 9: Forestry Assets

Balance at 1 July	997	1,112	997	1,112
Gains / (losses) arising from changes in fair value less estimated point of sale costs	23	(115)	23	(115)
Balance at 30 June	\$1,020	\$997	\$1,020	\$997

Council owns 242.45ha of land for forestry, of which 133.5ha 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 Allan Laurie, MNZIF, of Laurie Forestry Limited, a registered forestry consultant and was dated 30 June 2013. A pre-tax discount rate of 8.5% (2012: 8.5%) was used to discount 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. Council holds 8,340 carbon credits in relation to its forestry asset.

Notes to the Financial Statements

	Consolidated		Council Only	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Note 10: Other Financial Assets				
Non-Current				
Available for sale				
Shares in other companies (see below)	145	145	145	145
Investments Carried at Cost				
Shares in Subsidiaries	-	-	4,858	4,858
Loans and Receivables				
Mortgages and Secured Loans	13,126	13,467	13,126	13,467
Total Non-Current Other Financial Assets	\$13,271	\$13,612	\$18,129	\$18,470
Current				
Deposits with maturities between 3 & 12 months	3,521	-	3,521	-
Mortgages and Secured Loans	41	16	41	16
Total Current Other Financial Assets	\$3,562	16	\$3,562	16
Maturity Profile				
Within one year	3,562	16	3,562	16
One to two years	7	41	7	41
Two to five years	13,119	13,426	13,119	13,426
Five years and over	145	145	5,003	5,003
	\$16,833	\$13,628	\$21,691	\$18,486

The effective interest rate on mortgages and secured loans at year end was 3.53% (2012: 3.06%)

Loans and Receivables

This balance includes loans to community groups, but is primarily made up of a loan to the North Otago Irrigation Company Limited. The amount outstanding at year end was \$12,781,249 (2012: \$13,172,099)

- 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	120,000	120,000	120,000
Percentage of Issued Shares	1.09%	1.09%	1.09%	1.09%
Book Value	\$113,908	\$113,908	\$113,908	\$113,908

Lower Waitaki Irrigation Co Limited (31 December)

Shares held	2,792	2,792	2,792	2,792
Percentage of Issued Shares	11.05%	11.05%	11.05%	11.05%
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

	Consolidated		Council Only	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000

Note 11: Cash and Cash Equivalents

Cash at bank and in hand	7,183	7,706	637	197
Deposits with maturities of 3 months or less	4,450	4,000	4,450	4,000
Cash Equivalents	\$11,633	\$11,706	\$5,087	\$4,197

Note 12: Trade and Other Receivables

Rates	2,098	2,077	2,098	2,077
Government Funding	2,541	1,736	2,541	1,736
Inter-company	-	-	31	15
Sundry	4,898	4,194	1,620	1,727
	9,537	8,007	6,290	5,555
Less Provision for Impairment	(852)	(1,276)	(839)	(1,261)
Total Current Portion	\$ 8,685	\$ 6,731	\$ 5,451	\$ 4,294

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.

Analysis of Receivables

Not yet overdue	7,778	6,038	5,220	3,926
Overdue 0 - 30 days	423	328	86	86
Overdue 31 - 60 days	78	169	11	137
Overdue more than 61 days	1,258	1,472	973	1,406
	\$ 9,537	\$ 8,007	\$ 6,290	\$ 5,555

Analysis of Provision for Impairment

Individual Impairment	138	411	125	396
Collective impairment	714	865	714	865
Total provision for impairment	\$ 852	\$ 1,276	\$ 839	\$ 1,261

At 30 June, all general receivables are assessed for impairment and appropriate provisions applied. Council holds no security or other credit enhancements over general receivables. The provision is based on expected losses for Council's pool of debtors. Collective impairment relates to all outstanding rates that are older than 12 months.

Analysis of movements in the Provision for Impairment

At 1 July	1,276	1,267	1,261	1,249
Increase / (Decrease) in Provision	(448)	(214)	(443)	(211)
Receivables written off	24	223	21	223
	\$ 852	\$ 1,276	\$ 839	\$ 1,261

Notes to the Financial Statements

	Consolidated		Council Only	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000

Note 12: Trade and Other Receivables (continued)

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

Note 13: Inventories

Retail inventories	100	99	70	58
Metal and Soil Stocks	328	368	-	-
Other Supplies	569	479	-	-
	<u>997</u>	<u>946</u>	<u>70</u>	<u>58</u>
Provision for Obsolescence	-	-	-	-
Total	<u>\$997</u>	<u>\$946</u>	<u>\$70</u>	<u>\$58</u>

Note 14: Work in Progress

Cost	2,539	539	-	-
Profit Recognised to Date	411	93	-	-
Gross Construction WIP	<u>2,950</u>	<u>632</u>	<u>-</u>	<u>-</u>
Progress Billings	(1,902)	(580)	-	-
Net Construction WIP	<u>1,048</u>	<u>52</u>	<u>-</u>	<u>-</u>
Other Contracts	171	107	-	-
Total	<u>\$1,219</u>	<u>\$159</u>	<u>-</u>	<u>-</u>

Note 15: Non-current Assets Held for Sale

The sale of Council land on Hospital Hill is under negotiation at 30 June 2013 and a sale is anticipated during the 2013/14 financial year.

Land	239	-	239	-
Total	<u>\$239</u>	<u>-</u>	<u>\$239</u>	<u>-</u>

Notes to the Financial Statements

	Consolidated		Council Only	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000

Note 16: Provisions

Aftercare and Site Restoration

Opening	723	727	695	705
Additions/Applied	36	(4)	34	(10)
	<u>\$759</u>	<u>\$723</u>	<u>\$729</u>	<u>\$695</u>
Analysed:				
Non-Current	729	695	729	695
Current	30	28	-	-
	<u>\$759</u>	<u>\$723</u>	<u>\$729</u>	<u>\$695</u>

Landfill Aftercare

Council operates landfills in Oamaru and Palmerston, and is required by the conditions of its consents 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% (2012: 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	804	716	357	139
Annual Leave	2,606	2,337	529	523
Long Service Leave	59	73	9	4
Sick Leave	26	31	-	-
Continuing Medical Entitlements	152	175	-	-
	<u>\$3,647</u>	<u>\$3,332</u>	<u>\$895</u>	<u>\$666</u>
Analysed:				
Non-Current	47	54	-	-
Current	3,600	3,278	895	666
	<u>\$3,647</u>	<u>\$3,332</u>	<u>\$895</u>	<u>\$666</u>

Notes to the Financial Statements

	Consolidated		Council Only	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000

Note 18: Borrowings

Non-Current Borrowing

Public Debt – secured	3	5	3	5
Other secured loans and debentures	536	-	-	-
Total	<u>\$539</u>	<u>\$5</u>	<u>\$3</u>	<u>\$5</u>

Current Borrowing

Overdraft	-	-	-	-
Committed Cash Facility (90 days or less)	-	-	-	-
Public Debt – secured	2	3	2	3
Public Debt – unsecured	-	-	-	-
Other secured loans and debentures	885	-	-	-
Total	<u>\$887</u>	<u>\$3</u>	<u>\$2</u>	<u>\$3</u>
Total Borrowings	<u>\$1,426</u>	<u>\$8</u>	<u>\$5</u>	<u>\$8</u>

Financing Costs

The fixed interest rate on public debt is 3.5% (2012: 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 future rates revenues.

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	887	3	2	3
Later than one, not later than five years	539	5	3	5
Later than five years	-	-	-	-
	<u>\$1,426</u>	<u>\$8</u>	<u>\$5</u>	<u>\$8</u>

Notes to the Financial Statements

Council Only

Note 18: Borrowings (continued)

Internal Loans (Council Only)

Council's Liability, Management and Investment Policy established an internal loan system using cash reserves to fund loan funded activities in preference to raising external debt. By using this policy, Council has repaid almost all of its external debt. Internal loans are considered part of ratepayer debt as, at a future date when cash is needed for the purpose for which it has been raised, external loans may be required.

Internal loan balances outstanding at 30 June 2013 were \$24,989,368 (2012: \$25,862,528), as outlined below:

	Interest expense \$000	Balance 1 July \$000	Increased Borrowing \$000	Principal Repaid \$000	Balance 30 June \$000
Movements for the year ended 30 June 2013					
Roads and Footpaths	29	953	-	(90)	863
Waste Water	20	687	-	(235)	452
Stormwater Damage	3	106	-	(16)	90
Water Supply	355	10,936	1,071	(1,660)	10,347
Waste Management and Minimisation	32	994	-	(109)	885
Arts, Heritage and Culture	-	1	10	(1)	10
Parks and Recreation	25	830	-	(145)	685
Community Amenities	2	65	-	(15)	50
Oamaru Harbour and Historic Precinct	63	1,899	218	(103)	2,014
Commercial and Development Activities	316	9,248	405	(60)	9,593
Environment, Regulation and Safety	3	144	2	(146)	-
Support Services (Net Allocated)	(848)	-	-	-	-
	-	\$ 25,863	\$ 1,706	(\$ 2,580)	\$ 24,989

Movements for the year ended 30 June 2012

Roads and Footpaths	39	1,065	-	(112)	953
Waste Water	29	793	50	(156)	687
Stormwater Damage	4	121	-	(15)	106
Water Supply	385	9,374	2,047	(485)	10,936
Waste Management and Minimisation	41	1,086	-	(92)	994
Arts, Heritage and Culture	-	10	1	(10)	1
Parks and Recreation	34	956	-	(126)	830
Community Amenities	3	77	-	(12)	65
Oamaru Harbour and Historic Precinct	70	1,761	249	(111)	1,899
Commercial and Development Activities	358	9,733	348	(833)	9,248
Environment, Regulation and Safety	6	139	5	-	144
Support Services (Net Allocated)	(969)	-	-	-	-
	-	\$ 25,115	\$ 2,700	(\$ 1,952)	\$ 25,863

Notes to the Financial Statements

	Consolidated		Council Only	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000

Note 19: Trade and Other Payables

Sundry Creditors	4,709	3,922	3,264	2,565
Accruals	410	375	98	74
Owing to Subsidiaries	-	-	543	936
Income charged in Advance	1,125	1,097	980	905
Deposits	319	356	319	356
	<u>\$6,563</u>	<u>\$5,750</u>	<u>\$5,204</u>	<u>\$4,836</u>
Analysed:				
Non-Current	-	-	-	-
Current	6,563	5,750	5,204	4,836
	<u>\$6,563</u>	<u>\$5,750</u>	<u>\$5,204</u>	<u>\$4,836</u>

Note 20: Commitments

Capital Commitments

Council	542	410	542	410
Whitestone Contracting Limited	-	-	-	-
	<u>\$542</u>	<u>\$410</u>	<u>\$542</u>	<u>\$410</u>

Contractual Commitments

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

Not later than one year	3,893	5,545	5,827	7,326
Later than one year and not later than two	3,915	3,796	4,854	5,592
Later than two years	439	4,084	958	6,052
	<u>\$8,247</u>	<u>\$13,425</u>	<u>\$11,639</u>	<u>\$18,970</u>

Operating Leases

Council and the group have the following future commitments with respect to non-cancellable operating leases:

Not later than one year	238	193	53	135
Later than one year and not later than five	302	177	92	112
Later than five years	50	87	21	21
	<u>\$590</u>	<u>\$457</u>	<u>\$166</u>	<u>\$268</u>

Notes to the Financial Statements

Note 21: Guarantees and Contingencies

Council and Consolidated

- In 2004, Council resolved to provide a guarantee for a loan raised by Benmore Irrigation Company to further develop and extend the Company's irrigation scheme in the Ahuriri area. The maximum amount guaranteed is \$3.6 million, and the guarantee expires on 31 March 2015. As there is no evidence that the guarantee will be exercised before the expiry date, the fair value is assessed as \$Nil (2012 \$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 continues its membership of the Local Authority Protection Programme (LAPP) Fund. The Fund has lessened the potential impact on members of the self-funding component of the programme. The contribution factor in the event of a major catastrophe has reduced from five times to four times individual contributions, and members now face a maximum exposure of two such incidents in any year. Therefore, Council has a maximum exposure of eight times its annual contribution, or \$498,400.
- Council has one personal grievance claim outstanding (2012: 1).
- Council owns and manages several closed landfills throughout the District, the contents of which are unknown. Closed landfill resource consents require regular monitoring of these landfills. Except for Hampden there are no known defects that could give rise to a claim, and known defects at Hampden have been addressed. Changes in environmental conditions or land use may change this position.
- Council owns 242.45 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 has been allocated, and holds, carbon credits related to its forestry asset.
- As a significant property owner, Council faces a number of issues:
 - The findings of the Canterbury Earthquakes Royal Commission of Inquiry have been received, and Council is now assessing the implications on its property holdings. It is difficult to assess the costs and timing associated with such changes and, depending on the scale and timing of any structural strengthening or other mitigation work that is required, and the statutory deadlines for completion of work, Council may have to reprioritise other capital expenditure; and
 - Insurance premiums have now stabilised as insurance companies have reassessed their risk following the Christchurch earthquakes. To mitigate the effect of the increases in premiums on ratepayers, Council has self-insured a range of assets, and assumed heightened risk by carrying increased insurance excesses in a number of cases. This strategy carries with it greater risk of financial loss to Council, the impact of which cannot be accurately quantified. Council continues to monitor this risk and ways in which it can reduce its exposure in an affordable manner.

Note 22: Financial Instruments

Council, and the Group, are party to financial instruments as part of their 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 intended to manage risk related to interest rates and the concentration of credit. All entities in the Group are risk averse and seek to minimise exposure from their treasury activities. Their policies do not allow any transactions 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

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, primarily Whitestone Contracting Limited and North Otago Irrigation Company Limited.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that cash flows from financial instruments 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. 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 has no exposure 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. No collateral is held as security against cash equivalents and some short-term loans. Further details are provided in Notes 10, 11 and 12.

In the normal course of business the Group incurs credit risk from debtors and financial institutions. NZTA owed 31% (2012: 16.5%) of debtors due to Council at balance date. The Southern District Health Board is the major debtor of Waitaki District Health Services Ltd. Council has a significant geographic concentration of credit risk in the Waitaki District of New Zealand, but 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 (2012: \$2,100,000) and committed draw-down facilities of \$15,200,000 (2012: \$15,200,000). Council has uncommitted facilities of \$10,000,000 (2012: \$10,000,000) for the purposes of meeting borrowing needs. Of these, \$786,000 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 (2012: \$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 has performed a sensitivity analysis and estimated that a change in interest rates of 1% would increase or decrease Council's surplus by approximately \$201,000 (2012: \$188,000).

Notes to the Financial Statements

Note 22: Financial Instruments (continued)

Contractual Maturity Analysis

These tables analyse financial assets and liabilities into relevant maturity groupings at balance date based on the remaining term to maturity date. Amounts disclosed represent undiscounted cash flows, including future interest payments, estimated based either on the contracted fixed rate or on 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
Council only - 2013						
<i>Non-current Assets</i>						
Other Financial Assets						
- Investments in CCOs	4,858	4,858	-	-		4,858
- Investments in other entities	145	145	-	-		145
- Loans to other entities	13,126	13,126	-	7	13,119	-
<i>Current Assets</i>						
Cash and Cash Equivalents	5,087	5,087	5,087	-	-	-
Trade and Other Receivables	5,451	5,451	5,451	-	-	-
Other Financial Assets						
- Investments in other entities	3,521	3,563	3,563	-	-	-
- Loans to other entities	41	41	41	-	-	-
Total Financial Assets	32,229	32,271	14,142	7	13,119	5,003
<i>Non-current Liabilities</i>						
Borrowings	3	3	-	2	1	-
<i>Current Liabilities</i>						
Trade and Other Payables	5,204	5,204	5,204	-	-	-
Short Term Borrowings	2	2	2	-	-	-
Total Financial Liabilities	5,209	5,209	5,206	2	1	-
Net Liquidity	\$ 27,020	\$ 27,062	\$ 8,936	\$ 5	\$ 13,118	\$ 5,003

Council only - 2012

<i>Non-current Assets</i>						
Other Financial Assets						
- Investments in CCOs	4,858	4,858	-	-	-	4,858
- Investments in other entities	145	145	-	-	-	145
- Loans to other entities	13,437	13,519	-	29	13,192	298
<i>Current Assets</i>						
Cash and Cash Equivalents	4,197	4,197	4,197	-	-	-
Trade and Other Receivables	4,487	4,487	4,487	-	-	-
Other Financial Assets						
- Loans to other entities	30	30	30	-	-	-
Total Financial Assets	27,154	27,236	8,714	29	13,192	5,301
<i>Non-current Liabilities</i>						
Borrowings	5	5	-	3	2	-
<i>Current Liabilities</i>						
Trade and Other Payables	4,836	4,836	4,836	-	-	-
Short Term Borrowings	3	3	3	-	-	-
Total Financial Liabilities	4,844	4,844	4,839	3	2	-
Net Liquidity	\$ 22,310	\$ 22,392	\$ 3,875	\$ 26	\$ 13,190	\$ 5,301

Notes to the Financial Statements

	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
Group - 2013						
<i>Non-current Assets</i>						
<i>Other Financial Assets</i>						
- Investments in CCOs	-	-	-	-	-	-
- Investments in other entities	145	145	-	-	-	145
- Loans to other entities	13,126	13,126	-	7	13,119	-
<i>Current Assets</i>						
Cash and Cash Equivalents	11,633	11,408	11,408	-	-	-
Trade and Other Receivables	8,685	8,685	8,685	-	-	-
<i>Other Financial Assets</i>						
- Investments in other entities	3,521	3,563	3,563	-	-	-
- Loans to other entities	41	41	41	-	-	-
Total Financial Assets	37,151	36,968	23,697	7	13,119	145
<i>Non-current Liabilities</i>						
Borrowings	539	539	-	538	1	-
<i>Current Liabilities</i>						
Trade and Other Payables	6,563	6,338	6,338	-	-	-
Short Term Borrowings	887	887	887	-	-	-
Total Financial Liabilities	7,989	7,764	7,225	538	1	-
Net Liquidity	\$ 29,162	\$ 29,204	\$ 16,472	(\$ 531)	\$ 13,118	\$ 145

Group - 2012

<i>Non-current Assets</i>						
<i>Other Financial Assets</i>						
- Investments in CCOs	-	-	-	-	-	-
- Investments in other entities	145	145	-	-	-	145
- Loans to other entities	13,437	13,519	-	29	13,192	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	-	-	-
<i>Other Financial Assets</i>						
- Investments in other entities	-	-	-	-	-	-
- Loans to other entities	30	30	30	-	-	-
Total Financial Assets	32,268	32,350	18,686	29	13,192	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	-
Net Liquidity	\$ 26,510	\$ 26,591	\$ 12,933	\$ 26	\$ 13,189	\$ 443

Notes to the Financial Statements

	Consolidated		Council Only	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000

Note 22: Financial Instruments (continued)

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

The 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 deposits invested with institutions rated AA or better by Standard and Poors	15,154	11,706	8,608	4,197
Cash invested with other entities with no default history	13,167	13,484	13,167	13,484
Total Cash and Cash Equivalents	<u>\$28,321</u>	<u>\$25,190</u>	<u>\$21,775</u>	<u>\$17,681</u>

Fair Values

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

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	145	145	145
Secured and other loans (note 10)	13,167	13,484	13,167	13,484
Deposits maturing 3-12 months after year end (note 10)	3,521	-	3,521	-
Cash and cash equivalents (note 11)	11,408	11,706	4,862	4,197
Trade and other receivables (note 12)	8,685	6,731	5,451	4,294
	<u>\$36,926</u>	<u>\$32,066</u>	<u>\$27,146</u>	<u>\$22,120</u>

Financial liabilities measured at amortised cost

Trade and other payables (note 19)	6,563	5,750	5,209	4,836
Borrowings (note 18)	1,432	8	5	8
	<u>\$7,995</u>	<u>\$5,758</u>	<u>\$5,214</u>	<u>\$4,844</u>

Notes to the Financial Statements

Note 24: Members' Interests 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.

All transactions have been undertaken at normal commercial rates in the normal course of business.

- Cr Gary Young has a financial interest in Young Motors (2009) Ltd, which, during the year ended 30 June 2013, provided mechanical services in relation to motor vehicles to the value of \$411 (2012: \$193). At year end, \$Nil was owed by Council (2012: \$Nil).
- 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 2013, Council provided rental and other services to the value of \$20,450 (2012: \$15,480). At year end, \$19,831 was owed to Council (2012: \$31,948). The Trust has received financial support by way of loan advances from Council, with \$330,000 outstanding at year end (2012: \$240,000) and grants of \$9,910 (2012: \$9,294).
 - The Oamaru Licensing Trust provided catering and other services to the value of \$56,018 (2012: \$60,467). At year end, \$396 was owed by Council (2012: \$6,202).
- Cr Sally Hope is employed by Hope and Associates Legal which, during the year ended 30 June 2013, provided professional services to Council in relation to property, debt and other matters to the value of \$15,554 (2012: \$20,466). At year end, a balance of \$1,593 was owed by Council (2012: \$960).
- Cr Jim Hopkins assisted with the production of Council's Harbour Strategy and the Long Term Plan 2012-22 during the year ended 30 June 2012, and was paid \$5,000 in addition to his normal remuneration as a Councillor (see Note 25). Cr Hopkins did not provide, and was not paid for, any additional services during the 2013 financial year.
- 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 businesses which provide various services to Council. In the year ended 30 June 2013, Council purchases from Calect Electrical Ltd totaled \$9,524 (2012: \$2,647) and, at year end, \$90 was owed by Council (2012: \$471). Council purchased services from Trafo Power Group Ltd to the value of \$66,355 (2012: \$15,960) and, at year end, was owed a refund of \$11,942 (2012: \$Nil was owed by or to Council).

Notes to the Financial Statements

	Consolidated		Council Only	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000

Note 25: Employee Remuneration

Schedule 10 of the Local Government Act 2002 requires Council to make a number of disclosures relating to staffing and remuneration. These are detailed below:

Mayor's and Elected Members' Remuneration (Clause 32(i) and 32(ii))

Mayor:		
Alex FAMILTON	84	81
Elected Members		
Craig Dawson	20	20
Kathy Dennison	22	21
Peter Garvan	22	21
Sally Hope	18	18
Jim Hopkins	26	26
Geoff Keeling (resigned February 2013)	14	20
Kevin Malcolm	22	21
Hugh Perkins	19	18
Helen Stead	18	18
Gary Young	18	18
Total Remuneration – Mayor and Elected Members	\$283	\$282

Remuneration of the Chief Executive Officer (Clause 32(iii))

The total remuneration of the Chief Executive Officer, Michael Ross, for the year ended 30 June 2013 was \$246,621 (2012: \$242,816). Michael Ross also:

- is a Director of North Otago Irrigation Company Limited (Council appointee), and received Director's Fees of \$12,000 (2012: \$6,000).
- was a Director of Waitaki Development Board Limited (Council appointee) until December 2012, and received Director's Fees of \$5,500 (2012: \$11,000).

Key Management Personnel

Employees considered to be "key personnel" for Council are the Chief Executive and the four Group Managers. Key personnel for Council's Group companies are described in the individual annual reports, but are normally the Chief Executive, Directors and Senior Managers. Total remuneration of key management personnel is as follows:

	Consolidated		Council Only	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Salaries and other short-term benefits	2,171	2,014	860	847
Post-employment benefits	15	17	15	17
Total	\$2,186	\$2,031	\$875	\$864

Notes to the Financial Statements

Council Only	
2013	2012
\$000	\$000

Note 25: Employee Remuneration (continued)

Employee Staffing Levels and Remuneration (Clause 32A(2))

- At 30 June 2013, Council had 92 full-time employees (2012: 90).
- At 30 June 2013, the number of casual and part-time staff amounted to 23.7 full-time equivalent (FTE) staff (2012: 23.2 FTE).
- At 30 June 2013, Council had 114 employees receiving annual remuneration of less than \$60,000 (2012: 109 staff).
- At 30 June, Council had the following numbers of staff receiving annual remuneration greater than \$60,000. These are expressed in bands of \$20,000 or in bands adjusted as appropriate to ensure compliance with the legislation:

Remuneration band	Council only 2013
\$120,000 – \$250,000	5
\$100,000 – \$120,000	5
\$80,000 – \$100,000	18
\$60,000 – \$80,000	20
Total	48

Remuneration band	Council only 2012
\$160,000 – \$250,000	3
\$100,000 – \$160,000	6
\$80,000 – \$100,000	15
\$60,000 – \$80,000	21
Total	45

The Group of Companies, including Council, had 20 employees receiving annual remuneration in excess of \$100,000 (2012: 20).

Severance Payments (Clause 33)

In the financial year ended 30 June 2013, Council made no severance payments to any employees (2012: no payments).

Transactions with elected members, key management personnel and staff

As part of a normal customer relationship, Councillors and staff, including key management personnel, are involved in minor transactions with Council (such as the payment of rates and other charges).

Close family members of Councillors, key management personnel and other staff, may be employed by the Council and Group from time to time.

The terms and conditions of any such transactions or employment arrangements are no more or less favourable than would have been adopted had there not been a relationship with the Councillor or key management personnel.

Notes to the Financial Statements

Council Only
2013 2012
\$000 \$000

Note 26: Related Party Transactions

Council is the ultimate parent of the Group, controlling four individual trading entities. Through shared directorships and other relationships, there are other related entities, but none over which Council can exert control.

All transactions between the parties are undertaken under normal contract terms, with payments made either in accordance with those contracts, or in the month following supply. Entities listed below may have transacted business between themselves, but the values of any such transactions are not detailed here and, for the purposes of this disclosure, are deemed not to be material.

Entity and details of transaction		
Waitaki District Health Services Limited (100% owned)		
Services provided by Council	45	51
Balance owed to Council at year end	1	6
The company provides hospital in- and out-patient services for residents of Oamaru and the wider District under separate contract from the Southern District Health Board		
Waitaki Development Board Limited (100% owned)		
Services provided by Council	67	39
Balance owed to Council at year end	3	4
Services provided to Council	693	842
Balance owed by Council at year end	56	-
The company manages the Oamaru Blue Penguin Colony and Alps2Ocean Cycle trail, and undertakes tourism and promotional activities within the District		
Whitestone Contracting Limited and Group (100% owned)		
Services provided by Council	66	80
Balance owed to Council at year end	27	5
Services provided to Council	4,611	9,635
Balance owed by Council	487	936
Subvention payment made to Council	300	-
The company undertakes works and provides services either by preferential right pursuant to establishment plans, non-public tendered contracts or public tendered contracts		
Omarama Airfield Limited (50% owned)		
Services provided by Council	22	18
Balance owed to Council at year end	-	-
The company owns and operates the Omarama airfield, one of the country's premier sites for gliding and other aerial sports, and undertakes related promotional activities		
North Otago Irrigation Company Limited		
Interest charged by Council on funds advanced	431	491
Outstanding balance of Council loan funding (Note 10 for details)	12,781	13,172
The company is developing and maintaining a significant irrigation system in the District.		

No provision has been required, nor any expense recognised, for impairment of loans or other receivables to related parties (2012: \$Nil).

Notes to the Financial Statements

	Consolidated		Council Only	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Note 27: Reconciliation of Net Operating Surplus to Cash Flows from Operating Activities				
Net Operating Surplus after Taxation	1,836	1,435	1,960	367
Less Subvention payment transferred to Investing activity	(300)	-	(300)	-
<u>Add/(Less) non-cash items</u>				
Depreciation/Amortisation	13,393	13,818	11,427	12,074
Interest compounded	(431)	(490)	(431)	(490)
Increase/(Decrease) in Doubtful Debts Provision	(430)	9	(422)	12
Increase/(Decrease) in Landfill Closure & Other Provisions	39	(19)	39	(19)
Net Loss/(Profit) on sale of Assets	2,728	18	2,716	232
Loss/(Gain) on Forestry revaluation	(23)	115	(23)	115
Vested Assets	(2,496)	(1,293)	(2,496)	(1,293)
Adjustments to Assets	(113)	(85)	-	-
Increase/(decrease) in Deferred Tax position	62	(13)	-	-
	<u>12,729</u>	<u>12,060</u>	<u>10,810</u>	<u>10,631</u>
<u>Add/(Less) movements in Other Working Capital items</u>				
Decrease/(Increase) in Trade & Other Receivables	(1,237)	630	(735)	762
Decrease/(Increase) in Prepayments	(78)	44	(79)	44
Decrease/(Increase) in Inventories	(52)	15	(12)	(1)
Decrease/(Increase) in Work in Progress	(1,060)	(27)	-	-
Increase/(Decrease) in Trade & Other Payables	396	(1,526)	554	(1,661)
Increase/(Decrease) in Employee Entitlements	509	307	224	72
Increase/(Decrease) in Provision for Taxation	67	159	1	(7)
	<u>(1,455)</u>	<u>(398)</u>	<u>(47)</u>	<u>(791)</u>
Net Cash Inflow from Operating Activities	\$ 12,810	\$ 13,097	\$ 12,423	\$ 10,207

Notes to the Financial Statements

Note 28: Financial Impact Statement for Whole of Council for the year ended 30 June 2013

	Council Only			
	2013	2013	2012	2012
	\$000	budget \$000	\$000	budget \$000
Sources of <u>operating</u> funding				
Rates	27,448	27,210	25,616	25,550
User Charges	5,994	5,887	5,421	5,091
Regulatory Charges	1,164	1,196	1,270	1,128
Government Grants and Subsidies	2,916	2,658	2,675	2,348
Other Grants and Donations	892	227	305	229
Finance Income	677	669	661	1,041
Infringements and Fines	44	47	34	44
Petrol Tax	179	221	197	230
Dividend and Subvention Payments	300	150	-	150
Penalties	539	325	490	300
Total operating funding	40,153	38,590	36,669	36,111
Application of <u>operating</u> funding				
Personnel costs	8,591	8,406	8,271	8,043
Finance Costs	-	-	3	-
Other expenses	21,100	21,476	20,862	20,157
Total Operating Expenditure	29,691	29,882	29,136	28,200
Surplus / (Deficit) of operating funding	10,462	8,708	7,533	7,911
Sources of <u>capital</u> funding				
Development and RMA Contributions	577	608	589	995
Government Grants and Subsidies	2,529	2,528	3,352	2,772
Other Grants and Donations	16	-	21	130
Gross proceeds of asset sales	(2,680)	550	458	746
Vesting of assets	2,520	-	1,293	-
Total capital funding	2,962	3,686	5,713	4,643
Application of <u>capital</u> funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	2,823	4,578	4,320	5,271
- to replace existing assets	6,083	6,893	7,772	5,957
Total capital expenditure	8,906	11,471	12,092	11,228
Decrease in external debt	3	4	3	3
Increase in Reserves	4,515	919	1,151	1,323
Total application of capital funding	13,424	12,394	13,246	12,554
Surplus/deficit of capital funding	(10,462)	(8,708)	(7,533)	(7,911)
Funding balance	-	-	-	-

Notes to the Financial Statements

Note 29: Reconciliation of Funding Impact Statements by Group of Activity

	Note	Council Only			
		2013	2013	2012	2012
		\$000	budget \$000	\$000	budget \$000
Operational Revenue					
Roads & Footpaths		3,084	2,758	2,788	2,657
Waste Water		599	430	455	444
Stormwater Drainage		-	-	-	-
Water Supply		889	775	937	839
Waste Management & Minimisation		1,050	1,037	1,133	1,024
Arts, Heritage & Community		703	710	703	734
Parks & Recreation		931	1,086	684	638
Community Amenities		1,173	584	654	627
Oamaru Harbour & Historic Precinct		162	175	153	158
Democracy, Accountability & Governance		28	48	28	10
Commercial & Development Activities		2,718	2,231	1,977	2,150
Environment, Regulation & Safety		1,536	1,475	1,589	1,379
Support Services (Net Allocated)		13,646	14,244	14,241	14,597
Operational Revenue per Activity FIS		26,519	25,553	25,342	25,257
Capital Revenue					
Roads & Footpaths		2,670	2,659	3,235	2,922
Waste Water		88	106	212	204
Stormwater Drainage		-	-	-	-
Water Supply		255	250	353	491
Waste Management & Minimisation		-	-	-	-
Arts, Heritage & Community		15	-	15	-
Parks & Recreation		-	-	-	-
Community Amenities		(3)	(4)	(3)	(3)
Oamaru Harbour & Historic Precinct		5	-	12	130
Democracy, Accountability & Governance		-	-	-	-
Commercial & Development Activities		(185)	626	1,694	746
Environment, Regulation & Safety		93	125	145	150
Support Services (Net Allocated)		21	82	40	-
Capital Revenue per Activity FIS		2,959	3,844	5,703	4,640
Add total Rates	1	27,448	27,210	25,616	25,550
Less Internal recoveries included		(13,672)	(14,335)	(14,290)	(14,696)
Revenue per Total Activities FIS		43,254	42,272	42,371	40,751
Remove increase/decrease in debt		3	4	3	3
Adjust Sales contra account		(34)	(550)	(797)	(744)
Adjust internal revenue		(145)	-	-	-
Revenue per Statement of Comprehensive Income		\$ 43,078	\$ 41,726	\$ 41,577	\$ 40,010

Notes to the Financial Statements

Note 29: Reconciliation of Funding Impact Statements by Group of Activity (continued)

		Council Only			
		2013	2013	2012	2012
			budget		budget
Note		\$000	\$000	\$000	\$000
Operational Expenses					
		5,095	4,819	5,003	4,707
Roads & Footpaths					
Waste Water		1,420	1,572	1,408	1,538
Stormwater Drainage		141	182	165	167
Water Supply		3,984	4,379	3,819	4,117
Waste Management & Minimisation		1,774	1,959	1,772	1,974
Arts, Heritage & Community		3,707	3,748	3,374	3,409
Parks & Recreation		3,229	3,628	3,245	3,237
Community Amenities		2,245	1,871	1,723	1,796
Oamaru Harbour & Historic Precinct		495	448	331	398
Democracy, Accountability & Governance		3,135	3,095	3,374	3,330
Commercial & Development Activities		2,007	2,152	1,970	1,287
Environment, Regulation & Safety		3,322	3,410	3,280	3,273
Support Services (Net Allocated)		13,348	13,272	13,813	13,663
Total Operational expenditure per FIS		43,902	44,535	43,277	42,896
Less internal recoveries		(13,677)	(14,335)	(14,289)	(14,696)
Expenditure per Total Activities FIS		30,225	30,200	28,988	28,200
Less internal charges included in capital		(389)	(318)	(410)	(384)
Adjust internal charges		(145)	-	-	-
Adjust capital expenditure not capitalised		-	-	558	-
Add Depreciation charge	7	11,427	11,659	12,074	11,499
Expenditure per Statement of Comprehensive Income		\$ 41,118	\$ 41,541	\$ 41,210	\$ 39,315

Note 30: 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.

Notes to the Financial Statements

Note 31: Reclassification of amounts

The Council and group have changed the presentation of items within the balance sheet in order to better present Council's position. These changes have resulted in amendments to 2012 comparative figures.

The effect of the changes is set out in the tables below:

	Before Reclassification \$000	Reclassification \$000	After Reclassification \$000
<u>Council only</u>			
Trade and Other Receivables			
- Current	4,487	(193)	4,294
- Non-current	295	(295)	-
Prepayments	-	176	176
Other Financial Assets			
- Current			
- Loans to other entities	-	17	17
- Non-current	18,175	(18,175)	-
- Investments in CCO's	-	4,858	4,858
- Investments in other entities	-	145	145
- Loans to other entities	-	13,467	13,467
	\$ 22,957	-	\$ 22,957
<u>Group</u>			
Trade and Other Receivables			
- Current	6,950	(219)	6,731
- Non-current	295	(295)	-
Prepayments	-	202	202
Other Financial Assets			
- Current			
- Loans to other entities	-	17	17
- Non-current	13,317	(13,317)	-
- Investments in other entities	-	145	145
- Loans to other entities	-	13,467	13,467
	\$ 20,562	-	\$ 20,562

As a consequence of these reclassifications, some minor changes were required in the Statement of Cash Flows and in the reconciliation appearing in Note 27.

Notes to the Financial Statements

Note 32: Events Subsequent To Balance Date

- Subsequent to balance date, Council resolved to change the way in which services provided by the Oamaru Blue Penguin Colony and the Alps2Ocean Cycle Trail are delivered. This involved the transfer of those two activities to Waitaki Development Board Ltd.
- Towards the end of June 2013, a major flooding event caused substantial damage to Council's roading network. Repairs commenced subsequent to balance date and are expected to cost in excess of \$1 million. Council expects the majority of these repair costs will be met by subsidies from the New Zealand Transport Agency, and will decide on how best to fund any balance during the 2013/2014 financial year.

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

Council Staffing Review

At the time of printing, a review of the Council staff structure was underway. The underlying reason for undertaking the proposed changes is to better equip Council for the coming changes in the Local Government environment.

It is important that the organisation has the right capability and capacity to meet the needs of its community effectively and efficiently.

Employee Workplace Survey

The workplace survey was conducted in-house in 2012. Issues were identified and the Executive Team charged Managers with addressing areas for improvement, including performance, communication and values.

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 2: Staff Statistics

	Total Employee Turnover	Full Time Employee Turnover	Part Time Employee Turnover	Total Average FTE Vacancies	Total Average FTE Staff (including vacant positions)
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
2012/13	9.3%	11.0%	5.2%	7.3	116.1

Turnover is lower than previous years, with a much lower proportion of part-time employee turnover.

New positions approved by Council during the year were:

- Accounting Technician
- Property Portfolio Officer

There were positions which were occupied while simultaneously being counted as vacant. This was largely for succession planning, and included the following positions:

- Rates Officer
- Finance and Rating Officer
- Additional staffing at the Museum to cover the absence of the Museum Director, which is classed as a 1.0 FTE vacancy

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

Managing our People

Continued

ACC Workplace Safety Management Practices Audit

During 2012/13 Waitaki District Council undertook the challenge to gain accreditation for our workplace safety practices. This was a big commitment from our staff, which was headed by a team of four called the 'Safety Warriors'. ACC standards were used to update Council's practices and procedures. Three levels are available – primary, secondary or tertiary accreditation. WDC had done enough work to gain secondary accreditation on the first attempt. Secondary accreditation was granted on 26 June 2013.

This is very important in terms of the health and safety of our staff, contractors, volunteers, elected members and visitors to any of Council's facilities. It proves that the safety practices we have in place meet a recognisable national standard. Council is very proud that this recognition has been attained.

Governance Statement

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

Waitaki District Council Governance Statement

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

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

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

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

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

Electoral System

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

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

Council Numbers

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

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

Governance Statement

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

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

The two Community Boards:

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

Members' Roles and Conduct

Waitaki's Mayor and Councillors:

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

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

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

Governance Statement

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

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

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

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

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

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

Council Structures

After each three yearly local body election, Council discusses and reviews its own organisation and decides how many committees it wants to set up. The Waitaki District Council did this in 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

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

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

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

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

- 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

All emails to the Council should be addressed to: 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 172 of this Annual Report.

Opportunities for Maori to Contribute to the Decision Making Process

Existing arrangements

Waitaki District Council acknowledges Maori as people with whom there is a special relationship. Council is committed to giving effect to the principles and intent of the Treaty of Waitangi, and to engaging in genuine and appropriate consultation with Maori.

Council has in place protocols for ensuring Tangata Whenua Act 1991, Local Government Act 2002, and in the last triennium received and adopted a Memorandum of Understanding with Te Runanga o Moeraki to guide the ongoing relationship between Council and the Runanga. Council also has a Relationship Agreement with Waitaha Taiwhenua O Waitaki Trust board.

Council continues to focus on their wider role, including:

- Encouraging Maori contribution to decision-making processes of all Council activities, not simply decisions under the Resource Management Act
- Reference to Maori rather than to Tangata Whenua, thus including Mana Whenua and Taura Here
- Reference not only to enabling contribution to decision-making but also to fostering Maori capacity to contribute.

Council reports back annually against the Memorandum of Understanding through its Annual Report.

General Information

Overview

The census was carried out during March 2013, to date only early datasets have been made available, but further datasets will be released by the end of the year and will be used to inform the 2012-25 Long Term Plan, and associated activity management plans.

The Waitaki District Council was established in 1989. Council's operations extend over a total area of 8,990km². The northern-western portion of the District, 4,315km² lies in the Canterbury Region. The remaining 4,675km² lies in Otago.

People

The District population, as at 2013 census was 20,826¹. The District's total population has grown by 3% since the 2006 census.

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.

This analysis will be further updated as part of the 2015-25 Long Term Plan

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.

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.

¹ Data from Statistics New Zealand 2013 Census.

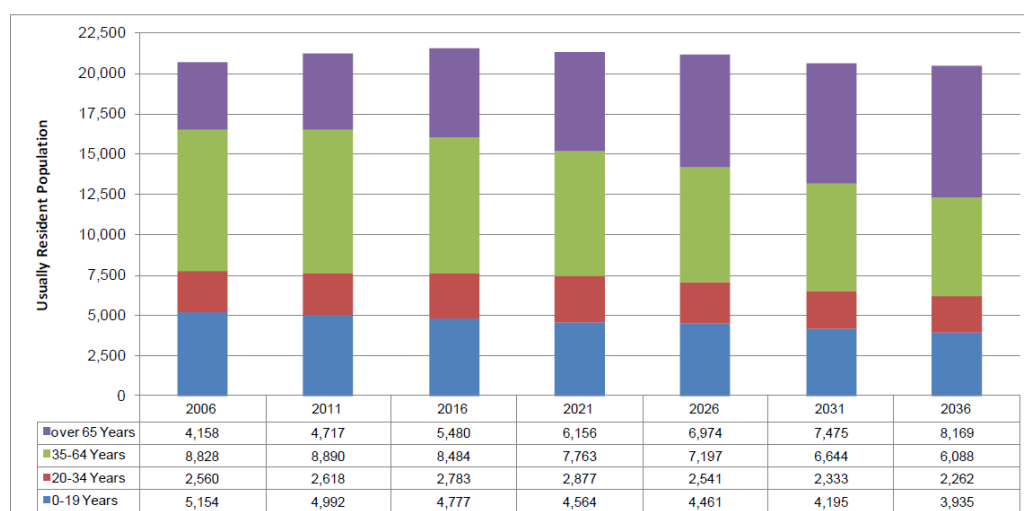
² All data from Statistics New Zealand 2006 Census unless otherwise stated.

Overview

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 3: Waitaki Resident Summary of Projected Age Structure



Source: Waitaki District Council - Rationale Growth Projections 2011 Report

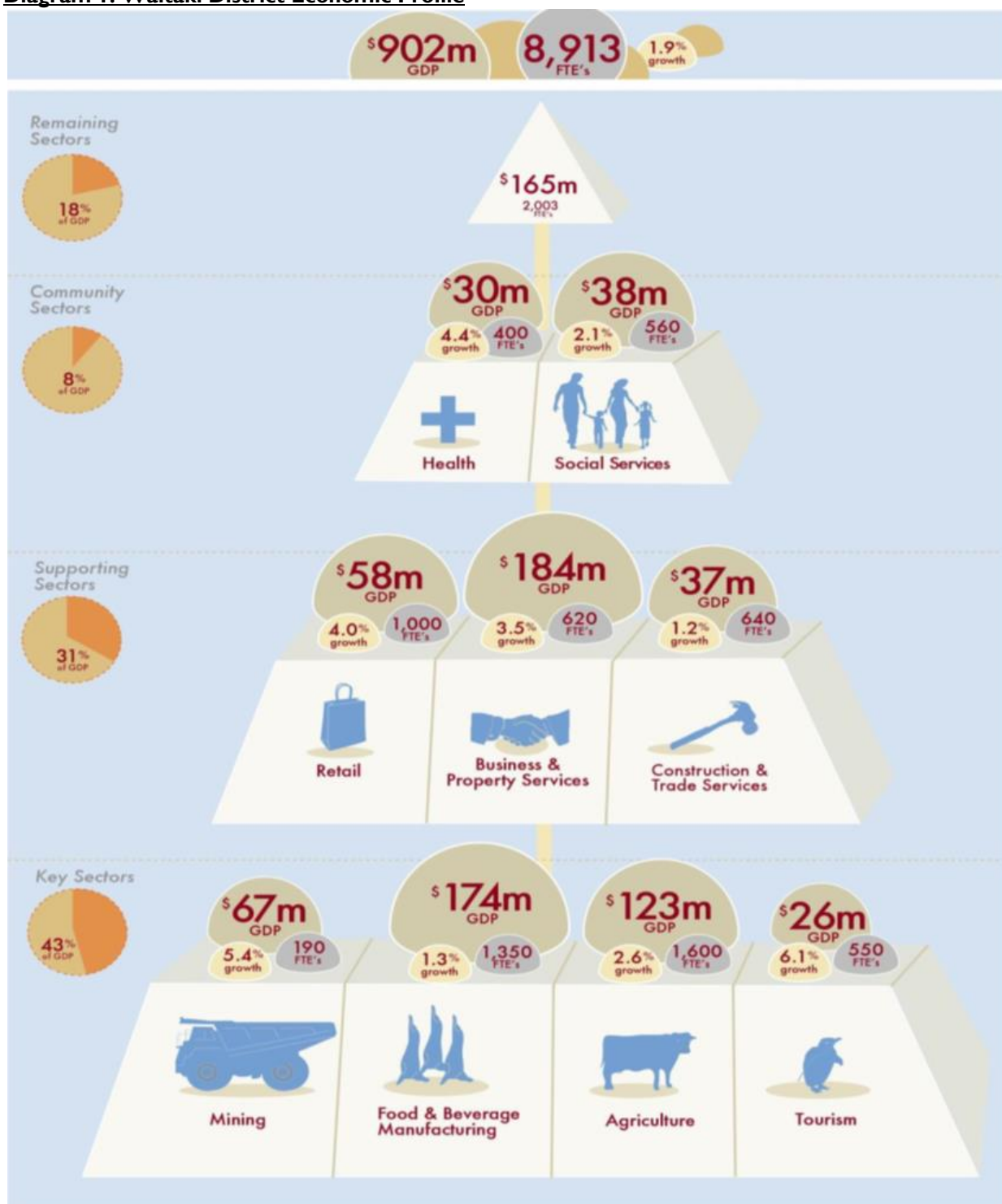
Economic Profile

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 1: 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

Statistics New Zealand

www.stats.govt.nz

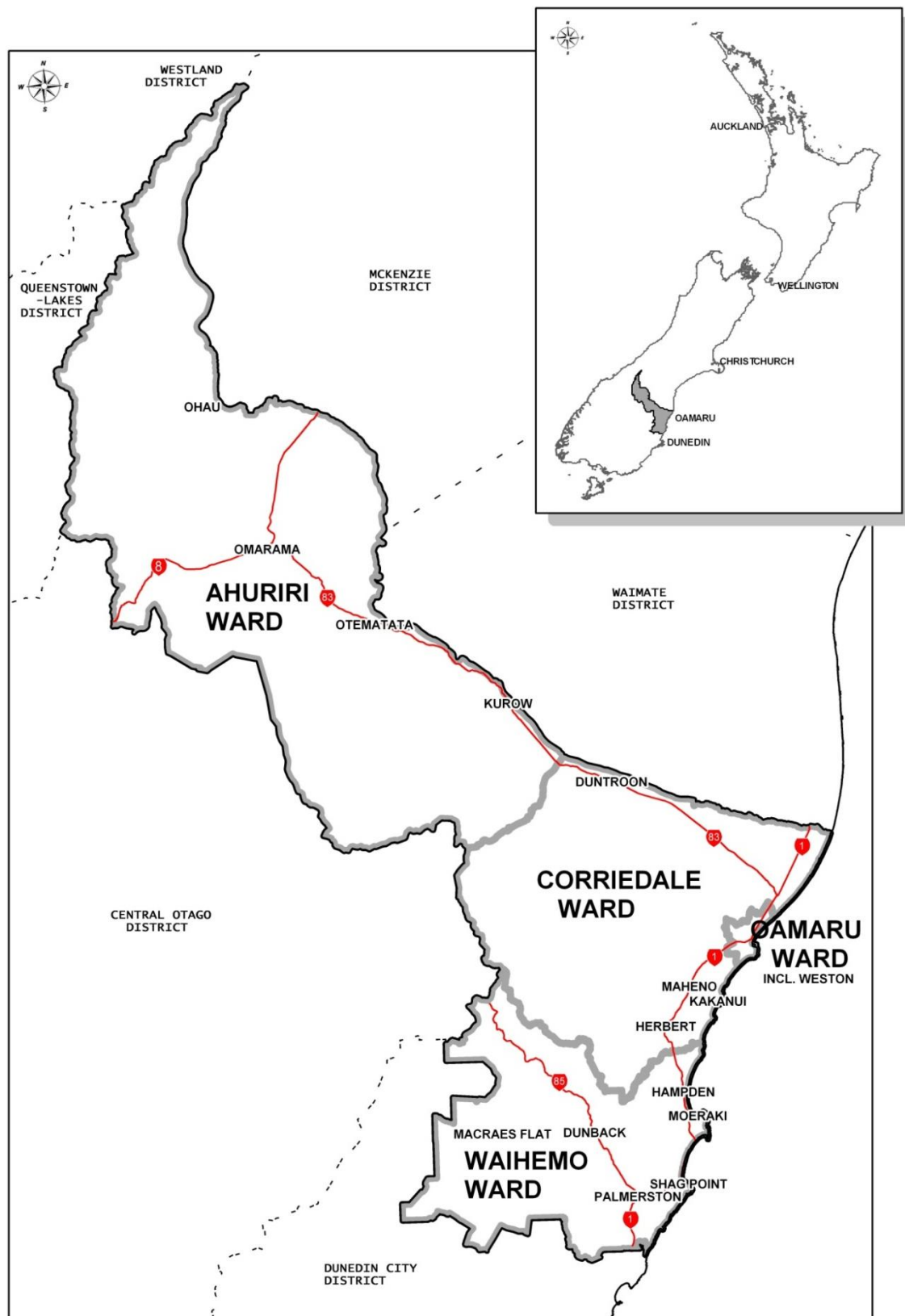
Tourism

www.visitoamaru.co.nz

Economic Development

www.wdb.co.nz

Map of the Waitaki District



Mayor and Councillors (as at 30 June 2013)

Mayor Alex Familton

I R D
Palmerston
Ph (03) 465 1512

Oamaru Ward**Cr Jim Hopkins**

14 Tay Street
Oamaru
Ph (03) 437-0863

Corriedale Ward**Cr Geoff Keeling**

[resigned
15 February 2013]

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

Cr Sally Hope

66 Reservoir Road
Oamaru
Ph (03) 437-2295

Cr Kevin Malcolm

570 Fortification Road
RD 3
Alma
Oamaru
Ph (03) 434-5654

Cr Gary Young

30 Reservoir Road
Oamaru
Ph (03) 437-0925

Cr Peter Garvan

PO Box 453
Oamaru
Ph (03) 434 8717

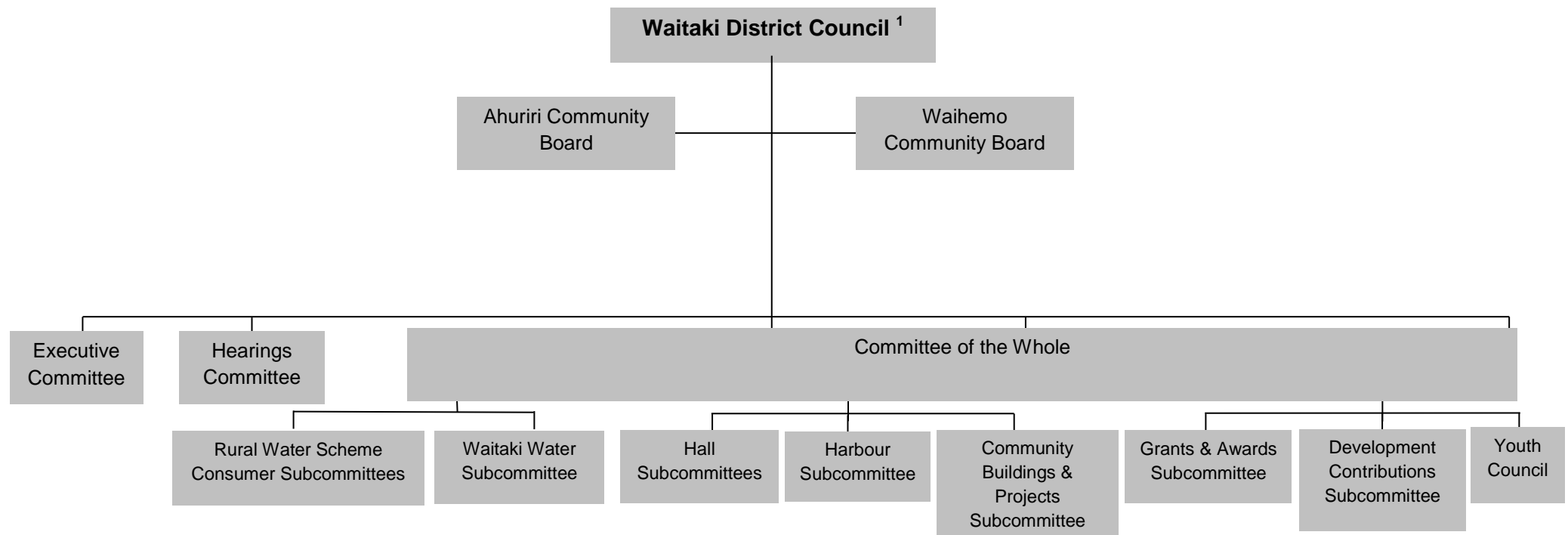
Cr Helen Stead

15 Wharfe Street
Oamaru
Ph (03) 434-1173

Cr Hugh Perkins

32 Hull Street
Oamaru
Ph (03) 434-1160

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



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

Community Board Members (as at 30 June 2013)

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

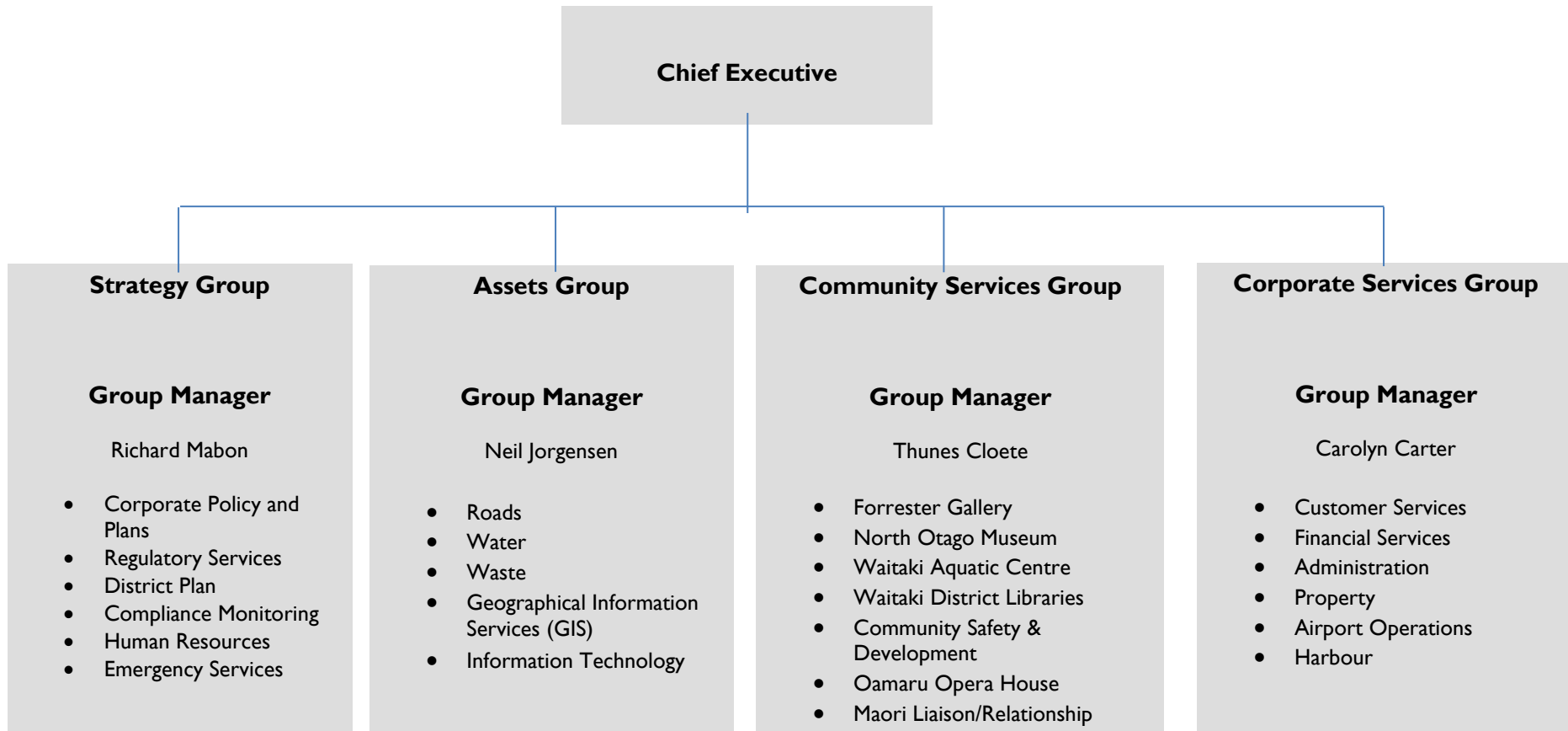
Linda Begg
1 RD
Palmerston
Ph (03) 465-1171

Jack Lyford
8 Carlisle Street
Hampden
Ph (03) 439-4042

Geoff Foote
[Elected]
87 Galbraith Road 2RD
Waikouaiti Otago 9472
Ph (03) 465-7410

Cr Kathy Dennison

Management Structure



This diagram shows the management structure and management team at 30 June 2013

Principal Professional Advisors

Auditors

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

Bankers

Bank of New Zealand
Thames Street
Oamaru

ANZ
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

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

As part of the 2012-22 Long Term Plan, Council agreed a number of community outcomes to promote the social, environmental, economic and cultural wellbeing of the District. Further details of these can be found on page 55 of the 2012-22 Long Term Plan which can be seen at libraries around the district, Council services centres and on Council's website www.waitaki.govt.nz

CV

Capital Value

Development Contributions (Dev. Con.){DC}

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

Depr

Depreciation

Differential Rates

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

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

Glossary of Terms

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

Dog Control Act

Dog Control Act 1996 and Dog Control Amendment Act 2003

Economic Allocation

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

Efficiency

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

Exacerbator

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

Excludability

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

Existence Values

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

Fire fighting capabilities

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

Fire Service Act

Fire Service Act 1975

Food Act

Food Act 1981

General Rates

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

- A uniform rate in the dollar of property value on all properties; or
- A differential rate in the dollar of property value on all properties;

and

- A uniform annual general charge per separately rateable property

GR

General Rates

Grey water

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

Health Act

Health Act 1956

Impounding Act

Impounding Act 1955

Indicator

Flag or signal. Summary data that represent an issue of concern or which measure progress toward achieving an objective or outcome

Infrastructure

Roads, bridges, water supplies, drainage systems, buildings, landfills and transfer stations

Intergenerational Equity

The idea that the cost of a service should be fairly spread over the life of the assets, so that all people who benefit contribute a fair share

Land Transport Management Act

Land Transport Management Act 1998

Land Value

Market value of the land at time of valuation

LN

Loan

The Litter Act

The Litter Act 1979

Local Electoral Act

Local Electoral Act 2001

Local Government Act 1974

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

Glossary of Terms

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

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

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

Parks and Recreation:

- Parks and Reserves
- Sportsfields
- Cemeteries
- Public Toilets

WAITAKI DISTRICT COUNCIL

20 Thames Street, Oamaru
Phone: (03) 433 0300
Freephone **0800 108 081** (*within the District*)
Fax (03) 433 0301
Email service@waitaki.govt.nz
Website www.waitaki.govt.nz

WAIHEMO SERVICE CENTRE

54 Tiverton Street, Palmerston
Phone (03) 465 1106
Fax (03) 465 1111

AFTER HOURS

EMERGENCY CONTACTS

CIVIL DEFENCE & RURAL FIRE

24-Hour Emergency Contact
Phone **(03) 434 6400**

OTHER DEPARTMENTS

- Animal Control
 - Noise Control
 - Wastewater
 - Stormwater
 - Water Supply
 - Hazardous Substances
 - Dangerous Goods
- 24-Hour After Hours Phone
Phone **(03) 433 0300**

OTHER CONTACTS

FORRESTER GALLERY

Thames Street, Oamaru
Phone (03) 433 0853

Email info@forrestergallery.com

NORTH OTAGO MUSEUM

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

OAMARU PUBLIC LIBRARY

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

AQUATIC CENTRE

Steward Street, Oamaru
Phone (03) 433 0410
Email aquaticcentre@waitaki.govt.nz