



# **Waitaki**

DISTRICT COUNCIL

*TE KAUNIHERA Ā ROHE O WAITAKI*

## **Annual Report**

**for the year ended  
30 June 2016**

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# Chief Executive's Report

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The 2015/16 Annual Report presents Council's progress and performance against the first year of the 2015-25 Long Term Plan from 1 July 2015 to 30 June 2016.

The last twelve months have seen a significant amount of progress for Council in achieving its vision for the community of *Growing Waitaki – the best place to live, work and play*. Below are some of the highlights.

## **Positive financial result**

We've ended the year in a strong financial position with a surplus of \$1.3m. This is the fourth consecutive year we've reported a healthy surplus and better than budgeted financial position. We will continue to review our costs, particularly from an operational perspective, ensuring ratepayers get the best value for money. We also received a very good total return of \$545,000 from Council owned Whitestone Contracting Ltd.

Our financial position is indicative of our prudence and has also resulted in a lower rates increase for the 2016/17 year than we originally predicted. When developing the 2015-25 Long Term Plan we expected a 2.1% rates increase. Instead, we were able to reduce that to a 0.41% increase – something we are very pleased with. Not only that, but we have been able to introduce some new projects for the coming year that will help grow our district.

## **North End Business Park, Observatory Hill Retirement Village and North Otago Irrigation Company**

Economic development continues to be a major focus for Council. Providing financial support to the Observatory Hill Retirement Village and Stage 2 of the North Otago Irrigation Company's \$65 million expansion which were both confirmed over the past year is a major driver for economic growth. It underpins our economic sustainability, reinvests our ratepayers' funds in our own district and returns better interest income for Council.

The North End Business Park sites continue to sell with only four lots of the initial seventeen now remaining unsold. The Milligan's warehouse development is all but completed on two rear sites and two other industrial buildings are currently underway. In facilitating this development Council has assisted in the re-development of the northern approach to Oamaru.

## **Roads and Tourism**

The Rural Resilience project is nearing completion. This project has seen considerable investment in our rural roading network as a consequence of heavier demand placed on roads, primarily due to the dairy and forestry sectors. We also played a significant role in the redevelopment (and re-opening) of Haven Street, Moeraki. This was very much a council-community project where we invested \$75,000 into the new road while a group of local residents used their skills and labour to build a more resilient structure than had been there in the past.

The Alps2Ocean cycle trail goes from strength to strength. Central government funding was secured to take more of the trail off the road. A big thank you to landowners for their enthusiasm and co-operation to make this happen. We also received over \$300,000 from the Otago Community Trust to assist us move two sections of trail between Duntroon and Oamaru off the state highway.

We have also reinvested in the Oamaru Blue Penguin Colony, a major tourist attraction. Council has funded the re-development and additions to the colony to allow it to expand the operation and cater for the growing number of visitors. An underpass to help penguins find their nests without undue interference from the public has also been built – many thanks to the local businesses and organisations who have provided materials and labour free-of-charge.

## **Fire Service and Civil Defence changes**

The new Otago Rural Fire Authority (ORFA) was established with all plant and equipment transferred into their ownership. Council has continued to support ORFA to continue to provide an essential community service, however, a recent government announcement has meant that this new organisation will be absorbed into the new reformed Fire & Emergency Service.

The structure of Emergency Management Civil Defence (EMDC) has also been reviewed. At the end of the financial year those transition discussions were still underway. More recently the Otago mayors have resolved that the service will be amalgamated into one shared service for Otago. The new organisation, to be known as Emergency Management Otago, will effectively begin from 1 November 2016.

### **Responding to changes in legislation**

Central Government continues to push changes through to local councils. We have been in the process of implementing some of those changes in relation to the Food Act and changes flowing from the implementation of the Building Act. While these are challenging times, our legislative responsibilities are clear and we are working hard to resource the extra demands being placed on us, whilst working with our customers to help ease the transition.

### **Waitaki District Health Services**

Waitaki District Health Services (WDHS) (fully owned by Council) has recently undergone a review of clinical services. This initiative came out of negotiations for funding from the Southern District Health Board (SDHB). This review and the funding negotiations which follow are trending positively at this stage.

### **Chairman Retires**

Mr George Berry presented his last Annual Report for WDHS to Council on October 5<sup>th</sup> 2016 and steps down as Chairman at the end of this year. Council is hugely appreciative of the work which Mr Berry has put into the WDHS, being Chairman since the original incorporation of the company in 1998.

### **Community Safety**

We were fortunate to have some volunteer labour and a reduced price for the installation of CCTV cameras in Oamaru. The new technology is monitored by Police and is expected to create a greater sense of safety and help stop crime. As a result of the new cameras, the Community Guardians have been dis-established. This group of local residents provided a fantastic service in helping keep our streets safe and we are very grateful to them.

### **Thanks to the Team**

All the results above have been possible through the efforts of a large number of people – both elected members and staff. It has been the input from this team that has delivered the results that can be seen so clearly right across our community.

Finally, I wish to thank Council for supporting my application to renew my contract for another two years. There is certainly plenty of unfinished work to be done prior to the end of next year and I look forward to the challenges which we will no doubt have to deal with over that period.

It is great to be part of a team that is helping grow Waitaki - the best place to live, work and play.



**Michael Ross**  
**Chief Executive**



# Council Only - Financial Summary

## Financial Statistics

Council Only	Actual 2016	Annual Plan 2016	Actual 2015
Proportion of Rates to Total Income (%)	65.4%	64.1%	66.4%
Proportion of Rates to Total Expenditure (%)	67.4%	64.7%	71.3%
Rateable properties	13,202	13,182	13,172
Average Rates per rateable property	\$2,245.83	\$2,245.52	\$2,212.14
Average Expenditure per rateable property	\$3,332.63	\$3,469.77	\$3,104.88
Net Public Debt - External (percentage of Total Assets)	0.0%	0.0%	0.0%
Net Public Debt - Internal (percentage of Total Assets)	3.16%	3.54%	3.34%
Net Public Debt - External (per rateable property)	\$0.00	\$0.00	\$0.00
Net Public Debt - Internal (per rateable property)	\$1,813.61	\$2,004.48	\$1,903.63
Current ratio	3.55	2.36	5.57
Ratio of Current Assets to Current Liabilities			
Liquid ratio	4.16	2.67	6.54
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	2016 \$000	2015 \$000	2014 \$000	2013 \$000	2012 \$000
Rates revenue	30,375	30,026	29,151	28,200	26,390
Net Operating Surplus/(Deficit)	1,320	2,992	3,794	1,960	367
Cashflows					
Operating Activities	15,486	15,757	13,536	12,423	10,207
Investing Activities	(19,841)	(10,560)	(16,997)	(11,530)	(8,480)
Financing Activities	-	(3)	(2)	(3)	(3)
Net Increase/(Decrease) in cash held	(4,355)	5,194	(3,463)	890	1,724
Net Public Debt - External	-	-	3	5	8
Net Public Debt - internal	23,943	25,075	26,738	24,989	25,862
Total Assets	757,918	750,411	748,338	738,258	717,920

## Waitaki District Rating Base

	At 30 June 2015 – the basis for the 2015/16 rates	At 30 June 2014 – the basis for the 2014/15 rates
Total Rateable Properties	13,202	13,143
Total Land Value of the District	\$3,799,957,450	\$3,267,334,900
Total Capital Value of the District	\$7,158,051,900	\$6,411,475,300

# Council Only - Financial Disclosures

## Annual Report Disclosure Statement for the year ended 30 June 2016

### What is the purpose of this statement?

This statement discloses Council's financial performance in relation to various benchmarks to enable an assessment of whether Council is prudently managing its revenues, expenditure, assets, liabilities and general financial dealings.

The inclusion of this statement in the Annual Report is a mandatory requirement imposed by the Local Government (Financial Reporting and Prudence) Regulation 2014 (The Regulations). Please refer to the Regulations for more information, including definitions of some of the terms used.

### Changes to financial disclosures presented in this annual report

Council adopted the 2015-25 Long Term Plan in June 2015, and in doing so, adopted new limits to replace those in the 2012-22 Long Term Plan, and against which some graphs in the 2015 Annual Report were measured. Graphs appearing in this annual report that differ from the previous year's report incorporate historical data for all of the required five years, even though the new limits and benchmarks were not effective until the current financial year.

### Rates Affordability Benchmark

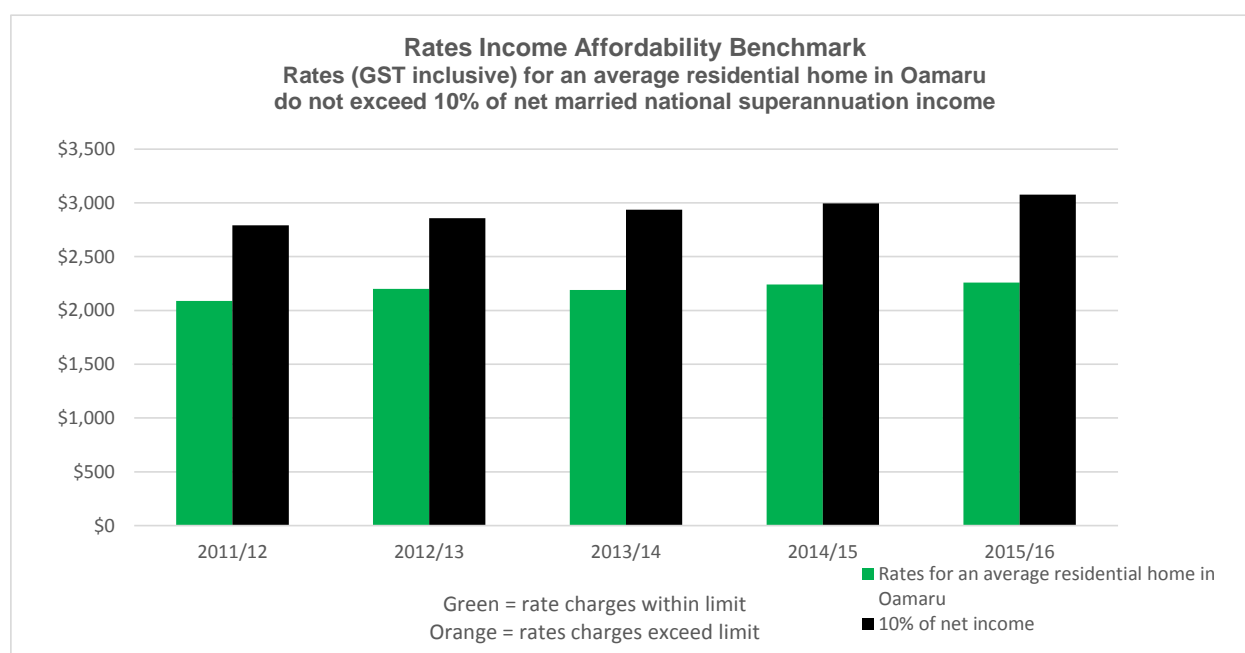
Council meets the Rates Affordability benchmarks when:

- its actual rates revenue equals or is less than each quantified limit on rates, and when;
- its actual rates increases equal or are less than each quantified limit on rates increases.

### Rates Revenue Affordability

These graphs compare Council's actual rates revenue with quantified limits on rates contained in the financial strategy appearing in Council's 2015-25 Long Term Plan.

This quantified limit on total rates states that the average annual rate levied on an average residential property in Oamaru will not exceed 10% of married national superannuation net of tax. This limit was set when adopting the 2015-25 Long Term Plan.



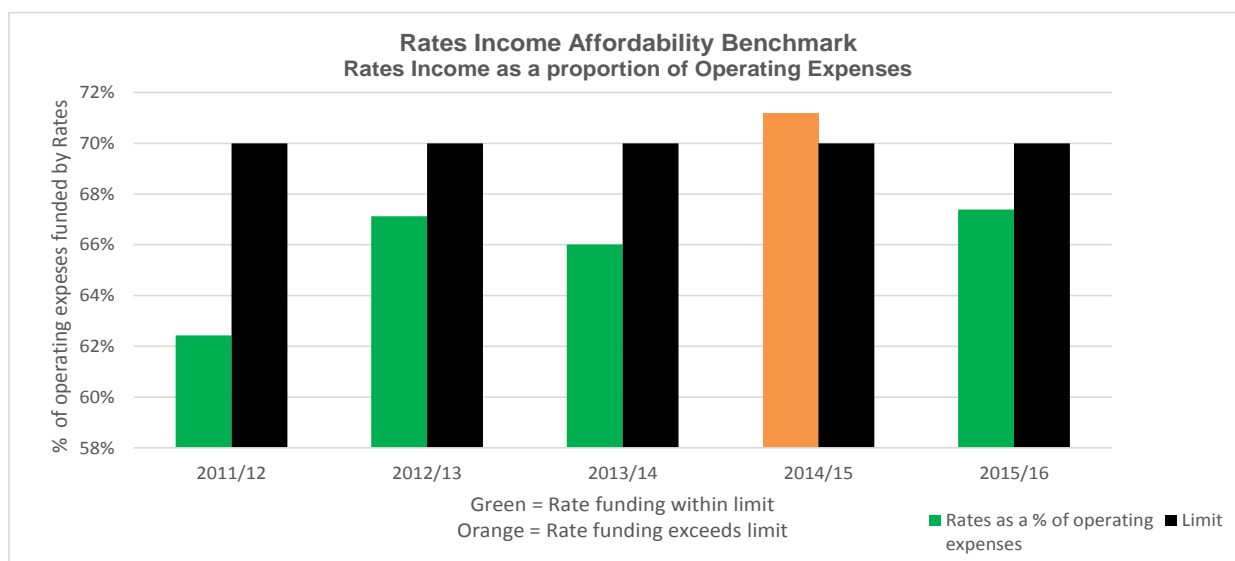
# Council Only - Financial Disclosures

## Annual Report Disclosure Statement (continued)

### Rates Affordability Benchmark (continued)

#### Rates Revenue Affordability

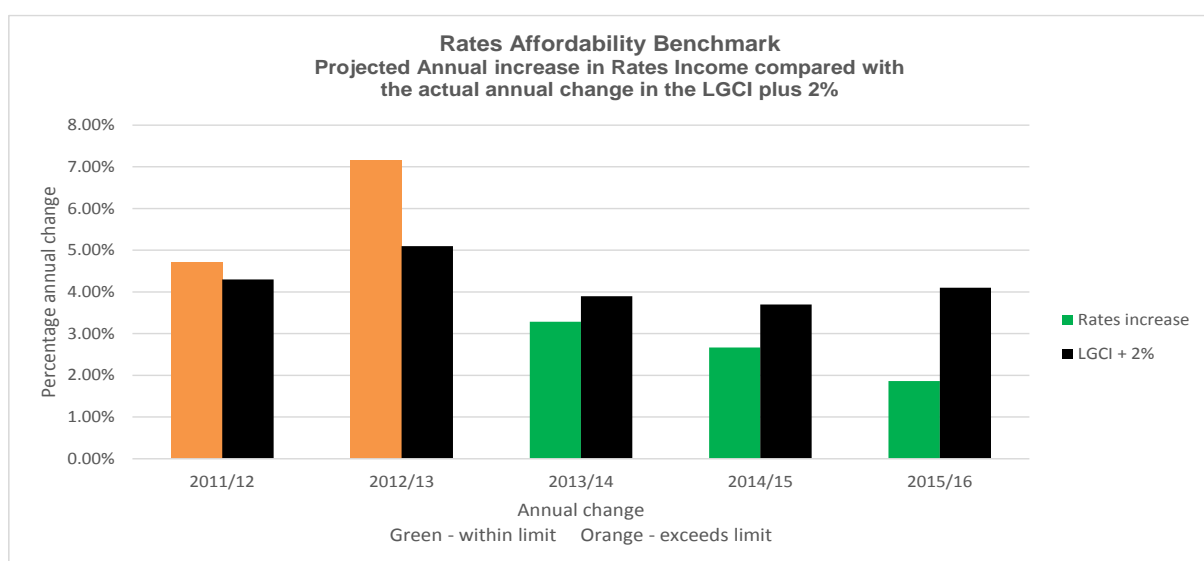
This graph compares Council's rates revenue with a quantified limit on rates contained in the financial strategy appearing in Council's 2015-25 Long Term Plan. The quantified limit on total rates is that revenue raised from Rates should be used to fund no more than 70% of total operating expenditure.



#### Rates Revenue Affordability

This graph compares Council's actual rates increases with a quantified limit on rates increases contained in the financial strategy appearing in Council's 2015-25 Long Term Plan.

The quantified limit on total rates increases states that the increase in the average annual rates levied by Council will not exceed the increase in the Local Government Cost Index (LGCI) for the previous year (to 30 June) plus 2%. The limit was first adopted in the 2015-25 Long Term Plan.





# Council Only - Financial Disclosures

## Annual Report Disclosure Statement (continued)

### Debt Affordability Benchmark

Council meets the Debt Affordability benchmarks when actual borrowings are within each quantified limit on borrowing.

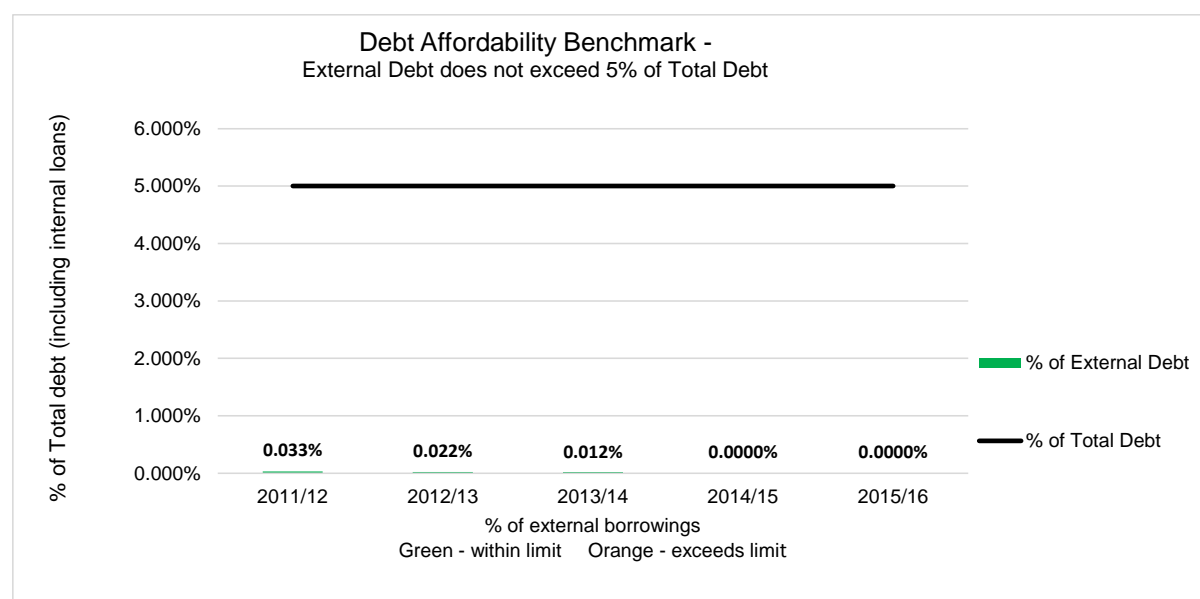
### External Debt Affordability

Actual external borrowing is compared with the quantified limit on external borrowing contained in the financial strategy appearing in Council's 2015-25 Long Term Plan. Council has a strategy of funding capital works internally, through the use of depreciation reserves, development contributions and internal loans.

Although internal loans do not appear in Council's balance sheet, they are considered to be debt in the same way that external loans are. For that reason, the quantified limit set for external debt is that the level of external debt should not exceed 5% of total debt, inclusive of internal loans.

It has always been Council's intent to have minimal, or no, external debt, and at 30 June 2015, Council had repaid all of its external debt. For that reason the graph shows no measure for either of the past two years.

The graph compares the percentage of external debt against the benchmark of 5% of total debt, including internal loans.



# Council Only - Financial Disclosures

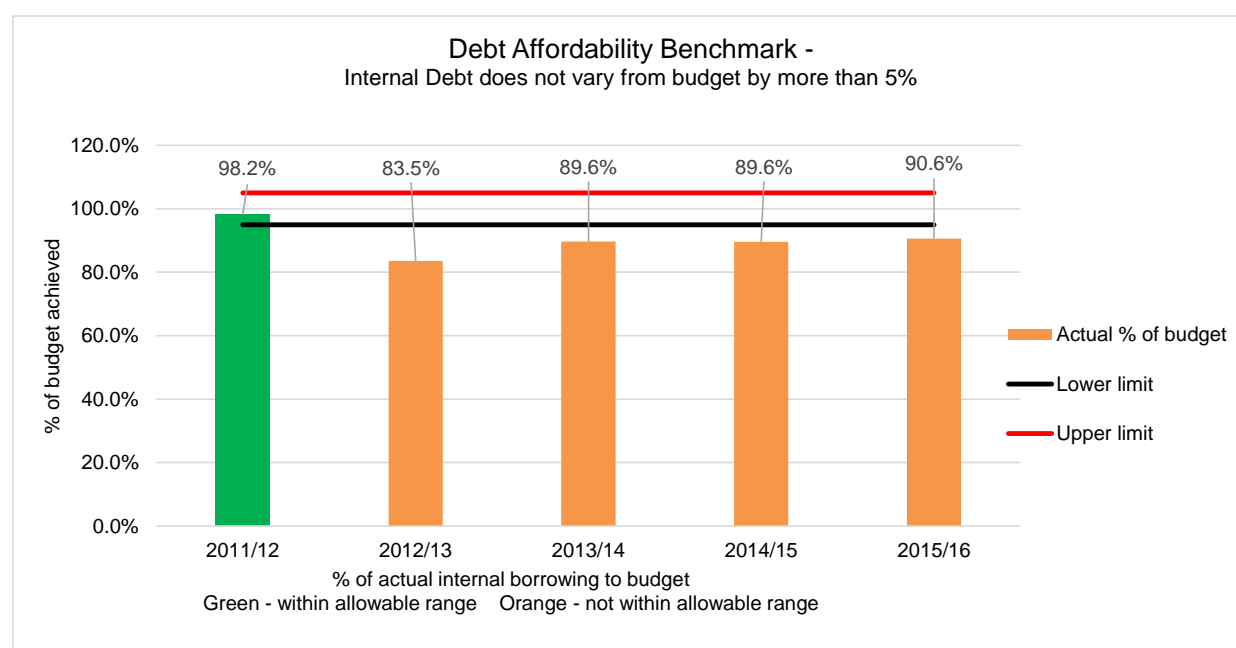
## Annual Report Disclosure Statement (continued)

### Debt Affordability Benchmark (continued)

#### Internal Debt Affordability

In the financial strategy appearing in 2015-25 Long Term Plan, Council set a quantified limit on the level of internal debt, such that internal debt should not vary from budget by more than 5%, plus or minus.

The graph compares the actual level of internal loans against an upper and a lower permissible level, being 105% and 95% of budgeted internal loans for that period. This quantified limit was not set prior to adoption of the 2015-25 Long Term Plan but, in order to provide a meaningful comparison, the results for earlier periods have been included.



The total balance of internal loans outstanding is below the lower limit of the quantified range set by Council in four of the five financial years reported. Council regards this as a satisfactory result, brought about by several factors, including:

- the deferral of upgrades to meet legislated improvements to drinking water standards for a number of rural water schemes;
- lower interest rates applying since 2012, allowing a faster reduction in loan principal amounts and a slower increase for those loans on which interest compounds;
- Council's decision to apply increasing amounts of rates to assist in limiting the rate of increase in compounding interest loans.

# Council Only - Financial Disclosures

## Annual Report Disclosure Statement (continued)

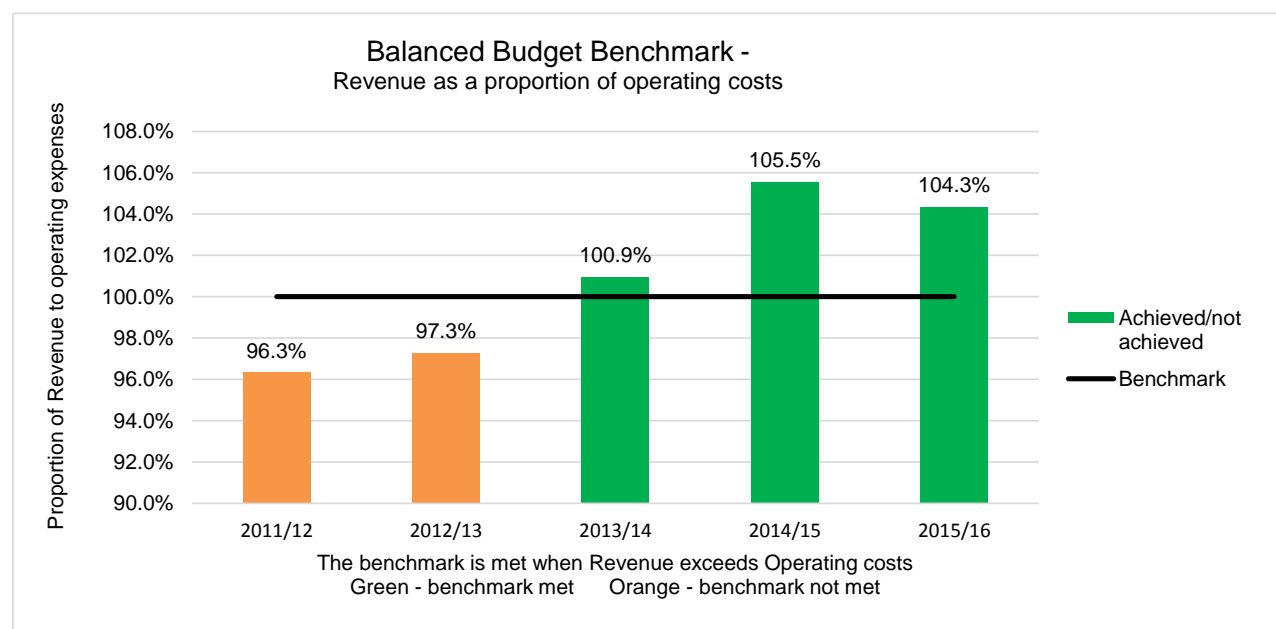
### Balanced Budget Benchmark

The Balanced Budget benchmark is achieved when Council's operating revenues exceed total operating expenses.

Operating Revenues are strictly defined in the Regulations, and exclude:

- Development and Financial contributions – these are a normal part of Council's activities, but are set aside, and held as Special Funds to be used for future capital projects that grow or expand the capacity of Council's infrastructure, and so are not available to fund operating expenditure; and
- Vested Assets and the effects of revaluations – these sources of revenue are not considered part of Council's normal operating activities, as they cannot be accurately forecast, and do not involve the receipt of cash, or entitlement to receive cash, as other forms of operating revenue would.

For the purposes of this graph, adjusted Operating Revenue is reported as a percentage of Total Operating Expenses. The benchmark is met when Revenue exceeds 100% of Expenses.



# Council Only - Financial Disclosures

## Annual Report Disclosure Statement (continued)

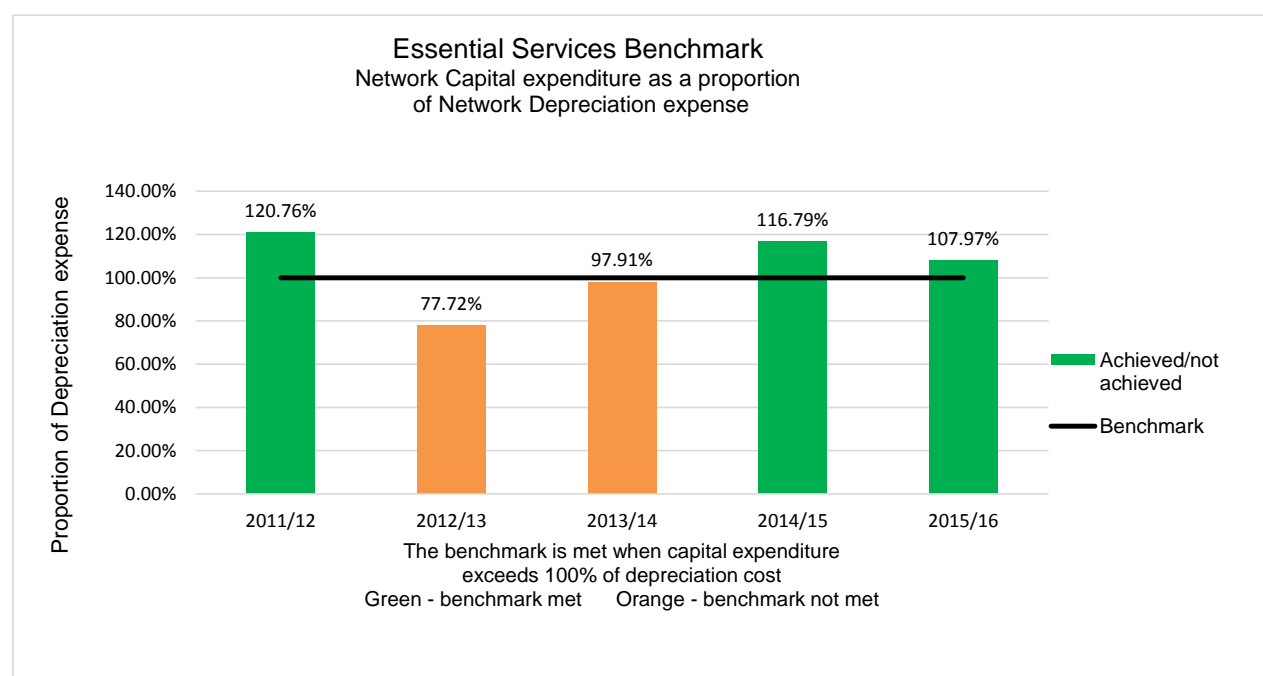
### Essential Services Benchmark

Council meets this benchmark when capital expenditure on Network Services equals or exceeds the annual Depreciation charge related to those assets.

Network Services, for Council, include:

- Roads, bridges and footpaths
- Water supply systems
- Sewer systems
- Stormwater systems

The graph below displays Council's capital expenditure on Network Services as a proportion of the annual depreciation charge on those assets.



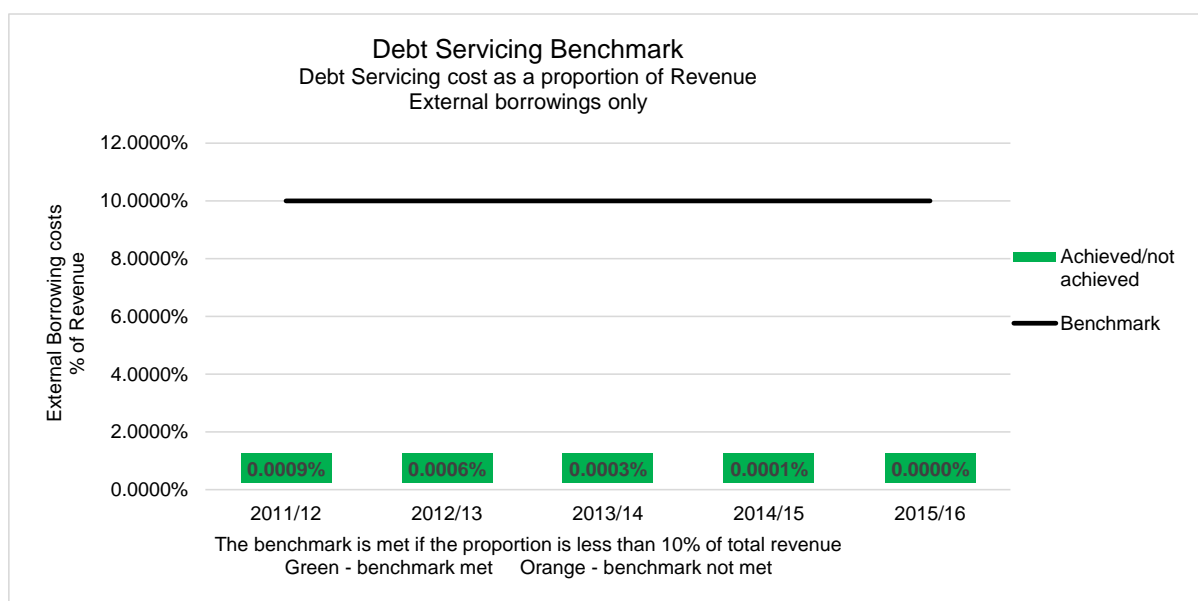
# Council Only - Financial Disclosures

## Annual Report Disclosure Statement (continued)

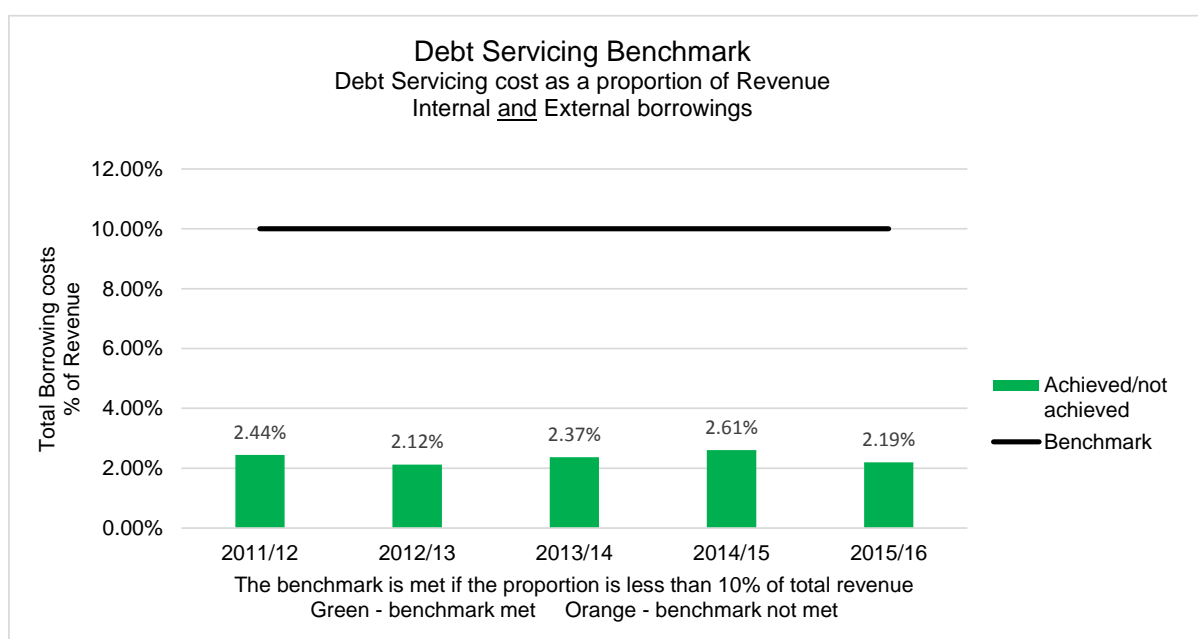
### Debt Servicing Benchmark

Because Statistics New Zealand projects that the population of the District will grow more slowly than the national population growth rate, Council meets the Debt Servicing benchmark when its borrowing costs are equal to or less than 10% of adjusted Operating Revenue (excluding Development and financial contributions, vested assets and the results of revaluations). Note that debt servicing costs refer to the interest cost only, and do not include principal payments made during the period.

The first graph focuses on the cost of servicing external borrowing only:



The second graph measures the cost of servicing both external and internal borrowing. Internal debt servicing is a notional cost which is not reported elsewhere in this annual report, but which is still regarded as a cost of the service to which it relates.



# Council Only - Financial Disclosures

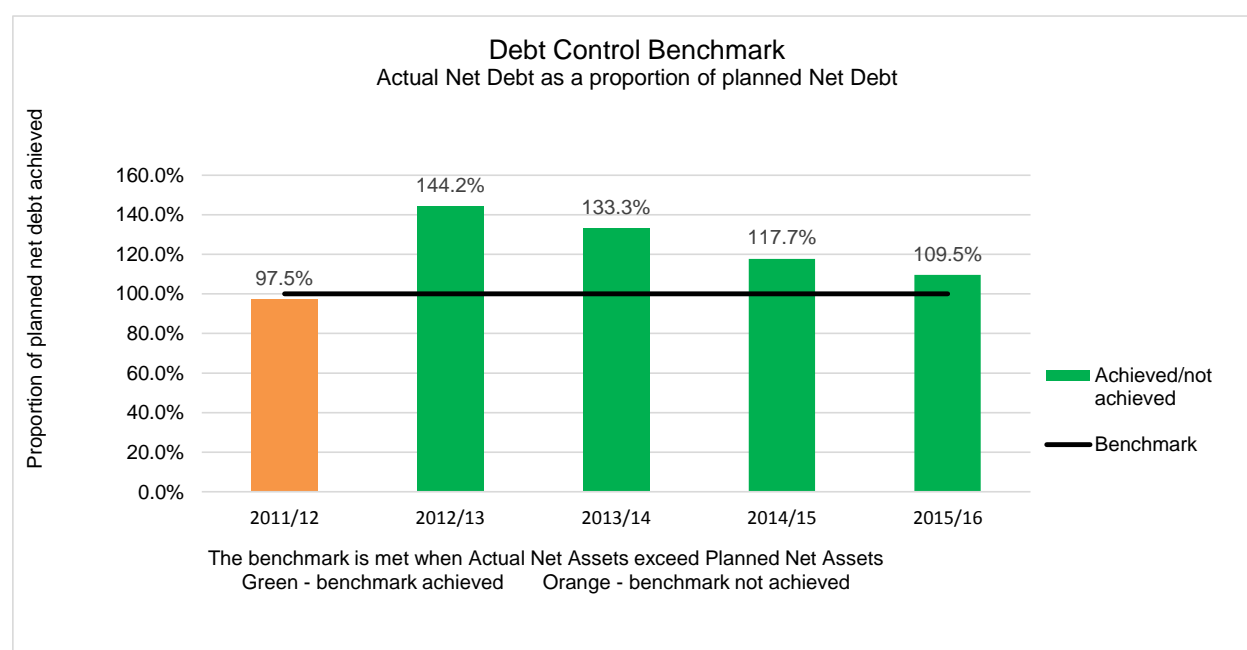
## Annual Report Disclosure Statement (continued)

### Debt Control Benchmark

This benchmark is intended to report Council's performance in relation to net debt, which is defined in the Regulations as Financial Liabilities less Financial Assets (excluding Trade and Other Receivables).

Waitaki District Council is in a Net Asset position, as Financial Assets generally exceed Financial Liabilities. For that reason, the benchmark has been inverted to report Council's performance on a Net Asset basis.

In this scenario, Council believes it meets the debt control benchmark when actual Net Assets equal or exceed planned Net Assets.



# Council Only - Financial Disclosures

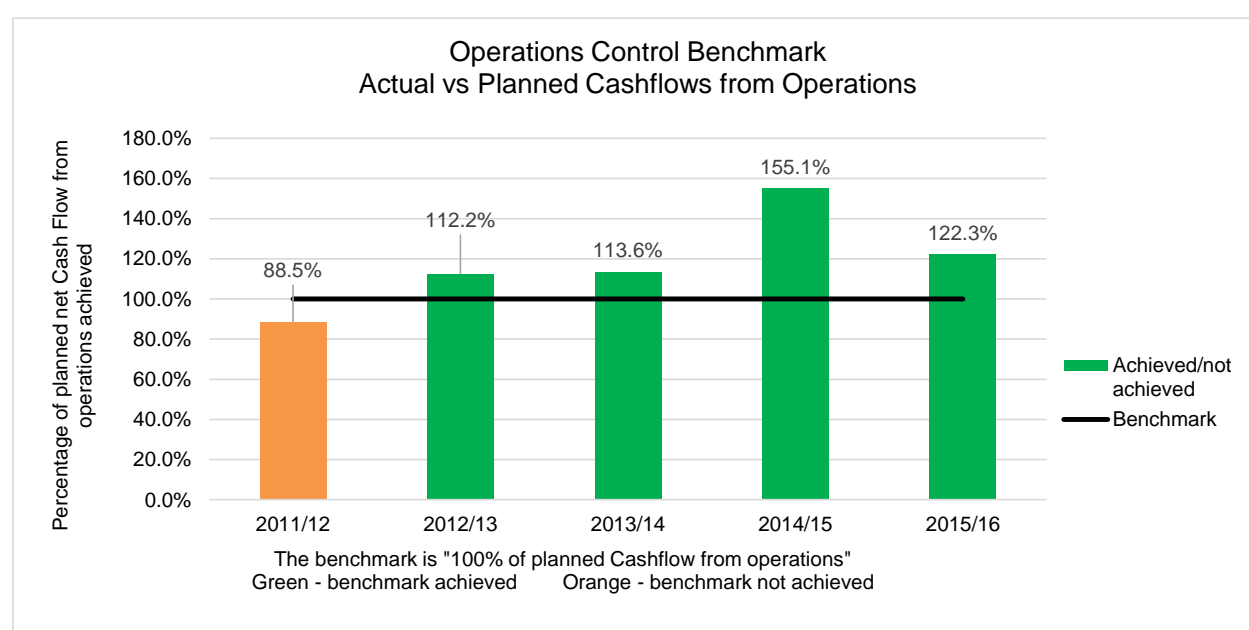
## Annual Report Disclosure Statement (continued)

### Operations Control Benchmark

Positive cash flow is critical for any business. Net Cash Flow from Operations refers to the net result of cash generated by and used in Council's normal day-to-day activities. Cash flow from operations is dynamic and can be significantly influenced by the timing of receipts from debtors, and of payments to suppliers and of staff salaries.

This benchmark compares Council's actual Net Cash Flow from Operations as a proportion of its planned Net Cash Flow from Operations.

Council meets the Operations Control benchmark when its Net Cash Flow from Operations equals or exceeds its planned Net Cash Flow from Operations.



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

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# ***Community Outcomes***

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The following Community outcomes were agreed by Council on 24 June 2015 as part of the 2015-25 Long Term Plan.

## ***We keep our district affordable***

We try to keep our district as affordable as possible. We want every dollar from rates to provide the best possible services and best value for money and we are constantly working to improve how we can deliver them in an affordable way. We face a number of challenges in keeping our services affordable. For instance, we continuously have to balance diverse (and sometimes competing) community needs and wants. Our district is a large geographical area with a small population so maintaining our assets, particularly roads, has to be met by a small group of ratepayers. We also have to respond to changes by Central Government, many of which affect our rates and levels of service.

## ***We enable opportunities for new and existing businesses***

We have experienced good business growth over the last few years. For instance the North Otago Irrigation Company has added around 270 jobs to the district and about \$48m to the local economy each year. We have also been involved in business development such as the North End Business Park in Oamaru and in tourism activities such as Alps2Ocean. This means more jobs and more business for our district.

## ***We provide and enable services and facilities so people want to stay and move here***

Growing our district and creating a place where people want to live means providing the right services at the right time and at the right cost. Council provides many things including roads, footpaths, drinking water, libraries and swimming pools. Getting the mix of services right, whether it's clean water, cultural attractions or sports fields, is important so everyone has the opportunity to play an active role in the community.

## ***We understand the diverse needs of our community***

The needs of our community are many and diverse. We want to make sure we understand these so we can deliver our services more effectively. We need to think about the best ways to provide services and infrastructure for the future. How do we plan for changes in demographics (e.g. our ageing population) and a more ethnically diverse community? How should we balance community needs now and into the future?

## ***Waitaki's distinctive environment is valued and protected***

Our environment, both natural and built, has some special features that we believe are worth protecting. We need to assess our buildings for earthquake risk. We also need to balance growth and development with the needs of the environment. It's important we get the mix right.

## ***We maintain the safest community we can***

We live in a safe community but we want to reduce crime and the fear of crime through projects such as CCTV and Community Patrols. We also need to ensure health standards are high for businesses such as restaurants and bars, manage dog control problems and have a suitable emergency management centre.

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

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# Audit Report

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## Independent Auditor's Report

### To the readers of Waitaki District Council and group's annual report for the year ended 30 June 2016

The Auditor-General is the auditor of Waitaki District Council (the District Council) and group. The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, on her behalf, to:

- audit the information included in the District Council and group's annual report that we are required to audit under the Local Government Act 2002 (the audited information);
- report on whether the District Council and group has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 86 to 143:
  - present fairly, in all material respects:
    - the District Council and group's financial position as at 30 June 2016;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 137, presents fairly, in all material respects, 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 and group's Long-term plan;
- the statement of service provision on pages 27 to 71:
  - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2016, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand;

# Audit Report

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- the statement about capital expenditure for each group of activities on pages 32 to 71, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council and group's Long-term plan;
- the funding impact statement for each group of activities on pages 32 to 71, presents fairly, in all material respects, 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 and group's Long-term plan.

## Compliance with requirements

The District Council and group has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 8 to 137 which are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and group's audited information.

Our audit was completed on 26 October 2016. 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 audited information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the 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 and group's preparation of the information we audited 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 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;

# Audit Report

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- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported statement of service provision within the District 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 District Council and group complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

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

## **Responsibilities of the Council**

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

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.

## **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

## **Independence**

When carrying out our audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, we have no relationship with or interests in the District Council or any of its subsidiaries.



Scott Tobin  
Audit New Zealand  
On behalf of the Auditor-General  
Dunedin, New Zealand

# ***Statement of Compliance and Responsibility***

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## **Compliance**

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

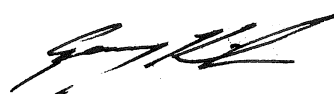
## **Responsibility**

- Council and management accept responsibility for the preparation of the financial statements, and for judgements exercised in preparing these;
- 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; and
- In the opinion of Council and management, the Annual Report and the financial statements contained therein for the year ended 30 June 2016 fairly reflect the financial position and operations of the Waitaki District Council and Group.



Michael Ross  
**Chief Executive**

26 October 2016



Gary Kircher  
**Mayor of Waitaki**

26 October 2016

# ***The Year in Review***

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## **Roading**

- Successfully completed the 2015/16 programme of the National Land Transport Plan for the Waitaki District
- Council commenced and completed the second year of the Road Resilience Project in 2015/16 with an additional \$75,000 of unbudgeted investment into the Waitaki district from the New Zealand Transport Agency (NZTA)
- The Roothing Unit was strengthened with two new positions, helping achieve a successful year
- Successfully completed a business case and secured approval by NZTA for a major LED street lighting upgrade of the network from 2016/17 including a collaboration with NZTA for SH1
- Full programme of renewals completed, including resurfacing of roads, road renewals and footpath resurfacing
- Full programme of minor improvements completed, including safety and rural resilience measures
- Road maintenance included edge break, drain channel clearance, low shoulder filling and stabilised road repairs
- Council secured five sections of recycled timber and decks from the old SH82 timber bridge in Kurow for use in the bridge renewal programme
- Roothing network was dry other than two small rain events in 2016. These two events highlighted the effectiveness of the Rural Resilience Project and allowed the maintenance contractor to focus on and improve road maintenance
- Installed pedestrian drop crossings for improved access in conjunction with the kerb and channel renewal programme
- Full programme of seal widening completed on various roads
- Safety improvements made to intersections in Oamaru
- Moeraki community and Council completed maintenance on the upgraded section of Haven Street to retain direct access to the village
- Road safety programmes successfully completed for the year
- Roothing responded to 95% of CRMs within timeframes, 5% above the benchmark, of which 88% were successfully resolved
- Business cases completed for LED streetlight upgrade and coastal routes. Business case to support maintenance and renewals underway
- Roothing met with a number of stakeholder groups to better understand their needs within the roading network, eg Automobile Association, New Zealand Transport Agency and Forestry.

## **Water Services & Waste**

- Reviewed the structure of the Water Services and Waste team and implemented the ownership model providing a greater focus on core service delivery
- Developed a new 3 Waters reticulation Operations and Maintenance contract which, following a public tender process, was awarded to SouthRoads Ltd
- Completed an award-winning renewal of the Oamaru Water Treatment Plant membrane filtration system
- Instigated the H2OurHealth (HamNak pipeline) project and commenced consultation and design of the 30km pipeline to supply the Herbert-Waianakarua and Hampden-Moeraki water supplies from Oamaru
- Formalised arrangements with Council's new solid waste partners and continued preparation for the impending Oamaru Landfill closure
- Continued to work towards compliance with the Health Act and New Zealand Drinking Water Standards for various water supplies
- Designed and completed a number of water, wastewater and stormwater asset renewals.

# ***The Year in Review***

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## **Recreation**

- Waitaki Aquatic Centre hosted the South Island Secondary School's Canoe Polo Tournament with 20 teams competing
- Oamaru Swim Club, based at the Waitaki Aquatic Centre, was the best performing swim club in the South Island based on numbers
- Waitaki Aquatic Centre provided an inflatable dragon in the harbour for the Harbour Family Day
- Additional drainage was installed at the Weston Domain to improve ground conditions
- Began work on the extension of Oamaru Cemetery
- Improved gardens and seating on the main street of Palmerston
- Dis-assembled Craig Fountain to investigate the potential to reinstate it as a working fountain
- Installed a picture frame at the Oamaru Harbour as part of Alps2Ocean Cycle Trail finish line
- Supported Forest and Bird with four planting days on Cape Wanbrow
- Harvested Herbert Forest

## **Community Development and Safety**

- CCTV Guidelines and Volunteer Policy developed and implemented
- CCTV surveillance system operational at six sites
- Waitaki Community Guardians disestablished with gap in surveillance filled by Community Patrols and CCTV
- Safer Waitaki organisational capability assessment completed. Project met all criteria as per Safer Communities Coalition reporting framework
- Waitaki Mental Health and Addictions Network embedded and membership expanded to 26 groups and organisations
- Safer Waitaki Youth Wellbeing Survey completed and analysed in August 2015. There were 425 respondents aged between 14-25 with a gender split of 50.6% female and 49.4% male
- Launched Family Violence Poster project involving 120 businesses from across the district
- Facilitated Family Violence Champion training for local businesses with 30 participants
- Along with other stakeholders, Council's Community Development and Safety Officer was a community facilitator for the 'Loves Me Not' Healthy Relationship Programme at two local high schools
- Participated in the Network Leadership Group for Raise Hope Mental Health and Addictions. Five meetings were attended by representatives from across Otago/Southland. The Safer Waitaki Mental Health and Addictions Network is the locality group for this project.

## **Forrester Gallery and North Otago Museum and Archive**

- Delivered exhibitions and event programme across a combined Gallery/Museum/Archive, both physically and online, achieving 25 exhibitions, 17 events and 49 blogs about collections
- Hosted the Hon. Maggie Barry, Minister for Arts, Culture and Heritage, Conservation and Seniors
- Worked collaboratively with the Oamaru Opera House and Waitaki District Libraries to continue to develop and grow the Culture Waitaki website ([www.culturewaitaki.org.nz](http://www.culturewaitaki.org.nz))
- Worked collaboratively within Community Services Group to deliver events, holiday programmes and to share staffing and training opportunities
- Developed an education programme and increased the level of engagement with schools across the district
- Continued to carry out research and audits of collections leading to the development of collection significance statements, ongoing collaborative research projects and improved knowledge and access to collections
- Continued to support the Cultural Facility Development Project through community engagement activities, collections development, development of architectural plans and ongoing administrative, staffing and operational upgrades and adjustments.



# ***The Year in Review***

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## **Community Amenities, Oamaru Harbour and Historic Precinct**

- Three Community Housing units were renovated and seven were partially renovated
- Oamaru Harbour re-survey and perfection of title is nearing completion
- There has been a significant reduction in property debt through property sales
- The former North Otago RSA building in Oamaru came into Council ownership and significant asbestos remediation work was completed

## **Democracy and Accountability**

- Class 4 Gambling Venues and TAB Policy and the Waitaki District Urban Fire Prevention Bylaw 2015 were adopted by Council
- Council considered 81 submissions, eight of which were late, and heard 41 speakers to the draft 2016/17 Annual Plan before it was adopted by Council in June 2016
- 2015/16 Annual Report (including residents survey) prepared
- Review of District Plan commenced in October 2015
- Draft Waitaki District Responsible Freedom Camping Bylaw went out for one month's public consultation on 23 June 2016
- Review of Council's General Bylaw commenced
- Section 17a review commenced and Council is actively working with other Otago councils to explore opportunities for improved efficiencies through a collaborative review process.

## **Environment, Regulation and Safety:**

### **Regulatory Services**

- Reduction of 24% in animal control complaints
- Maintained Building Consent Authority accreditation
- 100% on and off licensed premises inspected.

### **Planning**

- Ongoing work on the District Plan review
- Advocacy/Submission to the Otago Regional Council Regional Policy Statement.

## ***Groups of Activities***

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*The 2015/16 resident survey results are now based on a ten-point scale. Historically the measurement of residents' satisfaction with the Waitaki District Council has been based on a five point scale. This change was recommended by the Council research contractor in order to make the research more actionable and sensitive to a greater level of analysis. It allows the contractor and Council to complete more advanced statistical procedures to understand drivers of satisfaction. The Contractor completed testing to ensure that the shift to the ten point scale has not impacted on the ability to compare with historical results.*

# Roads and Footpaths

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## What we did

- Successfully completed the 2015/16 programme of the National Land Transport Plan for the Waitaki district within 1% of target for the year
- Council commenced and completed the second year of the Road Resilience Project in 2015/16, spending \$579,000 with an additional \$75,000 of unbudgeted investment into the Waitaki District from the New Zealand Transport Agency
- Roothing Unit updated Council's Procurement Strategy as required by the New Zealand Transport Agency
- The Roothing Unit was strengthened with two new positions, helping achieve a successful year. This allowed the Roothing Unit to be less reliant on external providers
- Successfully secured \$1.5m funding over three years from New Zealand Transport Agency for a major LED lighting upgrade from 2016/17
- Full programme of renewals completed including resurfacing 53km of roads, 4km of road rehabilitation and 11,508m<sup>2</sup> of footpath resurfacing
- Full programme of minor improvements completed, including safety and rural resilience measures
- Road maintenance included edge break, drain channel clearance, low shoulder filling and stabilised road repairs
- Secured recycled timber and decks from the old SH82 timber bridge in Kurow for use in the bridge renewal programme
- Roothing network was dry other than two small rain events in 2016. This allowed the maintenance contractor to focus on and improve road maintenance
- Installed pedestrian drop crossings for improved access in conjunction with the kerb and channel renewal programme
- Full programme of seal widening completed on various roads
- Safety improvements to intersections in Oamaru
- Moeraki community and Council completed maintenance on the upgraded section of Haven Street to retain direct access to the village
- Road safety programmes successfully completed for the year
- Roothing responded to 95% of CRMs within timeframes, 5% above the benchmark, of which 88% were successfully resolved
- Business cases completed for LED streetlight upgrade and coastal routes. Business case to support maintenance and renewals underway
- Roothing met with a number of stakeholder groups to better understand their needs within the roading network, eg AA, NZTA and Forestry.

## Road Safety

### Alcohol

- Posters and coasters were displayed in 18 bars that offered a courtesy vehicle. The intention of this campaign was to make the provision of courtesy vehicles highly visible and an accepted part of the drinking culture. Awareness of this transport option encouraged people to 'plan their journey'
- Revamped DVD and questionnaire introduced in the Oamaru Court addressing drink-drivers. Feedback from the legal community and Police was very positive.

### Younger Drivers

- 2016 Drive 2 Survive expo for Year 12 students went smoothly and feedback from students and teachers was positive.

### Older Drivers

- Three courses were offered; a theory refresher course, introduction to mobility scooters and a practical driver assessment.

# ***Roads and Footpaths***

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## **Road Safety Continued**

### Fatigue

- 'Waitaki Road Safe' bags for 100-200 vehicles were made available in a spacious, visible area at the beginning of public holiday weekends. All vehicles were stopped and drivers given water, lollies, road safety literature and other giveaways for families. There was also BBQ food and hot drinks available. Volunteers discussed the journey with motorists to ensure they were aware of the dangers of driving while fatigued.

### Safe Speeds

- Newspaper and radio advertising took place throughout the year and covered various relevant topics which aligned with the NZTA advertising calendar and priority seasonal risks addressed by Police
- 'Travellers Tips' brochures continued to be popular
- A series of articles appeared in the Oamaru Mail covering the stories of individuals/families who lost a friend or family member or dealt with a serious injury resulting from a car crash. Excellent feedback was received from the public.

# Roads and Footpaths

## Community outcomes

Community outcomes	How the activity contributes to the outcome
We enable opportunities for new and existing businesses	By providing roads and footpaths that are safe, effective, efficient, accessible and fit for purpose for people and goods
We provide and enable services and facilities so people want to stay and move here	By providing roads and footpaths that are safe, effective, efficient, accessible and fit for purpose for people and goods
We maintain the safest community we can	By providing transport networks and services that are safe
We keep our district affordable	By ensuring roading activities are managed efficiently and effectively

## How we performed – Roads and Footpaths

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
The change from the previous financial year in the number of fatalities and serious injury crashes on local road network (not state highways), expressed as a number	Not Achieved 2015/16 - eight (2014/15 - seven)	Reduce the number of serious injuries and fatalities when compared to the previous year
Percentage of residents who are satisfied or very satisfied with the sealed roading network	Not Achieved: Residents' Survey 2015/16 - 46% satisfied with the sealed roading network <i>This is the first year that satisfaction with the sealed and unsealed roading network has been asked about separately in the Residents' Survey. The 2015 Residents' Survey found that 54% of residents were satisfied or very satisfied with the standard of local roads</i>	Increase in percentage of residents who are satisfied or very satisfied with the sealed roading network: <ul style="list-style-type: none"> <li>2015/16 – 50%</li> <li>2016/17 – 60%</li> <li>2017/18 – 70%</li> </ul>
Percentage of residents who are satisfied or very satisfied with the unsealed roading network	Not Achieved: Residents' Survey 2015/16 - 24% satisfied with the unsealed roading network <i>This is the first year that satisfaction with the sealed and unsealed roading network has been asked about separately in the Residents' Survey. The 2015 Residents' Survey found that 54% of residents were satisfied or very satisfied with the standard of local roads</i>	Increase in percentage of residents who are satisfied or very satisfied with the unsealed roading network: <ul style="list-style-type: none"> <li>2015/16 – 50%</li> <li>2016/17 – 60%</li> <li>2017/18 – 70%</li> </ul>

# Roads and Footpaths

## How we performed – Roads and Footpaths

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
The average quality of ride on sealed roads, measured by smoothness (smooth travel exposure)	Achieved: 2015/16 - 90% (2014/15 - 89%) <i>Note these refer to DIA STE (Smooth Travel Exposure) targets which are the relevant targets specified by NZTA</i>	Target to be set once One Network Road Classification (ONRC) benchmark established, in the interim 2015-18 maintained at 96 or less
The percentage of the sealed local road network that is resealed	Achieved: 53km - 7% local roads resealed in 2015/16 (new measure)	Reseal 7% each year of sealed network
The percentage of footpaths within the district that fall within the specified level of service	Not Achieved: 80% meet specified level of service (new measure)	Footpath condition (percentage compliant with standards) = 96%
The percentage of public enquiries responded to within agreed timeframes	Achieved: 95% of public enquiries responded to within agreed timeframes (2014/15 – 91%)	90% of public enquiries responded to within agreed timeframes

## Funding Impact Statement – Roads and Footpaths

Roads & Footpaths				
2014/15 Actual \$(000)	2014/15 Budget \$(000)		2015/16 Actual \$(000)	2015/16 Budget \$(000)
		<b>Sources of Operating Funding</b>		
234	234	General Rates, Uniform Annual General Charge, Rates Penalties	196	196
6,116	6,114	Targeted Rates	6,383	6,380
6,350	6,348	<b>Rates Revenue</b>	6,579	6,576
3,032	2,505	Subsidies and Grants for Operating Purposes	2,822	3,491
240	222	Fees and Charges	249	222
-	-	Interest and Dividends from Investments	-	-
31	25	Internal Charges and Overheads Recovered	24	44
306	489	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	269	494
3,609	3,241	<b>Operating Revenue</b>	3,364	4,251
9,959	9,589	<b>Total Sources of Operating Funding</b>	9,943	10,827
		<b>Applications of Operating Funding</b>		
4,717	4,816	Payments to Staff and Suppliers	4,490	6,255
-	-	Finance Costs	-	-
1,341	1,342	Internal Charges and Overheads Applied	1,500	1,614
-	-	Other Operating Funding Applications	-	-
6,058	6,158	<b>Total Applications of Operating Funding</b>	5,990	7,869
3,901	3,431	<b>Surplus / (Deficit) of Operating Funding</b>	3,953	2,958
		<b>Sources of Capital funding</b>		
3,124	2,567	Subsidies and Grants for Capital Expenditure	3,225	2,853
123	139	Development and Financial Contributions	142	139
-	-	Increase / (Decrease) in Debt	-	-
-	-	Gross Proceeds from Sale of Assets	-	-
3,247	2,706	<b>Total Sources of Capital Funding</b>	3,367	2,992
		<b>Applications of Capital funding</b>		
		Capital Expenditure		
-	-	Meet Additional Demand	-	-
550	795	Improve Levels of Service	1,144	453
6,034	4,792	Replace Existing Assets	4,901	5,094
564	550	Increase / (Decrease) in Reserve	1,275	403
-	-	Increase / (Decrease) in Investments	-	-
7,148	6,137	<b>Total Applications for Capital Funding</b>	7,320	5,950
(3,901)	(3,431)	<b>Surplus / (Deficit) of Capital Funding</b>	(3,953)	(2,958)
-	-	<b>Funding Balance</b>	-	-

### Commentary on Major Changes

Council continued the Rural Resilience programme, focusing on improving and upgrading key parts of the rural roading network throughout the District, with funding from NZTA. The programme was allowed for in the 2015 - 25 LTP, but the timing of actual works undertaken resulted in an overspend on capital works. This overspend was matched by NZTA funding, and will affect works to be undertaken in the next few years.

# ***Water Services and Waste***

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The Water Services and Waste group of activities include:

- Waste Management and Minimisation
- Stormwater Drainage
- Water Supplies
- Sewerage Treatment and Disposal

## **What we did**

### Waste Management and Minimisation

- Entered into a partnership with Waste Management Ltd to manage the district's waste post closure of the Oamaru Landfill by means of a new Refuse Transfer Station
- Collaborated with Waste Management Ltd and the Waitaki Resource Recovery Trust, on a location for the new Refuse Transfer Station
- Developed a Memorandum of Understanding between the Waitaki District Council, Waste Management Ltd and the Waitaki Resource Recovery Trust confirming each party's responsibilities within the waste partnership arrangement post closure of the Oamaru Landfill
- Determined how the various waste streams would be handled post closure of the Oamaru Landfill and worked with businesses to minimise and source alternative disposal sites for waste unable to be accepted by Waste Management Ltd and the Waitaki Resource Recovery Trust
- Produced and gained approval from Otago Regional Council for a Closure Plan for the Oamaru Landfill
- Continued to develop the Oamaru Landfill site in preparation for closure
- Applied and gained from Otago Regional Council a new resource consent to continue operation of the Oamaru Landfill until commencement of the new Refuse Transfer Station
- Provided the following waste grants:
  - \$270,000 to the Waitaki Resource Recovery Trust (consists of \$220,000 cash, \$40,000 value lease and \$10,000 ground maintenance)
  - \$20,000 to Waihemo Waste Busters

### Stormwater Drainage

- Engaged SouthRoads Ltd to operate and maintain the stormwater reticulation network following public tender of the 3 Waters Reticulation Operations and Maintenance contract from 1 July 2016
- On-going proactive and reactive inspections of critical stormwater assets such as inlets and outlets
- Upgraded 120m of stormwater main in Stuart Street, Oamaru to provide capacity for increased stormwater flows from Dove Place subdivision
- Continued to assess the capacity of soak holes within the Oamaru North End Business Park to confirm the extent of required improvements to Muddy Creek.

### Water Supplies

- Engaged SouthRoads Ltd to operate and maintain the water reticulation network following public tender of the 3 Waters Reticulation Operations and Maintenance contract from 1 July 2016
- Engaged Filtec to install a UV disinfection system at the Otematata Water Treatment Plant necessary to meet the New Zealand Drinking Water Standards
- Assessed options for the resolution of the effects of aggressive water on Otematata water supply consumers and obtained agreement from the Ahuriri Community Board for the effects to be monitored and managed by consumers
- Drilled two production bores to locate a secure and quality water source for the Omarama Water Supply necessary to meet the New Zealand Drinking Water Standards
- Instigated H2OurHealth, a project team consisting of Waitaki District Council officers and a number of highly experienced engineering, project management and communication professionals, established to manage, design and procure the installation of a 30km water supply pipeline from the Oamaru water supply to the Herbert-Waianakarua and Hampden-Moeraki water supplies necessary to meet the New Zealand Drinking Water Standards.



# ***Water Services and Waste***

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## Water Supplies Continued

- Successfully procured and installed a GE membrane filtration system at the Oamaru Water Treatment Plant providing improved capacity and lower operating costs gaining Waitaki District Council national recognition at the IPWEA NZ 2016 Excellence Awards
- Reviewed the management of the Awamoko, Windsor, Tokarahi and Kauru Hill water supplies by Corriedale Water Management Ltd and confirmed for management to remain with CWM Ltd for another year
- Re-developed the Kurow water supply bores to improve the source water quality and UV disinfection system efficiency
- Updated and calibrated the Oamaru water supply hydraulic model to assist with water supply pipeline renewal planning
- Utilised the Oamaru water supply hydraulic model to identify water supply pipeline limitations and improvements in the South Hill zone necessary to deliver the required volumes of water to the Herbert-Waianakarua and Hampden-Moeraki water supplies in the future whilst maintaining or in some locations improving the level of service to existing Oamaru water supply consumers
- Commenced development of Water Safety Plans for the Otematata and Ohau water supplies necessary to meet the New Zealand Drinking Water Standards
- Designed and procured a number of water supply pipeline renewals and upgrades to meet the needs of key Oamaru businesses such as the Observatory Hill Retirement Village and Canterbury Spinners Ltd.

## Sewerage Treatment and Disposal

- Engaged SouthRoads Ltd to operate and maintain the sewer reticulation network following public tender of the 3 Waters Reticulation Operations and Maintenance contract from 1 July 2016
- Applied to Otago Regional Council for a new discharge to land permit for the Moeraki Wastewater Treatment Plant post expiry of the existing discharge permit to Waiwherowhero Creek
- Assessed potential sites for the new Moeraki Wastewater Treatment Plant disposal field and following finalisation of the landowner's approval, commenced detailed design
- Engaged Hydrocare (NZ) Ltd to remove and dispose of sludge from the Weston oxidation pond improving capacity and in turn reducing overflow occurrences
- Commenced an assessment of options for the ownership and management of sewer laterals to determine if the existing private ownership model is appropriate
- Completed an assessment of options for remediation of wastewater overflows from the sewer reticulation and pump station networks during storm events
- Assessed the capacity of the 450mm diameter sewer rising main to the Oamaru Wastewater Treatment Plant and completed various cleaning and air removal works to improve the pipeline operation.

# Waste Management & Minimisation

## Community outcomes

Community outcomes	How the activity contributes to the outcome
We enable opportunities for new and existing businesses	By providing access to affordable, reliable, accessible and efficient waste disposal systems and facilities
We provide and enable services and facilities so people want to stay and move here	By providing access to affordable, reliable, accessible and efficient waste disposal systems and facilities
We maintain the safest community we can	By providing access to reliable and efficient waste disposal systems and facilities
Waitaki's distinctive environment is valued and protected	By managing the activity in accordance with consent conditions and enforcement of the relevant legislation to mitigate adverse environmental effects  By encouraging minimisation, reuse and recycling of waste
We understand the diverse needs of our community	By encouraging the provision of different waste disposal options by the private sector

## How we performed - Waste Management & Minimisation

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
Percentage of residents who are within 25km of a transfer station, landfill or recycling drop-off station	Achieved: 97% of residents are within 25km of a transfer station, landfill or recycling drop-off station (97% in 2014/15)	90% of residents are within 25km of a transfer station, landfill or recycling drop-off station
The amount of material being removed from the waste stream	Achieved: Glass – 469 tonnes removed from waste stream (503 tonnes in 2014/15) Not Achieved*: Greenwaste – 1,731 tonnes removed from the waste stream (1,758 in 2014/15) Recyclables – 1,430 tonnes removed from the waste stream (1,899 in 2014/15)  *Ratio between ordinary waste and diverted waste is consistent with previous years (17-18%).	Remove from the waste stream at least: <ul style="list-style-type: none"> <li>• Greenwaste – 2,000 tonnes</li> <li>• Recyclables – 2,500 tonnes</li> <li>• Glass – 450 tonnes</li> </ul>

## Funding Impact Statement – Waste Management & Minimisation

Waste Management & Minimisation				
2014/15 Actual \$(000)	2014/15 Budget \$(000)		2015/16 Actual \$(000)	2015/16 Budget \$(000)
688	686	<b>Sources of Operating Funding</b>		
		General Rates, Uniform Annual General Charge, Rates Penalties Targeted Rates	983	982
-	-		-	-
688	686	<b>Rates Revenue</b>	983	982
75	60	Subsidies and Grants for Operating Purposes	82	60
1,175	896	Fees and Charges	1,362	746
-	-	Interest and Dividends from Investments	-	-
-	-	Internal Charges and Overheads Recovered	-	-
1	-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	26	-
1,251	956	<b>Operating Revenue</b>	1,470	806
1,939	1,642	<b>Total Sources of Operating Funding</b>	2,453	1,788
		<b>Applications of Operating Funding</b>		
1,122	1,370	Payments to Staff and Suppliers	1,742	1,350
-	-	Finance Costs	-	-
222	238	Internal Charges and Overheads Applied	198	286
-	-	Other Operating Funding Applications	-	-
1,344	1,608	<b>Total Applications of Operating Funding</b>	1,940	1,636
595	34	<b>Surplus / (Deficit) of Operating Funding</b>	513	152
		<b>Sources of Capital funding</b>		
-	-	Subsidies and Grants for Capital Expenditure	-	-
-	-	Development and Financial Contributions	-	-
-	-	Increase / (Decrease) in Debt	-	-
-	-	Gross Proceeds from Sale of Assets	-	-
-	-	<b>Total Sources of Capital Funding</b>	-	-
		<b>Applications of Capital funding</b>		
		Capital Expenditure		
-	-	Meet Additional Demand	-	-
2	-	Improve Levels of Service	-	-
230	-	Replace Existing Assets	3	-
363	34	Increase / (Decrease) in Reserve	510	152
-	-	Increase / (Decrease) in Investments	-	-
595	34	<b>Total Applications for Capital Funding</b>	513	152
(595)	(34)	<b>Surplus / (Deficit) of Capital Funding</b>	(513)	(152)
-	-	<b>Funding Balance</b>	-	-

### Commentary on Major Changes

The budget anticipated the Oamaru landfill would close in March 2016, but delays in commissioning the new transfer station resulted in the facility remaining open longer than expected. More use is being made of the landfill by commercial operators, and material from the demolition of the old hospital buildings has also been deposited, resulting in increased revenue. Operating costs have increased over budget due both to the deferred closure of the facility and increased volumes.

Work has continued on capping parts of the Oamaru landfill, although areas have been identified which require further work.

Development of a new transfer station facility in collaboration with private sector partners has commenced.

# Stormwater Drainage

## Community outcomes

Community outcomes	How the activity contributes to the outcome
We maintain the safest community we can	By managing flooding events in urban areas
We enable opportunities for new and existing businesses	By managing flooding events in urban areas
Waitaki's distinctive environment is valued and protected	By acknowledging and incorporating the natural environment in design, construction, operation and maintenance of infrastructure
We keep our district affordable	By providing a timely response to service requests and system failures  By managing the activity efficiently and effectively
We provide and enable services and facilities so people want to stay and move here	By maintaining the quality and continuity of stormwater services

## How we performed – Stormwater Drainage

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
a) The number of flooding events that occur in our systems	Achieved: Nil flooding events from the stormwater system (new measure)	a) No Target. As no data is currently available for this measure, the targets are to be identified following the first year (2015/16) of activity
b) For each event, the number of habitable floors affected (expressed per 1,000 properties connected to our stormwater systems)	Achieved: Nil flooding events from the stormwater system (new measure)	b) No Target. As no data is currently available for this measure, the targets are to be identified following the first year (2015/16) of activity
The median response time to attend a flooding event, measured from the time that we receive notification to the time that service personnel reach the site	Achieved: Nil flooding events from the stormwater system (new measure)	4 hours
The total number of complaints received by us about the performance of the stormwater system, expressed per 1,000 properties connected to our stormwater system	Achieved 0.1 complaints received per 1,000 connections (new measure)	Less than one complaint per 1,000 connections

## Funding Impact Statement – Stormwater

Stormwater Drainage				
2014/15 Actual \$(000)	2014/15 Budget \$(000)		2015/16 Actual \$(000)	2015/16 Budget \$(000)
-	-	<b>Sources of Operating Funding</b>	-	-
		General Rates, Uniform Annual General Charge, Rates Penalties		
471	471	Targeted Rates	434	433
471	471	<b>Rates Revenue</b>	434	433
-	-	Subsidies and Grants for Operating Purposes	-	-
-	-	Fees and Charges	-	-
-	-	Interest and Dividends from Investments	-	-
-	-	Internal Charges and Overheads Recovered	-	-
9	-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-
9	-	<b>Operating Revenue</b>	-	-
480	471	<b>Total Sources of Operating Funding</b>	434	433
		<b>Applications of Operating Funding</b>		
42	64	Payments to Staff and Suppliers	57	66
-	-	Finance Costs	-	-
101	133	Internal Charges and Overheads Applied	107	124
-	-	Other Operating Funding Applications	-	-
143	197	<b>Total Applications of Operating Funding</b>	164	190
337	274	<b>Surplus / (Deficit) of Operating Funding</b>	270	243
		<b>Sources of Capital funding</b>		
-	-	Subsidies and Grants for Capital Expenditure	-	-
-	-	Development and Financial Contributions	-	-
-	-	Increase / (Decrease) in Debt	-	-
-	-	Gross Proceeds from Sale of Assets	-	-
-	-	<b>Total Sources of Capital Funding</b>	-	-
		<b>Applications of Capital funding</b>		
		Capital Expenditure		
-	-	Meet Additional Demand	-	-
20	39	Improve Levels of Service	-	-
-	-	Replace Existing Assets	57	-
317	235	Increase / (Decrease) in Reserve	213	243
-	-	Increase / (Decrease) in Investments	-	-
337	274	<b>Total Applications for Capital Funding</b>	270	243
(337)	(274)	<b>Surplus / (Deficit) of Capital Funding</b>	(270)	(243)
-	-	<b>Funding Balance</b>	-	-

### Commentary on Major Changes

The activities in this group operated as expected. Development of stormwater infrastructure in the Oamaru North End Industrial Park area which was deferred from the 2014/15 financial year was completed in the current period.

# Water Supply

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## Community outcomes

Community outcome	How the activity contributes to the outcome
We enable opportunities for new and existing businesses	By providing assurance of a sustainable, efficient and effective water service through long term planning of maintenance, renewals, and provision for growth
We provide and enable services and facilities so people want to stay and move here	By providing assurance of a sustainable, efficient and effective water service through long term planning of maintenance, renewals, and provision for growth
We maintain the safest community we can	By protecting the communities from drinking water related health issues by providing quality potable water to agreed areas
We keep our district affordable	By measuring demand and use to actively manage water  Through timely response to service requests and failure

# Water Supply

## How we performed – Water Supply

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
The percentage of real water loss from our networked reticulation system	<p>Oamaru – 24% Palmerston – 31% Kurow – 44% Omarama – 87% Otematata – 28% (new measure)</p> <p><i>*Water loss has been calculated for on-demand water supplies only, in accordance with the Department of Internal Affairs Non-Financial Performance Measure Guidelines, Minimum Night Flow Analysis</i></p> <p><i>Restricted water supplies have been excluded due to the nature of their constant trickle feed operation removing the ability to determine minimum night time flows</i></p> <p><i>Large water supply consumers have not been excluded from the water loss calculations and therefore actual water loss values are lower than indicated</i></p> <p><i>The percentage of water loss for the Oamaru, Palmerston, Kurow and Otematata water supplies is consistent with past officer assessments. Leak detection contractors have been engaged in the past to reduce water loss within the Omarama water supply with very little long term success</i></p> <p><i>Targets are to be set in the 2016-17 financial year providing Council with a water loss benchmark</i></p>	As no data is currently available for this measure, the targets are to be identified following the first year (2015/16) of activity

# Water Supply

## How we performed – Water Supply

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
The extent to which our water supply complies with: a) Part 4 of the drinking water standards (bacteria compliance criteria) b) Part 5 of the drinking water standards (protozoa compliance criteria)	<p>a) Part 4 Achieved: Oamaru, Waihemo, Tokarahi, Kurow, Omarama, Kauru Hill, Stoneburn, Duntroon</p> <p>Not Achieved*: Lower Waitaki, Awamoko, Windsor</p> <p>b) Part 5* Achieved: Oamaru, Kurow, Duntroon</p> <p>Not Achieved*: Waihemo, Lower Waitaki, Tokarahi, Awamoko, Kauru Hill, Windsor</p> <p>(new measures)</p> <p><i>*Water supplies for which the target was not met are compliant with the Drinking Water Standards 97-98% of the year. Non-compliance typically relates to gaps in data where compliance could not be proven but is actually achieved</i></p>	Compliance as specified in “Safety of Drinking Water” table (page 46) below

\* Herbert-Waianakarua, Hampden-Moeraki, Omarama, Otematata, Otekaieke, Stoneburn, Dunrobin, Lake Ohau water supplies have yet to be upgraded to meet the national Drinking Water Standards. It is considered, however, that these water supplies meet the standards.



# Water Supply

## How we performed – Water Supply

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
Total number of complaints about water quality and quantity	Not Achieved*: 24 complaints received per 1,000 connections (new measure) <i>*Approximately 30% of complaints were identified on inspection as “no fault found” due to the cause being typically a private fault or a lack of understanding by the consumer of the level of service they should receive</i> <i>The majority of complaints received relate to quantity of water or the lack of water, with the primary cause being pipeline leaks within the network. At times multiple CRMs were received for one fault</i>	Less than six complaints per 1,000 connections
Median time for attendance of urgent call outs: from the time that we receive notification to the time that service personnel reach the site	Achieved: Median attendance time for urgent call outs was 0.50 hours (new measure)	One hour median attendance time for urgent call outs
Median time for resolution of urgent call outs: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption	Achieved: Median resolution time for urgent call outs was 5.8 hours (new measure)	Six hours median time for resolution of urgent call outs
Median time for attendance of non-urgent call outs: from the time that we receive notification to the time that service personnel reach the site	Achieved: Median attendance time for non-urgent call outs was 3.5 hours (new measure)	Eight hours median attendance time for non-urgent call outs
Median time for resolution of non-urgent call outs: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption	Achieved: Median resolution time for non-urgent call outs of 13.25 hours (new measure)	48 hours median resolution time for non-urgent call outs
The average consumption of drinking water per day per resident within Waitaki district	Achieved: Average consumption per resident of 313 litres per day* (new measure)  <i>*Consumption has been calculated for on-demand (urban) water supplies only as restricted supplies (rural) are for stock consumption also and the percentage split cannot be confirmed</i>	Less than 500 litres per day average consumption of drinking water per resident within Waitaki district

## Water Supply - Safety of drinking water

Water Supply	Population (UR) 2013 mesh blocks	Bacterial Compliance			Protozoal Compliance (%)		
		Current performance	Target		Current performance	Target	
			2015-17	2018-25		2015-17	2018-25
Oamaru	14,390	New measure	Yes	Yes		Yes	Yes
Waihemo	1,357	New measure	Yes	Yes		Yes*	Yes*
Lower Waitaki	778	New measure	Yes	Yes		Yes	Yes
Herbert/Waianakarua	670	New measure	No	Yes		No	Yes
Tokarahi	636	New measure	Yes**	Yes**		Yes**	Yes**
Hampden/Moeraki	501	New measure	No	Yes		No	Yes
Awamoko	399	New measure	Yes**	Yes**		Yes**	Yes**
Kurow	330	New measure	Yes	Yes		Yes	Yes
Omarama	270	New measure	Yes	Yes		No	16/17 Yes*
Kauru Hill	197	New measure	Yes**	Yes**		Yes**	Yes**
Otematata	195	New measure	No	16/17 Yes***		No	16/17 Yes***
Windsor	190	New measure	Yes**	Yes**		Yes**	Yes**
Otekaieke	140	New measure	No****	Yes		No	18/19 Yes
Stoneburn	86	New measure	Yes	Yes		No	18/19 Yes
Duntroon	81	New measure	Yes	Yes		Yes	Yes
Dunrobin	75	New measure	No ****	Yes		No	18/19 Yes
Lake Ohau	36	New measure	No ****	16/17 Yes		No	16/17 Yes
Awahokomo	21	New measure	NA	NA		NA	NA

\* It is anticipated that every few years weather events will cause instances where compliance is not able to be achieved due to high levels of turbidity. However, this risk has been identified and contingency plans, including increased chlorination and sampling, are in place and managed through the Water Safety Plan.

\*\* Supply is managed by the Corriedale Water Supply Committee which has undertaken to meet the Drinking Water Standards and Health (Drinking Water) Act.

\*\*\* Supply does not have chlorine to provide an additional barrier during events such as those that occur during \* above and therefore it is possible for bacterial failures to occur but a contingency plan is in place for additional sampling and issuing of boil water notices to ensure public health during these events

\*\*\*\* Supply has a permanent boil water notice.

## Funding Impact Statement – Water Supply

Water Supply				
2014/15 Actual \$(000)	2014/15 Budget \$(000)		2015/16 Actual \$(000)	2015/16 Budget \$(000)
1	1	<b>Sources of Operating Funding</b>	1	1
		General Rates, Uniform Annual General Charge, Rates Penalties		
5,266	5,262	Targeted Rates	5,610	5,596
5,267	5,263	<b>Rates Revenue</b>	5,611	5,597
-	-	Subsidies and Grants for Operating Purposes	-	-
629	437	Fees and Charges	585	440
-	-	Interest and Dividends from Investments	-	-
400	376	Internal Charges and Overheads Recovered	364	375
8	-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	17	-
1,037	813	<b>Operating Revenue</b>	966	815
6,304	6,076	<b>Total Sources of Operating Funding</b>	6,577	6,412
		<b>Applications of Operating Funding</b>		
2,847	2,841	Payments to Staff and Suppliers	3,140	2,902
-	-	Finance Costs	-	-
1,463	1,476	Internal Charges and Overheads Applied	1,406	1,638
-	-	Other Operating Funding Applications	-	-
4,310	4,317	<b>Total Applications of Operating Funding</b>	4,546	4,540
1,994	1,759	<b>Surplus / (Deficit) of Operating Funding</b>	2,031	1,872
		<b>Sources of Capital funding</b>		
-	-	Subsidies and Grants for Capital Expenditure	-	-
245	275	Development and Financial Contributions	242	275
-	-	Increase / (Decrease) in Debt	-	-
-	-	Gross Proceeds from Sale of Assets	-	-
245	275	<b>Total Sources of Capital Funding</b>	242	275
		<b>Applications of Capital funding</b>		
-	-	Capital Expenditure	-	-
-	-	Meet Additional Demand	-	-
859	592	Improve Levels of Service	705	-
728	1,435	Replace Existing Assets	1,592	2,475
652	7	Increase / (Decrease) in Reserve	(24)	(328)
-	-	Increase / (Decrease) in Investments	-	-
2,239	2,034	<b>Total Applications for Capital Funding</b>	2,273	2,147
(1,994)	(1,759)	<b>Surplus / (Deficit) of Capital Funding</b>	(2,031)	(1,872)
-	-	<b>Funding Balance</b>	-	-

### Commentary on Major Changes

Work continued on drinking water standard upgrades for several rural water schemes, however several planned for this year were deferred resulting in less capital expenditure than was budgeted

# Sewerage Treatment and Disposal

## Community outcomes

Community outcome	How the activity contributes to the outcome
We enable opportunities for new and existing businesses	By providing community reticulated systems in agreed areas
We provide and enable services and facilities so people want to stay and move here	By providing a timely response to service requests and system failures By maintaining quality and continuity of wastewater services
We maintain the safest community we can	By maintaining the quality and continuity of wastewater services and protecting the community from wastewater related health issues
We keep our district affordable	By providing a timely response to service requests and system failures By managing the activity efficiently and effectively
Waitaki's distinctive environment is valued and protected	By acknowledging and incorporating the natural environment in design, construction, operation and maintenance of infrastructure

## How we performed – Sewerage Treatment and Disposal

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
Where we attend to sewerage overflows resulting from a blockage or other fault in our sewerage system, the following median response times measured:  a) Attendance time: from the time that we receive notification to the time that service personnel reach the site  b) Resolution time: from the time that we receive notification to the time that service personnel confirm resolution of the blockage or other fault	a) Achieved: Median attendance time for sewerage overflows of 0.46 hours (new measure)  b) Achieved: Median resolution time for sewerage overflows of 2.19 hours (new measure)	a) 0.75 hours attendance time for sewerage overflows  b) 6 hours resolution time for sewerage overflows

# Sewerage Treatment and Disposal

## How we performed – Sewerage Treatment and Disposal (continued)

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
The total number of complaints received by us about any of the following: a) Sewage odour b) Sewerage system faults c) Sewerage system blockages, and d) Our response to issues with our sewerage system expressed per 1,000 properties connected to the system	Achieved: Eight complaints received per 1,000 connections (new measure)	Less than 12 complaints per 1,000 connections
The number of dry weather overflows from our sewerage system, expressed per 1,000 sewerage connections to the system	Not Achieved*: Three sewerage overflows per 1,000 connections (new measure)	Less than 1.4 sewerage overflows per 1,000 connections (<20 total)
Compliance with resource consents for discharge from our sewerage system measured by the number of: a) Abatement notices b) Infringement notices c) Enforcement orders d) Convictions	a) Achieved: Nil abatement notices received b) Achieved: Nil infringement notices received c) Achieved: Nil enforcement orders received d) Achieved: Nil convictions received (new measure)	a) Nil b) Nil c) Nil d) Nil

## Funding Impact Statement – Sewerage Treatment and Disposal

<b>Sewerage (Treatment &amp; Disposal)</b>			
2014/15 Actual \$(000)	2014/15 Budget \$(000)	2015/16 Actual \$(000)	2015/16 Budget \$(000)
-	-	-	-
1,733	1,729	1,745	1,742
1,733	1,729	1,745	1,742
-	-	-	-
325	240	318	270
-	-	-	-
445	417	399	439
-	-	6	20
770	657	723	729
2,503	2,386	2,468	2,471
1,145	1,061	1,716	1,366
-	-	-	-
522	483	533	533
-	-	-	-
1,667	1,544	2,249	1,899
836	842	219	572
-	-	-	-
67	116	83	116
-	-	-	-
-	-	-	-
67	116	83	116
-	-	-	-
35	200	14	100
51	100	66	300
817	658	222	288
-	-	-	-
903	958	302	688
(836)	(842)	(219)	(572)
-	-	-	-

### Commentary on Major Changes

The activities in this group generally operated as expected, except that some capital projects were deferred until 2017/18.

# Arts, Heritage and Community

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## Arts, Heritage and Community Group of Activities is comprised of:

- Waitaki District Libraries
- Forrester Gallery and North Otago Museum and Archive
- Oamaru Opera House
- Community Safety Development and Grants

## What we did

### Waitaki District Libraries

- Collaborated with Forrester Gallery, Archive, North Otago Museum and Oamaru Opera House to improve efficiency and encourage staff development and morale. This collaboration included sharing staff and providing them with a broader range of experience
- Continued to offer school holiday programmes and developed combined education programmes with the Forrester Gallery and the North Otago Museum
- Staff visited schools and encouraged reciprocal school visits
- Continued to offer *Wriggle & Rhyme*; an active movement programme for 0-24 month olds
- Continued to offer *Toddler Time*. Attendance at weekly sessions has been consistent, due to *Wriggle & Rhyme* families bringing their toddlers along. We have also expanded the *Toddler Time* programme to Palmerston, with Fiona Kerr, Youth Librarian visiting preschools and inviting them to the Library
- Continued developing the Kid's Book Club
- Encouraged the use of eBook readers and offered eReader clinics to the public (a 4% increase in eBook issues)
- Fostered a positive relationship with the shared Customer Service/Library at Palmerston and shifted the service levels to be more library focused, with on-going events and programmes
- Reconfigured the Palmerston Library to a more customer friendly layout
- Continued developing the Library's webpage, resulting in a new mobile-device-friendly front page
- Expanded the use of Facebook, Pinterest and Twitter as marketing tools, with excellent results in event attendance
- Held a number of successful displays, events, talks, presentations and demonstrations in the library by authors and musicians. Celebrated NZ Book Month, Music Month; hosted book launches, community talks, multi-cultural events, etc. There was a 20% increase in attendance, compared with the previous year.
- Further developed the Culture Waitaki website, working with staff of the Forrester Gallery, Archive, Oamaru Opera House and North Otago Museum
- Reduced newspaper and magazine subscriptions to expand our electronic database subscriptions eg World Book and Ancestry
- Continued to use and develop the Open Source Koha Library Management System which was upgraded and enhanced during the year. Supported Waimate District Council with their development and upgrade of the Koha system and shared in staff training
- Commenced planning of a reconfiguration of Oamaru Public Library as part of the introduction of Radio Frequency Identification (RFID) technology. This is in line with the international practice of more customer-driven library services, but working within a 40-year-old building footprint
- Worked collaboratively with government and community agencies as well as Literacy North Otago to address the challenges of access to technology and upskilling some ratepayers to engage with e-Government sites.

# ***Arts, Heritage and Community***

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## **Forrester Gallery, North Otago Museum and Archive**

- Delivered 22 exhibitions at the Forrester Gallery; including four touring exhibitions, eight from community groups/local artists, four from the Gallery's permanent collection and four temporary exhibitions. The 'Kermadec – Lines in the Ocean' exhibition was launched on 20 February 2016 by the Hon. Maggie Barry, Minister for Arts, Culture and Heritage, Conservation and Seniors
- Delivered three temporary exhibitions at the Museum based on the collection
- Moved elements of the permanent exhibition displays into the temporary gallery following reduced access to the Museum in April 2016 as part of preparation for the Cultural Facility Development Project
- Delivered nine exhibition launch events and nine artist talks (two of these were combined with the exhibition launch event), and one event at the Museum (display of the Donald Forrester Brown Victoria Cross Medal over Anzac weekend)
- Delivered 49 collection blogs on Culture Waitaki's website about the Museum collections
- Grew social media interaction: the Gallery Facebook page 'likes' increased from 452 to 652 and the Museum Facebook page 'likes' increased from 1,183 to 1,837. Culture Waitaki traffic continues to grow as overall content is improved
- Launched the Wonderlab education space at the Gallery. This is now operating across the Gallery/Museum and Archive collections.
- Continued to lead the collaborative holiday programmes with Waitaki District Libraries and the Aquatic Centre
- Collaborated with the Oamaru Opera House and Waitaki District Libraries to deliver a combined Heritage Week Programme
- Collaborated with Waitaki District Libraries to offer a staff member the opportunity to work with the Gallery/Museum and continue to enable back up and support from the Curator of Archives to Library Systems as needed
- Developed education programmes and engagement with schools following the appointment of Curator of Education in May 2015 achieving 44 school educational programmes (including 11 off-site)
- Re-integrated the Waitaki District Archive into the Gallery/Museum operations and the Cultural Facility Development Project
- Launched collaborative research project into the Willetts' Collection with University of Otago, Te Rūnanga O Moeraki and Waitaha Taiwhenua o Waitaki Trust Board
- Hosted two Gallery meetings/visits, presented four community workshops and one exhibition display at the Gallery for the Cultural Facility Development Project
- Completed research and significance assessments on 14 different subject matter collections at the Museum, including an expert report on the Willett's Collection identifying it as a collection of national significance
- Completed upgrades to Vernon collection database system (for example updating person information entries). Delivered physical enhancements of the Archive collections enabling faster and more accurate searching and completed physical upgrades to the Archive (for example completion of packing unit project; de-framing project and commencement of review and update of digitisation of glass negatives collection).

## **Oamaru Opera House**

- Two audience development programmes were implemented to increase community engagement: 'Test Drive the Arts' offered to community groups and local businesses and 'Arts Ambassadors' from the local high schools
- Collaborated with Forrester Gallery, North Otago Museum and Waitaki District Libraries to deliver a combined Heritage Week Programme
- Presented a schools' programme in the lead up to Heritage Week based on Alice in Wonderland which attracted 718 attendees over the two week period
- Completed administration training for Ungerboeck Event Management system



# ***Arts, Heritage and Community***

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## **Oamaru Opera House Continued**

- Fibre optic Wi-Fi connected in time for the Irrigation NZ Conference, providing high speed Wi-Fi access for 350 conference delegates
- Four major conferences were hosted
- Free-of-charge meeting space provided for not-for-profit organisations. This was utilised throughout the year, providing space for 50 meetings
- A diverse performing arts programme was delivered which included six international tours and four cultural shows targeted to Maori, Asian and Pacific Island communities
- All staff attended Health and Safety sessions to bring them up to date with the new legislation
- Collaborated with the Library for presentation of the preschool event *Wriggle & Rhyme*
- Oamaru Opera House increased audience numbers at community and commercial events
- Engagement with local schools
- Provided ticketing services for local and national events, in particular rugby games held at Forsyth Barr Stadium
- Delivered 34 shows in the Whitestone Contracting Auditorium and Inkbox Theatre
- Secured sponsorship funding from Whitestone Contracting Ltd and Whitestone Cheese
- Continued excellence in café and catering services for meetings and events
- Increased audience numbers attending major events.

## **Community Safety, Development and Grants**

- Safer Waitaki Governance Group met formally four times during the year: August, October, March and June
- Safer Waitaki Management Group met monthly
- Safer Waitaki Working groups met monthly/six weekly
- Successfully co-ordinated Chamber of Commerce workshops for NGOs Governance/Management x2 Managing Staff x1
- Successfully completed Safer Waitaki Development workshop
- Suicide Prevention Core group met five times and successfully facilitated three 'Safe' community talks
- Collaborated with Waitaki Road Safe to deliver successful Cycle Skills Day. Sixty six children and their families attended
- Safer Waitaki Alcohol and Drug group undertook a Parent Survey which generated 115 responses
- Distributed 2,000 'Having a Rough Time' cards
- Safer Waitaki Alcohol and Drug group successfully developed a Waitaki webpage on the 'No Safe Limits' website
- Collaborated with Sport Waitaki and Soul Surf Skate to successfully deliver Palmy Skate Jam event which had 25 participants
- Collaborated with Waitaki Multicultural Council to successfully deliver a Race Relations Day concert with key violence prevention messages
- Along with Police, led the successful delivery of a coordinated White Ribbon event. This involved four high schools, three classic cars, 25 local motorcycle riders, and seven national White Ribbon riders and was supported by local businesses in Oamaru and Hampden
- Delivered a Road Safety contract with Dunedin City Council. This was for delivery of a three day road safety event aimed at year 11 students: 'Safer Journeys Expo'. 1,706 registrations were received from schools across Otago
- Co-ordinated Managing Volunteers workshop
- Participated in Safer Communities Foundation of NZ National Forum. Presented on Results Based Accountability (RBA) and Sustainability
- Worked collaboratively with multicultural communities in the Waitaki district.

# Arts, Heritage and Community

## Community outcomes

Community outcome	How the activity contributes to the outcome
We provide and enable services and facilities so people want to stay and move here	By providing facilities and services that contribute to the quality of life of the district and make it attractive for people to live here
We maintain the safest community we can	By playing an active role in the Safer Waitaki Coalition

## How we performed:

- Forrester Gallery, North Otago Museum and Archive
- Waitaki District Libraries
- Oamaru Opera House
- Community Safety, Development and Grants

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
<b>Forrester Gallery, North Otago Museum and Archive</b>		
Number of visitors to the Gallery	Achieved: 2015/16 = 15,639 visitors (2014/15 = 12,150 visitors)	Maintain visitor numbers to the Gallery in advance of the Cultural Facility Development project
Percentage of the community satisfied or very satisfied with the level of information about the redevelopment of the Gallery and Museum	Not Achieved: Residents' Survey 28% satisfied with the level of information about the redevelopment of the Gallery and Museum (new measure)	80% are satisfied or very satisfied with the level of information about the redevelopment of the Gallery and Museum
Percentage of the district's schools who are satisfied or very satisfied with the Gallery and Museum's educational activities and/or engagement	Achieved: 90% of schools satisfied or very satisfied with the level of engagement by the Gallery/Museum 90% of schools satisfied or very satisfied with the educational activities and programmes offered by the Gallery/Museum (new measure)	80% of the district's schools are satisfied or very satisfied with the Gallery's and Museum's educational activities and/or engagement
Percentage of Archive users satisfied with the Archive services	Not Achieved: 76% satisfaction with the Archive services (100% in 2014/15)	90% of Archive users are satisfied with the Archive services

## Arts, Heritage and Community

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
<b>Waitaki District Libraries</b>		
Percentage of residents who are satisfied or very satisfied with library services	Not Achieved: Residents' Survey 91% satisfied with library services (95% in 2014/15) <i>Note this is a very high level of satisfaction and only 1 percentage point lower than target</i>	92% of residents are satisfied or very satisfied with library services
Average number of attendees per event held at the libraries	Not Achieved: 31.4 attendees per event at the libraries (32 in 2014/15)	Maintain or grow average number of people attending each event
Percentage increase in the number of enquiries handled by librarians, which include, for example, readers' advisory, assistance with mobile devices, research enquiries	Achieved: 8,131 enquiries handled by librarians; an increase of 11% over 2014/15 (7,296)	5% increase on previous year
Number of library visitors: <ul style="list-style-type: none"> <li>Electronic visits to the library website</li> <li>Physical visits</li> </ul>	<ul style="list-style-type: none"> <li>2015/16: 76,915 page visits, i.e. electronic visits to library websites and digital resources (Culture Waitaki, Catalogue, e-Resources) (2014/15: 81,922)</li> <li>Not Achieved: 155,610 visits (2014/15: 175,776) <i>We have been separating Palmerston Service Centre visits from library visits. There is a national downwards trend for visits to libraries</i></li> </ul>	<ul style="list-style-type: none"> <li>Benchmark to be set year 1</li> <li>Maintain numbers</li> </ul>

## Arts, Heritage and Community

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
<b>Oamaru Opera House</b>		
Percentage of residents who are satisfied or very satisfied with the opera house	Achieved: Residents' Survey 94% satisfied with the Opera House (96% in 2014/15)	90% of residents are satisfied or very satisfied with the Opera House
Number of community meetings and events held at the Opera House	Not Achieved: 88 community meetings and events held (2014/15: 119) 54 Free of Charge events held (down from 90 in 2014/15)	Maintain numbers of community meetings and events held
Percentage increase in tickets sold for performances	Achieved: Ticket sales up 5.4% to 9,670 in 2015/16 (up from 9,178 in 2014/15)	5% increase in the number of tickets sold for performances on the previous year
Percentage growth in use of the Opera House for commercial meetings, events, functions and conferences	Not Achieved: Events down 2.4% to 161 events in 2015/16 (165 events in 2014/15) <i>Note this decrease only represents four fewer events held</i>	5% increase in contracted hires on the previous year
<b>Community Safety, Development and Grants</b>		
Percentage of residents who are satisfied or very satisfied that Waitaki is a safe place to live	Not Achieved: Residents' Survey 91% satisfied that the Waitaki district is a safe place to live (94% in 2014/15) <i>Note this is a very high level of satisfaction</i>	95% of residents are satisfied or very satisfied that the Waitaki district is a safe place to live

## Funding Impact Statement – Arts, Heritage and Community

Arts, Heritage & Community				
2014/15 Actual \$(000)	2014/15 Budget \$(000)		2015/16 Actual \$(000)	2015/16 Budget \$(000)
		<b>Sources of Operating Funding</b>		
237	236	General Rates, Uniform Annual General Charge, Rates Penalties	280	280
3,057	3,053	Targeted Rates	3,180	3,169
3,294	3,289	<b>Rates Revenue</b>	3,460	3,449
86	104	Subsidies and Grants for Operating Purposes	84	109
364	371	Fees and Charges	340	377
-	-	Interest and Dividends from Investments	-	-
-	-	Internal Charges and Overheads Recovered	-	-
144	166	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	139	166
594	641	<b>Operating Revenue</b>	563	652
3,888	3,930	<b>Total Sources of Operating Funding</b>	4,023	4,101
		<b>Applications of Operating Funding</b>		
2,540	2,574	Payments to Staff and Suppliers	2,481	2,616
-	-	Finance Costs	-	-
1,242	1,190	Internal Charges and Overheads Applied	1,255	1,317
-	-	Other Operating Funding Applications	-	-
3,782	3,764	<b>Total Applications of Operating Funding</b>	3,736	3,933
106	166	<b>Surplus / (Deficit) of Operating Funding</b>	287	168
		<b>Sources of Capital funding</b>		
-	-	Subsidies and Grants for Capital Expenditure	4	-
-	-	Development and Financial Contributions	-	-
-	-	Increase / (Decrease) in Debt	-	-
7	-	Gross Proceeds from Sale of Assets	10	-
7	-	<b>Total Sources of Capital Funding</b>	14	-
		<b>Applications of Capital funding</b>		
-	-	Capital Expenditure	-	-
-	-	Meet Additional Demand	-	-
112	55	Improve Levels of Service	312	755
128	136	Replace Existing Assets	130	136
(127)	(25)	Increase / (Decrease) in Reserve	(141)	(723)
-	-	Increase / (Decrease) in Investments	-	-
113	166	<b>Total Applications for Capital Funding</b>	301	168
(106)	(166)	<b>Surplus / (Deficit) of Capital Funding</b>	(287)	(168)
-	-	<b>Funding Balance</b>	-	-

### Commentary on Major Changes

The activities in this group generally operated as expected. Design and other costs related to the redevelopment of the Forerster Gallery and North Otago Museum were below budget as the scope of the project continued to evolve.

# ***Parks and Recreation***

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## **What we did**

- Offered a range of services at the Aquatic Centre including a comprehensive swim programme (new-borns through to competitive swimming), water safety skills, water aerobics and attractions in the form of rope swim, small slide and inflatables, fitness and holiday programmes
- Ran a pilot gateway programme to provide lifeguard qualifications to Waitaki Boys' High School students
- Provided grants for community access to school pools in Kurow and Palmerston
- Provided an inflatable dragon for the Harbour Fun Day
- Hosted the South Island schools' canoe polo tournament
- Changed our Swim School registration system to reduce waiting times and provide a range of payment options
- Increased number of school water safety sessions
- Hosted two Otago region swim meets
- Carried out turf renovation programmes as recommended by New Zealand Sports Turf Institute
- Installed drainage at Weston Oval
- Supported Forest and Bird with four community plantings at Cape Wanbrow
- Harvested Herbert Forest
- Maintained sports fields to meet local sporting requirements
- Provided neighbourhood reserves within 600m of most residential properties
- Worked with various community groups and individuals on planting of reserves
- Maintained playgrounds to NZ Standards
- Provided and maintained six traditional 'kiwi style' campgrounds at the Waitaki Lakes, along with boat ramps
- Provided and maintained 11 open cemeteries for burials and maintained two additional closed cemeteries for the community
- Maintained cemeteries to a high standard with all being mown rather than having rural cemeteries grazed as is common in other councils
- Installed new ash garden for Kurow Cemetery.

# Parks and Recreation

## Community outcomes

Community outcome	How the activity contributes to the outcome
We provide and enable services and facilities so people want to stay and move here	By providing parks, gardens and greenspaces, sports and recreation facilities that contribute to the district's quality of life, which in turn helps make Waitaki attractive to existing and prospective residents and businesses
We keep our district affordable	By providing activities at low cost or free to users and managing the activity efficiently and effectively
We understand the diverse needs of our community	By acknowledging the needs of the wider community and cultural and recreation/sport groups through the provision of multipurpose spaces
We maintain the safest community we can	By meeting industry standards and providing opportunities for people to feel safe while being active and to connect the community through sport and recreation
Waitaki's distinctive environment is valued and protected	By complying with resource consents and regulations  By providing opportunities for people to enjoy the district's distinctive environment
We enable opportunities for new and existing businesses	By providing facilities that contribute to the attractiveness of the district and create opportunities for new businesses, for example, tour operators, sports events, accommodation

## How we performed

### Parks and Reserves

Most parks are well maintained with positive comments from users. Council's Annual Residents' Survey reports 65% of the population used Council's parks during the year.

Benchmarking results in April 2016 show we provide per 1,000 residents:

- 27.1Ha of accessible recreation land compared to national median of 20.1Ha

Parks and their assets are generally in good condition, however some assets are older and in need of a repaint. Where playground assets were structurally sound we carried out preventative maintenance, painting and replacing timber to prolong their life rather than replacing them with newer designs and styles which would come at a cost and not provide any additional value to the community.

Oamaru Public Gardens continue to be classified as a Garden of Significance.

A number of enhancement opportunities are available for the community in Oamaru Stream, Cape Wanbrow and Glen Eden.

# Parks and Recreation

## Waitaki Aquatic Centre

We experienced a 2% increase in numbers through the door. Notable changes in use were:

- Swim Squad use increased
- Increase in Health referrals from Green Prescription
- Decrease in family passes and corresponding increase in adult and child entries due to under 8's now being free.

Our prices remain slightly lower than similar facilities in New Zealand and we continue to provide a variety of price options from single entry to ten swim and three month passes. We provide discounted entry for Community Services Card and Gold Card holders and Green Prescription referrals. Total programme income exceeds direct operational costs and contributes to general operating costs of the facility.

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
Percentage increase in visitors to the Waitaki Aquatic Centre	2% increase (2,979 visits) (new measure)	1% increase in number of visits per annum (+1,373 per annum)
Percentage of customers who are satisfied or very satisfied with the Waitaki Aquatic Centre	Achieved: Residents' Survey 90% of customers satisfied with the Waitaki Aquatic Centre (89% in 2014/15)	90% of customers satisfied or very satisfied with the Waitaki Aquatic Centre
Percentage of residents who are satisfied or very satisfied with Waitaki's parks and reserves	Achieved: Residents' Survey 91% satisfied with Waitaki's parks and reserves (90% in 2014/15)	90% of residents are satisfied or very satisfied with Waitaki's parks and reserves
Percentage of residents who have used the district's camping grounds and are satisfied or very satisfied with the quality of the camping grounds	Not Achieved: Residents' Survey 76% satisfied with the quality experience of the district's camping grounds (79% in 2014/15)	90% of users are satisfied or very satisfied with the quality experience of the district's camping grounds
Percentage of residents who are satisfied or very satisfied with Waitaki's sports fields and facilities	Not Achieved: Residents' Survey 84% satisfied with Waitaki's sports fields and facilities (89% in 2014/15)	90% of residents are satisfied or very satisfied with Waitaki's sports fields and facilities
Percentage of the residents who are satisfied or very satisfied with the district's cemeteries	Not Achieved: Residents' Survey 87% satisfied with the district's cemeteries (89% in 2014/15)	95% satisfaction with the district's cemeteries



## Funding Impact Statement – Parks and Recreation

Parks & Recreation					
2014/15 Actual \$(000)	2014/15 Budget \$(000)		2015/16 Actual \$(000)	2015/16 Budget \$(000)	
		<b>Sources of Operating Funding</b>			
685	684	General Rates, Uniform Annual General Charge, Rates Penalties	566	565	
3,063	3,060	Targeted Rates	3,227	3,221	
3,748	3,744	<b>Rates Revenue</b>	3,793	3,786	
51	4	Subsidies and Grants for Operating Purposes	36	4	
864	837	Fees and Charges	1,015	955	
-	-	Interest and Dividends from Investments	-	-	
-	-	Internal Charges and Overheads Recovered	-	-	
596	453	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	1,229	1,253	
1,511	1,294	<b>Operating Revenue</b>	2,280	2,212	
5,259	5,038	<b>Total Sources of Operating Funding</b>	6,073	5,998	
		<b>Applications of Operating Funding</b>			
3,792	3,697	Payments to Staff and Suppliers	4,651	4,291	
-	-	Finance Costs	-	-	
702	795	Internal Charges and Overheads Applied	700	884	
-	-	Other Operating Funding Applications	-	-	
4,494	4,492	<b>Total Applications of Operating Funding</b>	5,351	5,175	
765	546	<b>Surplus / (Deficit) of Operating Funding</b>	722	823	
		<b>Sources of Capital funding</b>			
8	-	Subsidies and Grants for Capital Expenditure	7	-	
-	-	Development and Financial Contributions	-	-	
-	-	Increase / (Decrease) in Debt	-	-	
-	-	Gross Proceeds from Sale of Assets	680	-	
8	-	<b>Total Sources of Capital Funding</b>	687	-	
		<b>Applications of Capital funding</b>			
		Capital Expenditure			
-	-	Meet Additional Demand	-	-	
11	97	Improve Levels of Service	280	356	
259	189	Replace Existing Assets	158	461	
503	260	Increase / (Decrease) in Reserve	971	6	
-	-	Increase / (Decrease) in Investments	-	-	
773	546	<b>Total Applications for Capital Funding</b>	1,409	823	
(765)	(546)	<b>Surplus / (Deficit) of Capital Funding</b>	(722)	(823)	
-	-	<b>Funding Balance</b>	-	-	

### Commentary on Major Changes

The activities in this group generally operated as expected. Logging activities at the Herbert Forest resulted in unbudgeted asset sales, and generated a significant surplus

## ***Commercial & Development Activities***

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This Group of Activities includes:

- Economic Development, Grants and Services
- Commercial Holdings
- Community Property
- Property Holdings
- Public Toilets

### **What we did**

- Three Community Housing units were renovated and seven were partially renovated
- Oamaru Harbour re-survey and perfection of title is nearing completion
- There was a significant reduction in property debt through property sales
- The former North Otago RSA building in Oamaru came into Council ownership and significant asbestos remediation was completed
- Waihemo Service Centre, Palmerston was upgraded
- Prepared land for sale
- Library/Opera House/Centennial Memorial rooms heating replaced
- Penguin Colony development progressed
- Renovations undertaken to various commercial and operational buildings eg insulation, heating, carpet
- Carried out seismic and asbestos assessments on Council-owned buildings
- Freezer building deemed earthquake prone and fenced off to prevent public access
- Negotiated with Department of Justice to acquire the Oamaru Court House building

# Commercial & Development Activities

## Community outcomes

Community outcome	How the activity contributes to the outcome
We enable opportunities for new and existing businesses	By contributing to the economy of the district
We keep our district affordable	Effectively managing the property portfolio means that returns are maximised and rates input is minimised
We provide and enable services and facilities so people want to stay and move here	By providing properties that meet the needs of the community, meaning that people are more likely to want to stay and they will encourage others to move here

## How we performed - Commercial & Development Activities

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
Tenants are satisfied or very satisfied with their tenancy as a percentage of all tenancies by annual user survey: a) Community housing tenants b) Commercial tenants	Achieved: a) 88% of community housing tenants satisfied with their tenancy b) 80% of commercial tenants satisfied with their tenancy (new measure)	a) 80% of community housing tenants satisfied with their tenancy b) 75% of commercial tenants are satisfied with their tenancy
Individual tenancies are occupied as a percentage of available units/tenancies: a) Community housing units b) Commercial tenancies	Achieved: a) 93% of community housing units occupied b) 82% of commercial tenancies occupied (new measure)	a) 80% of community housing units occupied b) 80% of commercial tenancies occupied
Percentage of residents who are satisfied or very satisfied with public toilets	Not Achieved: Residents' Survey 69% satisfied with public toilets (75% in 2014/15)	80% of residents are satisfied with public toilets
North Otago Irrigation Company (NOIC) annual report on financial, environmental, service, economic and social benefits	Not Achieved: Six monthly report has not been received by Council  Achieved: Annual Report for year ended 30 June 2015 presented at Finance Audit and Risk Committee on 11 November 2015 (new measures)	Six monthly report submitted by 30 April in Years 1 to 3  Audited Annual Report submitted by 30 November in Years 1 to 3
Annual return on investment in NOIC	Achieved: Annual rate of return on the NOIC investment for 2015/16 was 4.57% (new measure)	Annual return equals market 1 year swap rate plus 1.25% in Years 1 to 3

## Funding Impact Statement - Commercial & Development Activities

Commercial & Development Activities				
2014/15 Actual \$(000)	2014/15 Budget \$(000)		2015/16 Actual \$(000)	2015/16 Budget \$(000)
		<b>Sources of Operating Funding</b>		
889	886	General Rates, Uniform Annual General Charge, Rates Penalties	714	710
869	868	Targeted Rates	505	498
1,758	1,754	<b>Rates Revenue</b>	1,219	1,208
35	-	Subsidies and Grants for Operating Purposes	31	-
1,336	1,341	Fees and Charges	1,421	1,373
1,134	985	Interest and Dividends from Investments	1,827	1,394
(876)	(818)	Internal Charges and Overheads Recovered	(786)	(858)
610	469	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	646	523
2,239	1,977	<b>Operating Revenue</b>	3,139	2,432
3,997	3,731	<b>Total Sources of Operating Funding</b>	4,358	3,640
		<b>Applications of Operating Funding</b>		
2,652	3,654	Payments to Staff and Suppliers	3,104	3,308
-	-	Finance Costs	-	-
(55)	39	Internal Charges and Overheads Applied	(41)	(292)
-	-	Other Operating Funding Applications	-	-
2,597	3,693	<b>Total Applications of Operating Funding</b>	3,063	3,016
1,400	38	<b>Surplus / (Deficit) of Operating Funding</b>	1,295	624
		<b>Sources of Capital funding</b>		
351	-	Subsidies and Grants for Capital Expenditure	797	-
145	-	Development and Financial Contributions	165	-
(3)	(2)	Increase / (Decrease) in Debt	-	(1)
(1,325)	376	Gross Proceeds from Sale of Assets	(1,817)	47
(832)	374	<b>Total Sources of Capital Funding</b>	(855)	46
		<b>Applications of Capital funding</b>		
		Capital Expenditure		
-	-	Meet Additional Demand	-	-
605	278	Improve Levels of Service	1,310	195
-	-	Replace Existing Assets	115	800
(37)	134	Increase / (Decrease) in Reserve	(985)	(325)
-	-	Increase / (Decrease) in Investments	-	-
568	412	<b>Total Applications for Capital Funding</b>	440	670
(1,400)	(38)	<b>Surplus / (Deficit) of Capital Funding</b>	(1,295)	(624)
-	-	<b>Funding Balance</b>	-	-

### Commentary on Major Changes

Works on the development of the Alps2Ocean Cycletrail were not budgeted, as funding was not certain. This has resulted in significant unbudgeted capital expenditure and capital funding because work has proceeded in response to the confirmation of funding

Interest income is close to budget, despite reduced interest rates. Dividends and subvention payments from CCOs contributed \$452k of unbudgeted revenue

# ***Environment, Regulation and Safety***

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The Environment, Regulation and Safety Group of Activities is composed of the following:

- Building Control
- Environmental Health and Safety
- Animal Control
- Emergency Management
- District Planning

## **What we did:**

### **Regulatory Services**

- 24% reduction in animal control complaints
- Maintained Building Consent Authority accreditation
- Building workshop held and stakeholder newsletter developed
- 100% on and off licensed premises inspected.

### **Planning**

- Ongoing work being undertaken on the District Plan review
- Advocacy/submission made to the Otago Regional Council Regional Policy Statement.

### **Waitaki Civil Defence Emergency Management**

- Developed Waitaki District Council Evacuation Plan (in partnership with NZ Police)
- Provided summary details of impacts of new Ministry of Civil Defence and Emergency Management National Plan 2015
- Undertook annual review of all Standard Operating Procedures for Council's Emergency Operations Centre
- Developed a Waitaki District Fuel Plan
- Held inaugural meeting of the Waitaki District Lifelines Committee
- Completed a review of Council's Urban Fire Bylaw culminating in Council adopting a new Urban Fire Prevention Bylaw in December 2015
- Drafted and signed off MoU's with SouthRoads and Otago Rural Fire Authority
- Trained volunteers in Co-ordinated Incident Management Systems (CIMS)
- Trained community volunteers in radio operations and welfare response to an emergency
- Developed and ran two Council Emergency Operations Centre exercises and provided training for Emergency Operations Centre Function personnel.

# Environment, Regulation and Safety

## Community outcomes

Community outcome	How the activity contributes to the outcome
We keep our district affordable	By managing the activity efficiently and effectively
We provide services and facilities so people want to stay and move here	By providing building control services in a professional and efficient manner
We enable opportunities for new and existing businesses	By ensuring building consents are processed accurately, efficiently and within statutory timeframes
We enable opportunities for new and existing businesses	By ensuring sufficient land is zoned for business, commercial and rural activities
We maintain the safest community we can	<p>By ensuring buildings are safe and do not pose a risk to the public</p> <p>By ensuring that food for sale to the public is prepared in safe premises that meet food hygiene regulations</p> <p>By ensuring the threat to the community from nuisance or dangerous dogs or wandering stock is minimised</p> <p>By having a fully functional Emergency Operations Centre and trained and competent emergency management personnel to ensure we play an active role in supporting and co-ordinating emergency responses in the district</p>
Waitaki's distinctive environment is valued and protected	<p>By resolving commercial and domestic environmental impacts</p> <p>By monitoring approved resource consents and conditions to minimise environmental impact and promote sustainable land management</p>

## How we performed – Environment, Regulation and Safety

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
Percentage of resource consents processed are within the statutory timeframes	Not Achieved: One resource consent of the 129 processed was not within statutory timeframes therefore 99.22% were within the statutory timeframes (100% in 2014/15)	100% of resource consents are processed within the statutory timeframes
Percentage of approved resource consents implemented	Unable to be measured: Consent holders have a five year timeframe in which to implement the approved consent.	<p>100% of implemented subdivision consents and notified land use consents</p> <p>50% of implemented non-notified land use consents</p>

# Environment, Regulation and Safety

## How we performed – Environment, Regulation and Safety

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
Percentage of building consents processed within 20 working days	Not Achieved: 91.37% building consents approved within 20 working days Average timeframe 9.83 days <i>Note the statutory requirement is currently 95% processed within 20 working days (95% in 2014/15)</i>	100% of building consents processed within 20 working days
Percentage of public buildings with specified systems audited annually against building compliance standards	Achieved: 87 premises audited; 27% of total register (21% in 2014/15)	20% of premises audited
High risk buildings (such as hotels) checked more than once every five years	Achieved (Achieved in 2014/15)	High risk buildings (such as hotels) checked more than once every five years
Percentage of Category 1 food premises and Category 2 and 3 premises inspected annually	Not Achieved: Category 1 - 92% of category 1 food premises inspected (42.2% in 2014/15)  Achieved: Category 2 and 3 85% of Category 2 food premises inspected (62% in 2014/15) 120% of Category 3 food premises inspected (83% in 2014/15)	Annual inspection of 100% of Category 1 food premises  Annual inspection of 50% of Category 2 and 3 premises
Percentage of high risk licenced premises inspected every six months	Achieved: 100% of high risk licenced premises inspected every six months (new measure)	100% of high risk licenced premises inspected every six months
Number of reported dog attacks	Achieved: 35 dog attacks reported (new measure)	The number of reported dog attacks is less than 54
Menacing and dangerous dog incidents responded to within two hours of notification	Not Achieved: 98% of urgent dog complaints responded to within two hours (new measure) <i>Note this includes the following types of incidents: Rushing dogs, dog attacks, wandering dog and found dogs</i>	100% of menacing and dangerous dog incidents responded to within two hours of notification
Percentage of urgent stock control incidents responded to within two hours of notification	Not Achieved: 99% of urgent stock complaints responded to within two hours (100% in 2014/15)	100% of urgent stock control incidents responded to within two hours of notification

# Environment, Regulation and Safety

## How we performed – Environment, Regulation and Safety Continued

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
Number of fully trained and competent Emergency Operations Centre (EOC) staff	Not Achieved: We have 30 competent personnel, further training has been provided to some personnel including one-on-one-type learning specific to their roles and responsibilities (new measure)	35 fully trained and competent EOC staff
Percentage of residents who are satisfied or very satisfied with emergency services	Not Achieved: Residents' Survey 62% satisfied with emergency services (86% in 2014/15) <i>Note this is from a very small sample size of 13 people who had contacted Council regarding Civil Defence Emergency Management in the past 12 months which may have biased the results</i>	75% of residents are satisfied or very satisfied with emergency services



## Funding Impact Statement – Environment, Regulation and Safety

Regulation & Safety				
2014/15 Actual \$(000)	2014/15 Budget \$(000)		2015/16 Actual \$(000)	2015/16 Budget \$(000)
		<b>Sources of Operating Funding</b>		
1,822	1,819	General Rates, Uniform Annual General Charge, Rates Penalties	1,918	1,917
503	503	Targeted Rates	504	504
2,325	2,322	<b>Rates Revenue</b>	2,422	2,421
2	6	Subsidies and Grants for Operating Purposes	-	-
1,176	1,322	Fees and Charges	1,289	1,409
-	-	Interest and Dividends from Investments	-	-
21	145	Internal Charges and Overheads Recovered	-	-
38	42	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	54	32
1,237	1,515	<b>Operating Revenue</b>	1,343	1,441
3,562	3,837	<b>Total Sources of Operating Funding</b>	3,765	3,862
		<b>Applications of Operating Funding</b>		
1,172	1,292	Payments to Staff and Suppliers	933	1,267
-	-	Finance Costs	-	-
2,421	2,531	Internal Charges and Overheads Applied	2,578	2,686
-	-	Other Operating Funding Applications	-	-
3,593	3,823	<b>Total Applications of Operating Funding</b>	3,511	3,953
(31)	14	<b>Surplus / (Deficit) of Operating Funding</b>	254	(91)
		<b>Sources of Capital funding</b>		
-	-	Subsidies and Grants for Capital Expenditure	-	-
149	150	Development and Financial Contributions	76	110
-	-	Increase / (Decrease) in Debt	-	-
285	-	Gross Proceeds from Sale of Assets	-	-
434	150	<b>Total Sources of Capital Funding</b>	76	110
		<b>Applications of Capital funding</b>		
		Capital Expenditure		
-	-	Meet Additional Demand	-	-
6	-	Improve Levels of Service	-	-
1	-	Replace Existing Assets	-	-
396	164	Increase / (Decrease) in Reserve	330	19
-	-	Increase / (Decrease) in Investments	-	-
403	164	<b>Total Applications for Capital Funding</b>	330	19
31	(14)	<b>Surplus / (Deficit) of Capital Funding</b>	(254)	91
-	-	<b>Funding Balance</b>	-	-

### Commentary on Major Changes

The activities in this group generally operated as expected. Two significant projects - the anticipated review of the district plan, and the identification and inspection of earthquake-prone buildings - were deferred to the following year.

# ***Democracy and Accountability***

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The Democracy and Accountability group of activities includes:

- Waitaki District Council
- Ahuriri and Waihemo Community Boards
- Community Planning
- Community Accountability

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

Under Section 78 the Local Government Act 2002 a local authority must, in the course of its decision-making process in relation to a matter, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter.

## **Council and Community Boards – What we did**

Several key milestones included:

### **Council**

- Class 4 Gambling Venues and TAB Policy adopted by Council on 28 October 2015
- Waitaki District Urban Fire Prevention Bylaw 2015 adopted by Council on 9 December 2015
- Considered a total of 81 submissions, eight of which were late, and heard 41 speakers to the draft 2015/16 Annual Plan before it was adopted in June 2016
- Prepared Annual Report to 30 June 2016 (including residents' survey)
- Review of District Plan commenced October 2015
- 'Responsible Freedom Camping' Bylaw went out for one months' public consultation on 23 June 2016
- Review of Council's General Bylaw commenced
- Section 17a review commenced and Council is actively working with other Otago councils to explore opportunities for improved efficiencies through a collaborative review process.

### **Ahuriri Community Board**

- Council Digital Communications Noticeboard installed at West Road Shop & Café in Otematata
- Approved \$2,490 funding for Kurow Museum and Information Centre
- Approved \$4,000 for picnic tables and bike stand in Kurow
- Approved additional funding of up to \$1,000 for the bollards outside the Kurow Museum
- Approved funding of a sound system for the Omarama Anzac Day Service
- Funded \$782 for maintenance work on Otematata pontoon
- Approved \$2,000 funding request from Waitaki Valley Community Society

### **Waihemo Community Board**

- Allocated \$9,000 to fund the upgrade of the Bond Street section of road in the Palmerston Town Centre.
- Community Project 'Haven Street, Moeraki' was a combined Council, Community Board and volunteers' project where everyone worked together on the successful re-opening of Haven Street
- Allocated \$520 to support a youth event at Palmerston Skate Park
- Approved a request for assistance with funding of \$250 towards the Palmerston Mini Show
- Allocated up to \$11,000 towards Shag Point, Palmerston Lookout, Moeraki Steps projects
- Approved \$4,000 to light the Zealandia monument and install additional bollards in Palmerston

# Democracy and Accountability

## Community outcomes

Community outcome	How the activity contributes to the outcome
We keep our district affordable	By providing governance structures, planning and reporting to provide cost effective, good quality infrastructure, public services and regulatory functions
We provide and enable services and facilities so people want to stay and move here	By providing opportunities for the community to actively contribute to democratic local decision making on services and facilities
We understand the diverse needs of our community	By providing opportunities to participate in democratic local decision making through representation on Community Boards, Council and

## How we performed – Democracy and Accountability

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25
Percentage of plans, policies and bylaws adopted and reviewed within statutory timeframes	Achieved: 100% of plans, policies and bylaws identified in the Strategic Work Programme adopted within statutory timeframes (new measure) Note this included the following: <ul style="list-style-type: none"> <li>• 2016/17 Annual Plan – Adopted 22 June 2016</li> <li>• General Bylaw Review commenced and due for completion in 2018</li> <li>• Waitaki District Responsible Freedom Camping Bylaw 2016 to be adopted on 14 September 2016</li> <li>• District Plan Review commenced</li> <li>• Policy on Council Controlled Organisations Directorships agreed</li> </ul>	100% of plans, policies and bylaws identified in the Strategic Work Programme adopted within statutory timeframes
Percentage of residents satisfied or very satisfied with the performance of the Mayor and Councillors	Not Achieved: Residents' Survey 65% satisfied with the performance of Mayor and Councillors (69% in 2014/15)	75% of residents are satisfied or very satisfied with the performance of the Mayor and Councillors
Percentage of residents satisfied or very satisfied with the performance of the Ahuriri Community Board	Not Achieved: Residents' Survey 45% satisfied with the performance of the Ahuriri Community Board (39% in 2014/15)	85% of residents rate the performance of the Ahuriri Community Board as satisfactory or very satisfactory
Percentage of residents satisfied or very satisfied with the performance of the Waihemo Community Board	Not Achieved: Residents' Survey 45% satisfied with the performance of the Waihemo Community Board (50% in 2014/15)	85% of residents rate the performance of the Waihemo Community Board as satisfactory or very satisfactory

## ***Democracy and Accountability***

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<b>Performance Measures</b>	<b>Achievements 2015/16</b>	<b>Targets LTP 2015/16 – 2024/25</b>
Percentage of residents satisfied or very satisfied with consultation and engagement	Not Achieved: Residents' Survey 42% satisfied with consultation and engagement (50% in 2014/15)	60% of residents satisfied or very satisfied with consultation and engagement

## Funding Impact Statement – Democracy and Accountability

Democracy, Accountability & Planning				
2014/15 Actual \$(000)	2014/15 Budget \$(000)		2015/16 Actual \$(000)	2015/16 Budget \$(000)
		<b>Sources of Operating Funding</b>		
1,960	1,958	General Rates, Uniform Annual General Charge, Rates Penalties	1,896	1,899
1,544	1,543	Targeted Rates	1,508	1,508
3,504	3,501	<b>Rates Revenue</b>	3,404	3,407
24	34	Subsidies and Grants for Operating Purposes	36	31
-	-	Fees and Charges	-	-
-	-	Interest and Dividends from Investments	-	-
-	-	Internal Charges and Overheads Recovered	-	-
3	-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	8	-
27	34	<b>Operating Revenue</b>	44	31
3,531	3,535	<b>Total Sources of Operating Funding</b>	3,448	3,438
		<b>Applications of Operating Funding</b>		
855	982	Payments to Staff and Suppliers	784	791
-	-	Finance Costs	-	-
2,297	2,651	Internal Charges and Overheads Applied	2,400	2,619
-	-	Other Operating Funding Applications	-	-
3,152	3,633	<b>Total Applications of Operating Funding</b>	3,184	3,410
379	(98)	<b>Surplus / (Deficit) of Operating Funding</b>	264	28
		<b>Sources of Capital funding</b>		
-	-	Subsidies and Grants for Capital Expenditure	-	-
-	-	Development and Financial Contributions	-	-
-	-	Increase / (Decrease) in Debt	-	-
-	-	Gross Proceeds from Sale of Assets	-	-
-	-	<b>Total Sources of Capital Funding</b>	-	-
		<b>Applications of Capital funding</b>		
		Capital Expenditure		
-	-	Meet Additional Demand	-	-
-	-	Improve Levels of Service	-	-
-	-	Replace Existing Assets	-	-
379	(98)	Increase / (Decrease) in Reserve	264	28
-	-	Increase / (Decrease) in Investments	-	-
379	(98)	<b>Total Applications for Capital Funding</b>	264	28
(379)	98	<b>Surplus / (Deficit) of Capital Funding</b>	(264)	(28)
-	-	<b>Funding Balance</b>	-	-

### Commentary on Major Changes

Three-yearly elections will be held in the 2016/17 financial year. Costs reflected in this activity relate to the operations of Council itself, including the preparation and auditing of the annual report, the completion of the annual plan and other similar Council functions.

## Support Services (Net Allocated)

Support Services (Net Allocated)				
2014/15 Actual \$(000)	2014/15 Budget \$(000)		2015/16 Actual \$(000)	2015/16 Budget \$(000)
-	-	<b>Sources of Operating Funding</b>	-	-
-	-	General Rates, Uniform Annual General Charge, Rates Penalties Targeted Rates	-	-
-	-	<b>Rates Revenue</b>	-	-
14	-	Subsidies and Grants for Operating Purposes	1	-
8	8	Fees and Charges	14	6
-	-	Interest and Dividends from Investments	-	-
14,763	15,008	Internal Charges and Overheads Recovered	15,202	16,137
18	40	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	113	17
14,803	15,056	<b>Operating Revenue</b>	15,330	16,160
14,803	15,056	<b>Total Sources of Operating Funding</b>	15,330	16,160
		<b>Applications of Operating Funding</b>		
9,605	10,217	Payments to Staff and Suppliers	10,280	10,894
-	-	Finance Costs	-	-
4,528	4,274	Internal Charges and Overheads Applied	4,567	4,730
-	-	Other Operating Funding Applications	-	-
14,133	14,491	<b>Total Applications of Operating Funding</b>	14,847	15,624
670	565	<b>Surplus / (Deficit) of Operating Funding</b>	483	536
		<b>Sources of Capital funding</b>		
-	-	Subsidies and Grants for Capital Expenditure	-	-
-	-	Development and Financial Contributions	-	-
-	-	Increase / (Decrease) in Debt	-	-
30	90	Gross Proceeds from Sale of Assets	79	74
30	90	<b>Total Sources of Capital Funding</b>	79	74
		<b>Applications of Capital funding</b>		
-	-	Capital Expenditure	-	-
-	-	Meet Additional Demand	-	-
61	50	Improve Levels of Service	182	285
399	325	Replace Existing Assets	572	331
240	280	Increase / (Decrease) in Reserve	(192)	(6)
-	-	Increase / (Decrease) in Investments	-	-
700	655	<b>Total Applications for Capital Funding</b>	562	610
(670)	(565)	<b>Surplus / (Deficit) of Capital Funding</b>	(483)	(536)
-	-	<b>Funding Balance</b>	-	-

### Commentary on Major Changes

The activities in this group operated as expected during the year, and detailed commentary is not considered necessary

## ***Council Controlled Organisations (CCOs)***

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

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

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

Whitestone Contracting Ltd provides contracting services to Council and to other customers throughout and beyond the Waitaki district, retaining employment, revenue and economic benefits within the district.

# ***Omarama Airfield Limited***

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The company was established in 1993 as a joint venture between Council and the Omarama Soaring Centre Inc. to develop and operate the Omarama Airfield. Each shareholder holds 50% of the issued shares, but as Council appoints a majority of the Directors, the company, under the provisions of the Local Government Act 2002, is deemed to be a Council Controlled Organisation (CCO).

Council's primary objective for continued involvement in the ownership and control of the company is to advance and promote tourism and provide economic benefits and opportunity within the district.

## **Objectives**

The principal objective of Omarama Airfield Ltd is to provide and maintain airfield facilities and associated infrastructure to support flying and gliding activities and encourage the development of other tourism-related opportunities in the Omarama area and throughout the wider district.

## **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
- Decisions are based on the achievement of long term strategic needs and objectives
- The Company acts as a good employer and as an environmentally conscious and responsible corporate citizen
- 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 its performance, including variations from the business plan and performance against targets in the Statement of Intent
- Audited financial statements as required under the Companies Act 1993
- Performance against the Corporate Governance Statement.



# Omarama Airfield Limited

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## Community outcomes

- We provide and enable services and facilities so people want to stay and move here.

## How we performed – Omarama Airfield

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25 Years 1 – 3
Maintain, operate and provide planned services within budgeted income	Revenue exceeded budget while expenditure was on budget  The surplus for the year was better than budget by \$10,300	Operate and provide planned services within budgeted income  Achieve a break-even or better result after prudent provision for assets depreciation and replacement, and for future trading requirements
Enhance the economic benefits to the Omarama and Ahuriri community arising from the operation and development of the airfield as measured by increased patronage of facilities and participation in events	Over 1,500 visitors annually, using local amenities. Local contractors undertake maintenance, and at least 20 people work at the airfield during the season	Enhance economic benefits for the communities of both Omarama and the Ahuriri district generally through the continued operation of the airfield as measured by patronage of facilities and participation in events

# Omarama Airfield Limited

Financial Performance	2016 \$000	2015 \$000
<b>Revenues</b>		
Operating revenue	97	99
Rental revenue	42	44
Other revenue	3	26
<b>Total Revenue</b>	<b>142</b>	<b>169</b>
<b>Expenditure</b>		
Operating expenditure	91	97
Audit Fees	8	7
Depreciation	24	23
<b>Total Expenditure</b>	<b>123</b>	<b>127</b>
<b>Net Surplus / (Deficit) Before Taxation</b>	<b>19</b>	<b>42</b>
Provision for Taxation	-	-
<b>Net Surplus / (Deficit) After Taxation</b>	<b>19</b>	<b>42</b>

Financial Position	2016 \$000	2015 \$000
<b>Shareholders' Funds</b>	<b>1,369</b>	<b>1,350</b>
<u>Represented by:</u>		
Non-current Assets	1,272	1,227
Current Assets	135	134
Current Liabilities	(16)	(11)
Non-current Liabilities	(22)	-
<b>Net Assets</b>	<b>1,369</b>	<b>1,350</b>

The Company received an unqualified audit report for the year ended 30 June 2016 on 30 September 2016.

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.

# ***Tourism Waitaki Limited***

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Tourism Waitaki Limited was established as Waitaki Development Board Limited in December 1996, and formally changed its name in March 2015. The company is 100% owned by Waitaki District Council and, under the provisions of the Local Government Act 2002, is deemed to be a Council Controlled Organisation (CCO).

Council's primary objective for continued ownership and control of the company is to advance and promote tourism within the district.

## **Objectives**

The principal objective of Tourism Waitaki Limited is to facilitate the growth of tourism within the district.

Other specific objectives include the attraction of grant funding where applicable and the operation and management of both the Oamaru Blue Penguin Colony and the Alps2Ocean Cycle Trail.

## **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 expediencies
- The Company acts as a good employer and as an environmentally conscious and responsible corporate citizen
- The Company, in its consultative practices, has due regard for Māori
- 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 Companies Act 1993
  - A report on compliance with the Company's Tendering Policy
  - Any grants awarded by Tourism Waitaki Ltd to another party, including information measuring the effectiveness of the grant.

# Tourism Waitaki Limited

## Community outcomes

- We enable opportunities for new and existing business
- We provide and enable services and facilities so people want to stay and move here
- Waitaki's distinctive environment is valued and protected

## How we performed – Tourism Waitaki Limited

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25 Years 1 – 3
Growth in visitors from core domestic markets	Target to be set based on the current year's level	x% annual growth in visitors from core domestic markets* Signage strategy developed and implemented
Expansion of current trade ready products	Target to be set based on the current year's level	x% growth in trade ready products*
Travel infrastructure network expanded	Target to be set based on the current year's level	x% growth in travel infrastructure*
International Marketing Alliance (IMA) agreements in place across the South Island	Target to be set based on the current year's level	<ul style="list-style-type: none"> <li>• x% of IMA South Island agreements in year 1*</li> <li>• x% annual increase of IMA agreements in years 2 and 3*</li> </ul>
Industry affiliations expanded	Target to be set based on the current year's level	<ul style="list-style-type: none"> <li>• x number of industry affiliations developed in year 1*</li> <li>• x% annual increase of industry affiliations in years 2 and 3*</li> </ul>
Increased inbound operators (IBO) visitors	Target to be set based on the current year's level	<ul style="list-style-type: none"> <li>• x number of IBO visitors in year 1*</li> <li>• x% annual increase of IBO visitors in years 2 and 3*</li> </ul>
Growth in TRENZ attendees from the district	Target to be set based on the current year's level	<ul style="list-style-type: none"> <li>• x number of TRENZ attendees in year 1*</li> <li>• x% annual increase of TRENZ attendees in years 2 and 3*</li> </ul>

\*As these are new measures the target is to be identified following the first year (2015/16) of activity

# Tourism Waitaki Limited

Financial Performance	2016 \$000	2015 \$000
<b>Revenues</b>		
Waitaki District Council operating grants	600	720
Other revenue	1,770	1,510
<b>Total Revenue</b>	<b>2,370</b>	<b>2,230</b>
<b>Expenditure</b>		
Operating expenditure	2,265	2,093
Audit Fees	20	19
Depreciation	92	56
Directors' Fees	61	51
<b>Total Expenditure</b>	<b>2,438</b>	<b>2,219</b>
<b>Net Surplus / (Deficit) Before Taxation</b>	<b>(68)</b>	<b>11</b>
Provision for Taxation	7	44
<b>Net Surplus / (Deficit) After Taxation</b>	<b>(61)</b>	<b>55</b>

Financial Position	2016 \$000	2015 \$000
<b>Shareholders' Funds</b>	<b>658</b>	<b>719</b>
<u>Represented by:</u>		
Non-current Assets	405	279
Current Assets	585	736
Current Liabilities	(332)	(296)
Non-current Liabilities	-	-
<b>Net Assets</b>	<b>658</b>	<b>719</b>

The Company received an unqualified audit report for the year ended 30 June 2016 on 30 September 2016.

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***

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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, principally at 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 corporate 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.

## **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 Companies 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***

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## **Community outcomes**

- We provide and enable services and facilities so people want to stay and move here
- We maintain the safest community we can

## **How we performed – Waitaki District Health Services Limited**

<b>Performance Measures</b>	<b>Achievements 2015/16</b>	<b>Targets LTP 2015/16 – 2024/25 Years 1 – 3</b>
Fulfilment of all professional and technical standards	Achieved	Meet all professional and technical standards
Forums provided for effective collaboration with stakeholders	Achieved	Provide adequate forums for effective collaboration with stakeholders
Percentage compliance with all performance targets and service standards required by the Ministry of Health contractual arrangements with the company	Achieved	100% compliance with performance targets and service standards required under the Ministry of Health contractual arrangements with the company
Percentage of planned services provided within budget	Achieved	Operate and provide 100% of planned services within budgeted income including services contract with District Health Board

## Waitaki District Health Services Limited

Financial Performance (Group)	2016 \$000	2015 \$000
<b>Revenues</b>		
Southern DHB contract operational funding	9,817	9,793
Other revenue	2,213	2,258
<b>Total Revenue</b>	<b>12,030</b>	<b>12,051</b>
<b>Expenditure</b>		
Operating expenditure	11,212	11,025
Audit Fees	28	28
Depreciation	714	704
Directors' Fees	116	122
<b>Total Expenditure</b>	<b>12,070</b>	<b>11,879</b>
<b>Net Surplus / (Deficit)</b>	<b>(40)</b>	<b>172</b>
Gain on Property Revaluation	-	254
Other gains and losses	(1,624)	(446)
<b>Net Surplus / (Deficit) After Taxation</b>	<b>(1,664)</b>	<b>(20)</b>

Financial Position (Group)	2016 \$000	2015 \$000
<b>Shareholders' Funds</b>	<b>16,365</b>	<b>18,029</b>
<u>Represented by:</u>		
Non-current Assets	12,104	10,620
Current Assets	6,810	9,942
Current Liabilities	(2,481)	(2,480)
Non-current Liabilities	(68)	(53)
<b>Net Assets</b>	<b>16,365</b>	<b>18,029</b>

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 2016 on 30 September 2016.

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***

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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 2016 financial year and the Company's Statement of Intent was updated accordingly. These objectives became effective from 1 July 2016 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 continually improving 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 will:

- 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 a transparent and informed relationship is maintained with the shareholder within the spirit of 'no surprises.'

# Whitestone Contracting Limited

## Information to be reported to the Shareholder

Within two months after the end of each financial year, the Directors 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 Companies 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 are summarised in the following table.

## Community outcomes

- We provide and enable services and facilities so people want to stay and move here
- We enable opportunities for new and existing businesses

## How we performed – Whitestone Contracting Limited

Performance Measures	Achievements 2015/16	Targets LTP 2015/16 – 2024/25 Years 1 – 3
Before income tax return on opening shareholders' funds	Achieved a return of 10.21% before donations, sponsorships and subvention payments	Achieve a before-income tax return (prior to donations, sponsorships and subvention payments) on opening shareholders' funds that exceeds 7% return on investment
The number of clients spending over \$10,000 annually	The number of clients spending over \$10,000 reduced by 2.5%	Continue to diversify the portfolio of work and clients
Maintenance of the relevant quality standards	Maintained both ISO 9001 and ISO 14001 accreditation	Maintain ISO 9001 registration and related quality assurance programmes  Maintain ISO 14001 standard to ensure we have systems in place to meet environmental legislative and regulatory requirements
Percentage increase of revenue from sources other than the Waitaki District Council over the previous year	76% (2015: 70%) of revenue was generated by customers other than Waitaki District Council	Increase the percentage of revenue obtained from sources other than the Waitaki District Council
The ratio of consolidated shareholder funds to total assets	KPI targets have been agreed for the 2016/17 financial year	In Quarter four of each year agree on KPI targets for the following year
The increase in market share in North Otago and other areas of operation	Revenue has increased by \$1.79 million, primarily from the local area	Maintain and grow market share in North Otago and other areas of operation
Ratio of shareholder funds to total assets	Achieved 77.15% (2015: 78.26%)	Maintain the ratio of shareholder funds to total assets within the range 60% - 80%

# Whitestone Contracting Limited

Financial Performance (Group)	2016 \$000	2015 \$000
<b>Revenues</b>		
Operating Revenue	24,400	22,629
<b>Total Revenue</b>	<b>24,400</b>	<b>22,629</b>
<b>Expenditure</b>		
Operating expenditure	22,056	20,698
Audit Fees	23	22
Depreciation	1,273	1,172
Directors' Fees	150	131
Interest Expense	1	14
<b>Total Expenditure</b>	<b>23,503</b>	<b>22,037</b>
<b>Net Surplus / (Deficit)</b>	<b>897</b>	<b>592</b>
Provision for Taxation	(304)	72
<b>Net Surplus / (Deficit) After Taxation</b>	<b>593</b>	<b>664</b>
Gain / (Loss) on revaluation of Land and Buildings	-	-
<b>Total Comprehensive Revenue</b>	<b>593</b>	<b>664</b>

Financial Position (Group)	2016 \$000	2015 \$000
<b>Shareholders' Funds</b>	<b>12,386</b>	<b>12,066</b>
<u>Represented by:</u>		
Non-current Assets	10,688	10,374
Current Assets	5,366	5,044
Current Liabilities	(3,062)	(2,689)
Non-current Liabilities	(606)	(663)
<b>Net Assets</b>	<b>12,386</b>	<b>12,066</b>

The Company received an unqualified audit report for the year ended 30 June 2016 on 29 August 2016.

This information is summarised from the Company's full audited Annual Report and is provided to indicate the performance of Council's investment. A full copy of the Company's Annual Report is available from the Company's offices, or from the website [www.whitestone.co.nz](http://www.whitestone.co.nz)

## ***Financial Statements***

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# Statement of Comprehensive Revenue and Expenditure

For the year ended 30 June 2016

		Consolidated		Council Only		
		2016 Actual \$000	2015 Actual \$000	2016 Actual \$000	2016 Budget \$000	2015 Actual \$000
<b>Revenue</b>						
Rates Revenue	1	30,340	29,990	30,375	30,155	30,026
User Charges		27,387	24,170	6,410	5,689	5,186
Regulatory Charges		1,289	1,176	1,289	1,359	1,176
Development and RMA Contributions		545	583	545	641	583
Government Grants and Subsidies	2	17,095	15,954	6,574	6,464	6,161
Other Grants and Donations	3	796	890	677	232	773
Finance Revenue	4	1,577	1,545	1,264	1,274	1,134
Petrol Tax		192	190	192	195	190
Infringements and Fines		38	49	38	46	49
Dividend and Subvention Payments		-	-	562	120	-
Assets vested in Council	5	158	146	63	-	146
Other gains and Losses	5	(4,249)	(1,516)	(2,672)	-	(1,534)
<b>Total Revenue</b>	<b>32</b>	<b>75,168</b>	<b>73,177</b>	<b>45,317</b>	<b>46,175</b>	<b>43,890</b>
<b>Expenses</b>						
Personnel costs	6	28,513	27,082	9,914	10,192	9,387
Depreciation and amortisation	10	13,554	13,112	11,463	11,343	11,169
Finance Costs	4	1	14	-	-	-
Other expenses	7	32,863	29,612	22,620	24,204	20,342
<b>Total Expenses</b>	<b>32</b>	<b>74,931</b>	<b>69,820</b>	<b>43,997</b>	<b>45,739</b>	<b>40,898</b>
<b>Surplus / (Deficit) before Tax</b>		<b>237</b>	<b>3,357</b>	<b>1,320</b>	<b>436</b>	<b>2,992</b>
Income Tax Expense / (Refund)	8	297	(116)	-	-	-
<b>Surplus / (Deficit) after tax</b>		<b>(60)</b>	<b>3,473</b>	<b>1,320</b>	<b>436</b>	<b>2,992</b>
<b>Other Comprehensive Revenue and Expense</b>						
Gain/(Loss) on revaluation of Infrastructural Assets	10	5,824	(2,588)	5,824	(212)	(2,588)
Gain/(Loss) on revaluation of Properties	10	-	166	-	-	(88)
Other Comprehensive Revenue		-	-	-	-	-
<b>Total Other Comprehensive Revenue and Expense</b>		<b>5,824</b>	<b>(2,422)</b>	<b>5,824</b>	<b>(212)</b>	<b>(2,676)</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>\$5,764</b>	<b>\$1,051</b>	<b>\$7,144</b>	<b>\$224</b>	<b>\$316</b>

The accompanying Notes form part of these financial statements

# Statement of Changes in Equity

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For the year ended 30 June 2016

	Consolidated		Council Only		
	2016 Actual \$000	2015 Actual \$000	2016 Actual \$000	2016 Budget \$000	2015 Actual \$000
<b>Public Equity at 1 July</b>	770,112	769,061	743,753	737,944	743,437
Total Comprehensive Revenue and Expense	5,764	1,051	7,144	224	316
<b>Public Equity at 30 June</b>	<b>\$ 775,876</b>	<b>\$ 770,112</b>	<b>\$ 750,897</b>	<b>\$ 738,168</b>	<b>\$ 743,753</b>

The accompanying Notes form part of these financial statements

# Statement of Financial Position

As at 30 June 2016

		Consolidated		Council Only		
		2016 Actual \$000	2015 Actual \$000	2016 Actual \$000	2016 Budget \$000	2015 Actual \$000
	Notes					
<b>Public Equity</b>						
Ratepayers' Equity	9	310,208	310,208	310,208	308,631	310,208
Revaluation Reserve	9	416,724	412,994	407,181	410,522	403,451
Operating Reserve	9	34,707	34,076	19,271	5,603	17,260
Other Reserves	9	14,237	12,834	14,237	13,412	12,834
<b>Total Public Equity</b>		<b>\$775,876</b>	<b>\$770,112</b>	<b>\$750,897</b>	<b>\$738,168</b>	<b>\$743,753</b>
<b>Non-Current Assets</b>						
Property Plant and Equipment	10	730,502	728,462	709,232	699,782	707,398
Intangible Assets	11	1,358	1,583	895	1,185	992
Forestry	12	253	402	253	588	402
Inventory	16	2,519	2,223	2,519	-	2,223
Other Financial Assets						
- Investments in CCO's	13	-	-	4,912	4,912	4,912
- Investments in other entities	13	145	145	145	145	145
- Loans to other entities	13	19,526	660	17,663	22,430	660
		754,303	733,475	735,619	729,042	716,732
<b>Current Assets</b>						
Cash and Cash Equivalents	14	7,202	9,156	2,463	2,360	6,818
Receivables	15	7,980	7,769	4,259	5,756	3,926
Prepayments		491	444	356	310	317
Inventory	16	950	976	29	10	65
Work in Progress	17	90	121	-	-	-
Other Financial Assets						
- Term deposits	13	17,310	16,878	14,750	8,500	9,250
- Loans to other entities	13	1	13,050	1	-	13,050
Assets held for Sale	18	441	253	441	-	253
Provision for Tax paid in Advance		-	4	-	-	-
		34,465	48,651	22,299	16,936	33,679
<b>Total Assets</b>		<b>788,768</b>	<b>782,126</b>	<b>757,918</b>	<b>745,978</b>	<b>750,411</b>
<b>Non-Current Liabilities</b>						
Provisions	19	387	382	387	452	382
Employee Entitlement Liabilities	20	94	82	-	-	-
Borrowings	21	11	-	-	-	-
Deferred Tax Liability	8	545	620	-	-	-
		1,037	1,084	387	452	382
<b>Current Liabilities</b>						
Trade and Other Payables	22	7,214	7,005	5,270	6,224	5,093
Short Term Borrowings	21	1	-	-	-	-
Employee Entitlement Liabilities	20	4,109	3,794	1,015	965	949
Provisions	19	368	253	349	169	234
Provision for Taxation		163	(122)	-	-	-
		11,855	10,930	6,634	7,358	6,276
<b>Total Liabilities</b>		<b>12,892</b>	<b>12,014</b>	<b>7,021</b>	<b>7,810</b>	<b>6,658</b>
<b>Net Assets</b>		<b>\$775,876</b>	<b>\$770,112</b>	<b>\$750,897</b>	<b>\$738,168</b>	<b>\$743,753</b>

The accompanying Notes form part of these financial statements

# Statement of Cash Flows

For the year ended 30 June 2016

		Consolidated			Council Only	
		2016	2015	2016	2016	2015
					Annual Plan	
Notes		\$000	\$000	\$000	\$000	\$000
<b>Cash flows from Operating Activities</b>						
Receipts from Rates Revenue		30,121	29,235	30,156	29,602	29,235
Interest received		1,619	1,018	1,264	1,274	584
Dividends/Subvention payments received		-	-	562	120	-
Receipts from Other Revenues		48,948	44,530	16,160	15,892	15,829
Payments to Suppliers & Employees		(61,757)	(56,895)	(32,619)	(34,223)	(30,214)
Interest Paid		(1)	(14)	-	-	-
Income Tax Refund Received / (Paid)		16	(222)	-	-	2
Net GST		(37)	321	(37)	-	321
Net Cash from Operating Activities	30	18,909	17,973	15,486	12,665	15,757
<b>Cash Flows from Investing Activities</b>						
Proceeds from Sale of P.P. & E		1,982	613	1,725	121	532
Proceeds from Sale of Investments		27,367	9,158	22,300	26,187	9,158
Purchase of P.P. & E		(14,328)	(11,960)	(12,112)	(12,140)	(10,705)
Acquisition of Investments		(35,895)	(9,911)	(31,754)	(26,930)	(9,545)
Net Cash from Investing Activities		(20,874)	(12,100)	(19,841)	(12,762)	(10,560)
<b>Cash Flows from Financing Activities</b>						
Proceeds from Borrowing		12	-	-	-	-
Repayment of Borrowing		(1)	(531)	-	-	(3)
Net Cash from Financing Activities		11	(531)	-	-	(3)
Net Increase / (Decrease) in Cash		(1,954)	5,342	(4,355)	(97)	5,194
Total Cash Resources at 1 July		9,156	3,814	6,818	6,457	1,624
<b>Total Cash Resources at 30 June</b>	14	<b>\$7,202</b>	<b>\$9,156</b>	<b>\$2,463</b>	<b>\$6,360</b>	<b>\$6,818</b>

The accompanying Notes form part of these financial statements



# Statement of Accounting Policies

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## Reporting Entity

The Waitaki District Council (Council) is a territorial local authority established under the Local Government Act 2002 (the LGA, the Act), and is domiciled and operates in New Zealand. Relevant legislation governing Council's operations include the LGA and the Local Government (Rating) Act 2002.

Council's consolidated group consists of the ultimate parent, Waitaki District Council, and its subsidiaries: Whitestone Contracting Limited (100% owned), Waitaki District Health Services Limited (100% owned) and Tourism Waitaki Limited (100% owned). The investment in Omarama Airfield Limited (50% owned) is treated as a joint venture. All companies are incorporated and domiciled in New Zealand.

The primary objective of Council is to provide local infrastructure and public services, and to perform regulatory functions for the community for social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

The financial statements of the Waitaki District Council are for the year ended 30 June 2016 and were authorised for issue by Council on 26 October 2016.

## Basis of Preparation

The financial statements have been prepared on the going concern basis, and all accounting policies have been applied consistently throughout the period.

## Statement of Compliance

The financial statements of the Council and Group have been prepared in accordance with the requirements of the LGA which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards, and are fully compliant with those accounting standards.

## Presentation currency and rounding

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

## Standards issued and not yet effective and not early adopted

In December 2015, the External Reporting Board issued a suite of amendments following the issuance of XRB A1 *Application of the Accounting Standards Framework*, which aligns the definition of PBE Standards with the definition of NZ IFRS, clarifies assertions of compliance made by Tier 1 public benefit entities and clarifies disclosure about the basis of preparation of the financial statements. These amendments are effective for reporting periods commencing on or after 1 January 2016, and will not materially impact on Council's financial statements.

Changes have been made to several other PBE standards, with the same effective date. These changes are not expected to have a material effect on Council. Standards that may be relevant for Council are PBE IPSAS 2 *Cash Flow Statements*, PBE IPSAS 3 *Accounting Policies, Changes in Accounting Estimates and Errors*; PBE IPSAS 5 *Borrowing Costs*; PBE IPSAS 6 *Consolidated and Separate Financial Statements*; PBE IPSAS 8 *Investments in Joint Ventures*; PBE IPSAS 9 *Revenue from Exchange Transactions*; PBE IPSAS 17 *Property, Plant and Equipment*; PBE IPSAS 20 *Related Party Disclosures*; PBE IPSAS 23 *Revenue from Non-exchange Transactions*; PBE IPSAS 25 *Employee Benefits*; PBE IPSAS 28, PBE IPSAS 29 and PBE IPSAS 30, all concerning *Financial Instruments*; PBE IPSAS 31 *Intangible Assets*; PBE IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*; and PBE FRS 42 *Prospective Financial Statements*.

In May 2016, the External Reporting board issued the *PBE Conceptual Framework* which supersedes the *Public Benefit Entities' Framework* issued in September 2014. The new framework becomes effective for reporting periods commencing on or after 1 January 2017, and is not expected to have a material impact on Council's financial statements.

# Statement of Accounting Policies

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## Summary of Significant Accounting Policies

### **Basis of Consolidation**

The Consolidated Group financial statements are prepared by adding like items of assets, liabilities, equity, revenue and expenses of entities in the group on a line-by-line basis. Intragroup balances, transactions, revenues and expenses are eliminated on consolidation.

### *Subsidiaries*

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 value, 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.

### *Joint Ventures*

A joint venture is a binding arrangement whereby two or more parties are committed to undertaking an activity that is subject to their joint control (being the agreed sharing of control over the activity). For jointly controlled operations, Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs and the share of revenue earned from the joint venture.

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

- Whitestone Contracting Limited
- Tourism Waitaki Limited
- Waitaki District Health Services Limited

These entities are Council Controlled Organisations as defined by Part 5 of the LGA, with Whitestone Contracting Limited being a Council Controlled Trading Organisation. Council holds 100% of the shares. The companies' balance dates are 30 June. Whitestone Contracting Limited has three non-trading, fully owned subsidiaries: Whitestone Quarries and Landfill Limited, Dunstan Sprayers Ltd and Dunstan Contracting Ltd.

### **Omarama Airfield Limited**

This company is a Council Controlled Trading Organisation as defined by Part 5 of the Act. Its balance date is 30 June. Council holds 50% of the shares, and the company is treated as a joint venture.

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

# Statement of Accounting Policies

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## Specific Accounting Policies

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

### Revenue 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
- Other grants are recognised as revenue when received, unless there is an obligation in substance to return the funds should conditions of the grant not be met, in which case the grants are initially recorded as revenue in advance, and only recognised as revenue when all conditions are satisfied
- 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 revenue is recognised when earned
- Dividends are recognised when received
- Vested Infrastructural Assets are recognised when Council accepts their transfer from the sub-divider. 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 or a service is provided to the customer

### Construction Contracts

Profits on contracts are recognised progressively over the period of each contract. 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 revenue recognised, the difference is presented as prepaid, or deferred, revenue in the balance sheet.

### Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

### Grant Expenditure

Non-discretionary grants are awarded when grant applications meet specified criteria, and are recognised as expenditure when such applications are received.

Discretionary grants are those which Council has no obligation to award, and are recognised as expenditure when approved by Council and when that approval is communicated to the applicant.

A condition of grants awarded by Council is that grants, or portions of grants, which are not applied to the purpose for which they were provided, will be returned. Returned grants reduce the grants expenditure for the period in which the funds are received.

# Statement of Accounting Policies

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## Foreign Currency Transactions

Council does not undertake significant transactions in foreign currencies. Foreign currency transactions are translated into New Zealand dollars upon receipt or payment at the prevailing spot rate.

Council does not recognise gains or losses on such transactions, and holds no assets or liabilities denominated in foreign currencies.

## Income Tax

Income tax expense related to the surplus or deficit for the period comprises both current and deferred tax components.

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 revenue or directly to equity, in which case the tax is dealt with in equity.

## Leases

### *Finance Leases*

Leases are classified as finance leases when 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, ie 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.

## 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. Any GST that is not recoverable as an input tax is recognised as part of the related asset or expense.

# Statement of Accounting Policies

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## **Cash and Cash Equivalents**

Cash and cash equivalents comprise 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 maturing within three months approximates fair value.

## **Trade and Other Receivables**

Trade and other receivables are initially measured at their face value, less any provision for impairment.

## **Inventories**

Inventories, comprising materials on hand, 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. Work in Progress is valued at cost less impairment, and is not depreciated.

## **Financial Assets**

Financial assets may be classified into one of 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 revenue and expense. The classification depends on the purpose for which the investments were acquired. Council determines the classification at initial recognition and re-evaluates the 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, the following 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 reported as current assets except for those with maturities greater than twelve months after balance date, which are included in non-current assets.

- **Fair Value through other revenue and expense**

Available-for-sale financial assets are those that are designated as “available-for-sale” at initial recognition, 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 held for strategic purposes.

# Statement of Accounting Policies

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## Financial Assets (continued)

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.

Gains and losses are recognised in other revenue and expense except for impairment losses, which are recognised in the surplus or deficit. In the event of impairment, any cumulative losses previously recognised in other revenue 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 revenue and expense 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 a 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 the receivable. 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.

## Investment Properties

Investment Properties are properties held to earn revenue 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.

They 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.

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. Trees under fifteen years are valued at replacement cost. Council's forests were revalued as at 30 June 2016 by David Janett, B.For.Sc, MNZIF, of Forestry Management Ltd.

Costs of maintaining the forestry assets are included in the reported surplus or deficit. Council's forestry plantations are professionally managed, and Council adheres strictly to a replanting plan developed by its advisers to ensure it has no liability under the Emissions Trading Scheme.

# Statement of Accounting Policies

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## 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* – these are parks, reserves and other property 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*

Property holdings, with the exception of Parks and the Oamaru Airport, were valued at 1 July 2013 by Brendon Bodger, SPINZ, ANZIV, of QV Asset & Advisory. Council's Parks and the Oamaru Airport were valued at 1 July 2013 by George Jason Smith BE (NSW) MIPENZ, CPEng, of AECOM NZ Ltd.

Council has a policy of revaluing 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.

# Statement of Accounting Policies

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The roading network, including bridges, retaining structures and land under roads, was valued as at 1 July 2015 by Mel England, BE Civil (Hons), of Opus International Consultants Ltd. The water, waste and drainage assets were valued as at 1 July 2015 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.

## **Infrastructural Assets – Work in Progress**

Capital projects that are incomplete at balance date are regarded as Work in Progress, and are included in Fixed Assets, but the assets are not depreciated until they are complete and have 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 revenue and expense, 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 revenue and expense 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 revenue and expense.

## **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

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## Depreciation

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

<u>Asset Category</u>	<u>Depreciation Base</u>
<b>Infrastructural Assets</b>	
- 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
- street lights, 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
- stormwater reticulation	80 – 150 years
- transfer stations and landfill developments	3 – 25 years
- Alps2Ocean Cycle Trail	
- track formation, base course	not depreciated
- track surface	10 years
- bridges, retaining structures	50 – 60 years
- facilities: signage	12 years
- facilities: livestock proofing (gates, fencing, etc.)	35 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

Residual values and useful lives of assets are reviewed and, if necessary, adjusted at each year end.

# Statement of Accounting Policies

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## **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, including employee costs and related overheads, associated with the development of software for internal use are recognised as an intangible asset.

Costs related to staff training, maintaining computer software and developing and maintaining Council's website 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.

### *Carbon Credits*

Purchased carbon credits are recognised at cost on acquisition. Carbon credits received from the Crown under the Emissions Trading Scheme are recognised at fair value, being the value they could be sold for on the tradable carbon credit market at the time of receipt. Carbon credits are not amortised, but are tested for impairment annually, and are derecognised when they are used to satisfy carbon emission obligations.

### *Other Intangible Assets, include:*

#### *- 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 no longer be recoverable, and at each balance date. If there is an indication of impairment the asset's recoverable amount is estimated, and 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 assessed as impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against other revenue 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.

## **Trade and Other Payables**

Trade and other payables are recorded at their face value.

# Statement of Accounting Policies

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## Financial Liabilities

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

Borrowings are classified as current liabilities unless settlement is deferred for at least twelve months after balance date.

## 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, 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 estimated future cash flows, applying an appropriate discount rate and inflation factor. 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 the employees.

## Superannuation Schemes

### *Defined contribution schemes*

Obligations for contributions to Kiwisaver are accounted for as a defined contribution superannuation scheme, and 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 allow the use of 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, because there is no prescribed basis for allocation. For this reason, the scheme is 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 an outflow of future economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of expenditure expected to be required to settle the obligation using a pre-tax discount rate reflecting the current assessment of the time value of money and of the risks specific to the obligation.

# Statement of Accounting Policies

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## 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. Revenue and expenditure in relation to all financial instruments is recognised in the surplus or deficit.

## Equity

Equity is the Community's interest in Council, measured as the difference between total assets and total liabilities. Public Equity is disaggregated and classified into a number of components to better distinguish the specific 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 Council and which 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 established by Council decision and may be altered by Council without reference to third parties or the Courts. Transfers to and from these reserves are made at Council discretion.

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

Council's capital is its equity (or ratepayers' funds), which comprises retained earnings and reserves. Net Equity is represented by net assets.

The LGA 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 full costs of deferred renewals and maintenance.

The Act requires 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, and sets out the factors that the Council must consider when determining the most appropriate sources of funding for each activity. The sources and levels of funding are set out in funding and financial policies in Council's LTP.

# Statement of Accounting Policies

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## **Budget Figures**

The budget figures are those approved by Council in the first year of the 2015-25 Long Term Plan (LTP). 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 each significant activity of Council, and are represented by the costs of providing the service less all revenue that can be allocated to these activities:

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

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 directly attributable to a significant activity, and are charged accordingly. “Indirect Costs” cannot be attributed in an economically feasible manner to a specific significant activity, and 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, estimates and assumptions have been made 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*

Refer to Note 10 for information about the estimates and assumptions applied in determining the fair value of infrastructural assets.

### *Forestry Holdings*

Refer to Note 12 for information about the estimates and assumptions applied in determining the fair value of Council's forestry plantations.

### *Provisions*

Refer to Note 19 for information about the estimates and assumptions applied in determining the fair value of Council's landfill aftercare provision.

## **Critical Judgements in Applying Council's Accounting Policies**

Management has exercised these critical judgements in applying Council's accounting policies:

- **Classification of Property – Community Housing**  
Council owns and maintains properties to provide community housing. The receipt of market-based rental is incidental to holding these properties, which are held for service delivery objectives as part of Council's social housing policy, and are accounted for as property, plant and equipment.
- **Classification of Property – Unoccupied Land**  
Council owns unoccupied land which is classified as property, plant and equipment. Given the uncertainty over the future intended use of the land, Council has not classified the land as investment property.
- **Impairment of advance – Waitaki District Health Services Ltd**  
Waitaki District Health Services Ltd, has advanced funds to the Observatory Village Charitable Trust. An impairment provision has been recorded to recognise concerns relating to the late start of repayments, which will commence in the 2027/28 financial year and uncertainty about the Trust's ability to meet its obligations at that time. Refer to Note 13 for more information.

# Notes to the Financial Statements

	Consolidated			Council Only	
	2016	2015	2016	2016 Annual Plan	2015
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 1: Operating Revenue - Rates

General Rates	1,863	2,126	1,898	1,900	2,162
District Services Rates	1,301	1,639	1,301	1,301	1,639
Uniform Annual General Charge	4,656	4,354	4,656	4,649	4,354
Ward Rates	6,436	6,343	6,436	6,433	6,343
Separate Rates	9,748	9,375	9,748	9,724	9,375
Targeted Rates for water supply	5,610	5,265	5,610	5,595	5,265
User charges for water supply by meter	495	535	495	440	535
Rates Penalties charged	552	582	552	425	582
Less Rates Remitted	(321)	(229)	(321)	(312)	(229)
<b>Total Rates Revenue</b>	<b>\$30,340</b>	<b>\$29,990</b>	<b>\$30,375</b>	<b>\$30,155</b>	<b>\$30,026</b>

## Note 2: Operating Revenue - Government Grants

New Zealand Transport Agency subsidies	7,000	6,025	6,296	6,344	6,025
Ministry for the Environment	82	75	82	60	75
Ministry for Youth Development	-	14	-	-	14
Southern DHB operational contract funding	9,793	9,793	-	-	-
Other Government grants and subsidies	220	47	196	60	47
<b>Total Government Grants</b>	<b>\$17,095</b>	<b>\$15,954</b>	<b>\$6,574</b>	<b>\$6,464</b>	<b>\$6,161</b>

Subsidies from the New Zealand Transport Agency include \$250,000 towards the Alps2Ocean Cycletrail  
Other Government grants include \$146,605 allocated to the cycletrail.

## Note 3: Operating Revenue - Other Grants and Donations

### *Alps2Ocean Cycletrail construction*

Friends of the Alps2Ocean Cycletrail	382	347	382	-	347
Challenge Farm Trusts Partnership	19	-	19	-	-
Otago Community Trust	2	-	2	-	-

### *Haven Street, Moeraki, reinstatement*

Local residents, businesses and organisations	-	112	-	-	112
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### *General purposes*

Est N Parsloe (bequest)	-	5	-	-	5
Est L J Twiss (bequest)	-	2	-	-	2
North Otago Rugby	32	31	32	-	31
Countdown supermarket - street art murals	-	15	-	-	15
Sundry other revenue	361	378	242	232	261

<b>Total Grants and Donations</b>	<b>\$796</b>	<b>\$890</b>	<b>\$677</b>	<b>\$232</b>	<b>\$773</b>
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Donations from Friends of the Alps2Ocean Cycletrail include grants provided by the Otago Community Trust, Trust Aoraki and the Lion Foundation.

# Notes to the Financial Statements

	Consolidated			Council Only	
	2016	2015	2016	2016	2015
				Annual Plan	
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 4: Finance Income and Finance Costs

### Finance Income

Bank deposits	834	980	521	117	568
North Otago Irrigation Co Ltd	727	550	727	872	550
Observatory Village Charitable Trust	-	-	-	263	-
Other community loans	16	15	16	22	16
<b>Total Finance income</b>	<b>1,577</b>	<b>1,545</b>	<b>1,264</b>	<b>1,274</b>	<b>1,134</b>

### Finance costs

Interest on bank borrowings	-	14	-	-	-
Interest on other external borrowings	1	-	-	-	-
<b>Total Finance costs</b>	<b>1</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Finance revenue/(cost)</b>	<b>\$1,576</b>	<b>\$1,531</b>	<b>\$1,264</b>	<b>\$1,274</b>	<b>\$1,134</b>

## Note 5: Operating Revenue - Non-trading Gains / (Losses)

### **Assets vested in Council**

Land & Improvements	21	-	21	-	-
Roading & Bridges	14	65	14	-	65
Stormwater Drainage	-	-	-	-	-
Water Assets	-	48	-	-	48
Sewer Assets	-	30	-	-	30
Plant Assets	-	-	-	-	-
Buildings Assets	95	-	-	-	-
Other Assets	28	3	28	-	3
<b>Total Assets Vested in Council</b>	<b>\$158</b>	<b>\$146</b>	<b>\$63</b>	<b>\$ -</b>	<b>\$146</b>

### **Other Gains and Losses**

Gain/(loss) on Property Plant & Equipment	(3,672)	(938)	(3,665)	-	(933)
Depreciation recovered on disposal	1,167	54	459	-	31
Gain on forestry harvesting	432	-	432	-	-
Gain/(loss) on revaluation of Forestry Assets	102	(632)	102	-	(632)
Impairment of non-current financial asset	(2,278)	-	-	-	-
<b>Total Other Gains / Losses</b>	<b>(\$4,249)</b>	<b>(\$1,516)</b>	<b>(\$2,672)</b>	<b>\$ -</b>	<b>(\$1,534)</b>

# Notes to the Financial Statements

	Consolidated			Council Only	
	2016	2015	2016	2016 Annual Plan	2015
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 6: Operating Expenses - Personnel Costs

Salaries and wages	27,554	26,544	9,588	9,927	9,095
Redundancy and severance payments	90	30	36	-	30
Defined contribution plan employer contributions	776	416	248	222	220
Fringe Benefit Taxes	93	92	42	43	42
<b>Total staff costs</b>	<b>\$28,513</b>	<b>\$27,082</b>	<b>\$9,914</b>	<b>\$10,192</b>	<b>\$9,387</b>

Defined contribution plan employer contributions include contributions to both Kiwisaver and the D&P Contributors Scheme

## Note 7: Operating Expenses - Other Charges

### Audit Fees

#### *Audit New Zealand*

Audit Current Year Annual Report	164	160	112	125	110
Audit 2015-25 Long Term Plan	-	73	-	-	73

#### *Other audit providers*

Audit Current Year Annual Report	23	22	-	-	-
Other Services provided	12	17	-	-	-

Community grants and donations	1,100	1,305	1,034	1,212	1,227
Directors' Fees	327	304	-	-	-

### Impairment of Receivables

Total Bad Debts written off	16	20	13	250	19
Change in Provision for Doubtful Debts	16	(74)	11	-	(77)

Insurance premiums	646	723	340	495	407
Provision for closed landfill	120	(260)	120	(144)	(260)
Renting and Leasing	448	431	109	115	100
Other Expenditure	29,991	26,891	20,881	22,151	18,743
<b>Total Other Operating Expenses</b>	<b>\$32,863</b>	<b>\$29,612</b>	<b>\$22,620</b>	<b>\$24,204</b>	<b>\$20,342</b>



# Notes to the Financial Statements

	Consolidated		Council only	
	2016	2015	2016	2015
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 8: Taxation

Relationship between tax expense and accounting profit

Net surplus / (deficit) before taxation	237	3,357	1,320	2,992
Taxation Expense:				
Prima facie taxation at 28%	66	940	370	838
Plus/(Less) Taxation Effect of Differences				
- revenue not liable for taxation	231	(1,056)	(370)	(838)
- expenditure not deductible for taxation	-	-	-	-
Income Tax Expense	<u>\$ 297</u>	<u>(\$ 116)</u>	<u>-</u>	<u>-</u>
<i>This is represented by:</i>				
Current taxation	435	80	-	-
Prior year adjustment	(63)	(274)	-	-
Deferred taxation provision	(75)	78	-	-
Income Tax Expense	<u>\$ 297</u>	<u>(\$ 116)</u>	<u>-</u>	<u>-</u>
Deferred taxation liability/(benefit)				
Opening balance	620	542	-	-
Deferred taxation position current year	(75)	78	-	-
Total Deferred Tax	<u>\$ 545</u>	<u>\$ 620</u>	<u>-</u>	<u>-</u>
<i>Deferred taxation comprises:</i>				
Short term temporary differences	545	620	-	-
	<u>\$ 545</u>	<u>\$ 620</u>	<u>-</u>	<u>-</u>

Council has not recognised a deferred tax asset in relation to unused tax losses of \$320,776 which are available to be carried forward and offset against future taxable revenue (2015: \$580,416).

Whitestone Contracting Ltd has imputation credits of \$1,876,581 (2015: \$1,917,829) and Tourism Waitaki Ltd has imputation credits of \$17,927 (2015: \$34,576), both of which can be used to impute dividend payments made 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	
	2016	2015	2016	2015
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 9: Public Equity

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

### Ratepayers Equity

Balance at 1 July	310,208	310,208	310,208	310,208
Transfer from Operating Reserves	-	-	-	-
Balance at 30 June	<u>\$310,208</u>	<u>\$310,208</u>	<u>\$310,208</u>	<u>\$310,208</u>

### Revaluation Reserves

Balance at 1 July	412,994	416,112	403,451	406,112
Roading Decrease	-	(2,588)	-	(2,588)
Roading Disposals (to operating reserve)	(287)	-	(287)	-
Water & Waste Increase	5,824	-	5,824	-
Water & Waste Disposals (to operating reserve)	(738)	(627)	(738)	(627)
Property Increase (Decrease)	-	166	-	(88)
Property Disposals (to operating reserve)	(1,069)	(69)	(1,069)	(69)
Balance at 30 June	<u>\$416,724</u>	<u>\$412,994</u>	<u>\$407,181</u>	<u>\$403,451</u>

### Represented by

Infrastructural Assets	360,338	355,538	360,338	355,538
Council Property	46,718	47,788	46,718	47,788
Council Other (Museum)	125	125	125	125
Waitaki District Health Services Ltd	7,079	7,079	-	-
Whitestone Contracting Ltd	2,464	2,464	-	-
Balance at 30 June	<u>\$416,724</u>	<u>\$412,994</u>	<u>\$407,181</u>	<u>\$403,451</u>

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

### Operating Reserves

Balance at 1 July	34,076	30,534	17,260	14,199
Net surplus/(deficit) after tax	(60)	3,473	1,320	2,992
Transfer from Revaluation Reserves	2,094	696	2,094	696
Transfer from Other Reserves	1,181	1,015	1,181	1,015
Transfer to Other Reserves	(2,584)	(1,642)	(2,584)	(1,642)
Balance at 30 June	<u>\$34,707</u>	<u>\$34,076</u>	<u>\$19,271</u>	<u>\$17,260</u>

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

# Notes to the Financial Statements

	Consolidated		Council Only	
	2016	2015	2016	2015
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 9: 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	12,833	12,207	12,833	12,207
Deposits and Interest	2,554	1,612	2,554	1,612
To Operating Reserves to meet disbursements	(1,150)	(986)	(1,150)	(986)
Balance at 30 June	\$14,237	\$12,833	\$14,237	\$12,833
<b>Represented by</b>				
Special Funds	12,560	11,037	12,560	11,037
Trust Funds	1,676	1,795	1,676	1,795
Loan Funds	1	1	1	1
Balance at 30 June	\$14,237	\$12,833	\$14,237	\$12,833

Additional analysis of the movements in Other Reserves, and specifics of the purpose of significant types of Other Reserves, are provided in the table appearing on the following page.

#### - Trust Funds

Balance at 1 July	1	-	1	-
Deposits and Interest	30	30	30	30
To Operating Reserves to meet disbursements	(31)	(29)	(31)	(29)
Balance at 30 June	\$-	\$1	\$-	\$1
<b>Represented by</b>				
SPARC Commission Funds	-	-	-	-
Creative Communities Funds	-	1	-	1
Balance at 30 June	\$-	\$1	\$-	\$1
<b>Total Other Reserves</b>	\$14,237	\$12,834	\$14,237	\$12,834

These are funds provided for distribution to local community and sporting groups by SPARC and Creative Communities nationally. Depending on the number and quality of applications received for funding, Council may not be able to distribute all the funds provided and, in such instances, may carry any balance remaining undistributed forward for future periods.

# Notes to the Financial Statements

## Note 9: Public Equity (Continued)

### Other Reserves (Continued)

Type of Reserve	Purpose of Reserve	Balance at 1 July 2014 \$000	Transfers to Reserves \$000	Transfers from Reserves \$000	Balance at 30 June 2015 \$000	Transfers to Reserves \$000	Transfers from Reserves \$000	Balance at 30 June 2016 \$000
<b>Special Reserves</b>								
<u>Development Funds</u>								
Roading	For future expansion and upgrading of infrastructure to allow for growth	673	154	(222)	605	167	(229)	543
Water		1,498	311	(257)	1,552	306	(94)	1,764
Sewer		1,874	151	(46)	1,979	166	-	2,145
Total Development Funds	A	4,045	616	(525)	4,136	639	(323)	4,452
<u>Other Council-created Funds</u>								
Disaster Fund	Contingency fund for rapid response	3,340	152	(28)	3,464	154	(35)	3,583
Insurance Excess Fund	Contingency fund for uninsured loss	-	68	-	68	68	-	136
Land Endowment Fund	Operational funding	1,322	209	(73)	1,458	280	(179)	1,559
Community Housing Fund	Future community housing projects	692	30	-	722	30	-	752
Forestry Planting Fund	Net proceeds from forestry activities	212	145	-	357	765	52	1,174
Other reserve funds	Established for other purposes	763	151	(82)	832	461	(389)	904
<b>Total Special Reserves</b>		<b>10,374</b>	<b>1,371</b>	<b>(708)</b>	<b>11,037</b>	<b>2,397</b>	<b>(874)</b>	<b>12,560</b>
<b>Trust Funds</b>								
Waitaki Heritage Fund	Support for heritage projects	117	10	(20)	107	158	(6)	259
RMA Reserve	Future recreational developments	867	187	(233)	821	110	(214)	717
Oamaru Public Gardens	Grants, donations, bequests and other gifts for specific purposes	175	8	-	183	7	-	190
North Otago Museum		151	11	-	162	11	(40)	133
Other community purposes		522	25	(25)	522	(129)	(16)	377
<b>Total Trust Funds</b>		<b>1,832</b>	<b>241</b>	<b>(278)</b>	<b>1,795</b>	<b>157</b>	<b>(276)</b>	<b>1,676</b>
<b>Loan Funds</b>								
Arising from repayments of previous heritage loans		1	-	-	1	-	-	1
<b>Total Loan Funds</b>		<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Total Restricted Reserves</b>		<b>\$ 12,207</b>	<b>\$ 1,612</b>	<b>(\$ 986)</b>	<b>\$ 12,833</b>	<b>\$ 2,554</b>	<b>(\$ 1,150)</b>	<b>\$ 14,237</b>

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 and Insurance Excess Funds were 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 - Council resolved to set aside funds from the sale of community housing units for other community housing initiatives

Note F - Proceeds from Forestry activities are set aside to fund future re-planting requirements

Note G - 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 10: Property, Plant and Equipment (Council Only)

2016 Council Only	Cost/ Valuation 1-Jul-15	Current Year Assets Constructed by WDC \$000	Current Year Assets Transferred to WDC \$000	Current Year Disposals \$000	Revaluation \$000	Cost/ Valuation 30-Jun-16 \$000	Accum Depn & Impairment Charges 1-Jul-15 \$000	Current Year Depreciation \$000	Current Year Disposals \$000	Revaluation \$000	Current Year Impairment Charges \$000	Accum Depn & Impairment Charges 30-Jun-16 \$000	Book Value 30-Jun-15 \$000	Book Value 30-Jun-16 \$000
Land	46,428	3	21	(1,953)		44,499							46,428	44,499
Buildings and Improvements	43,638	501		(676)		43,463	4,940	2,241	(163)			7,018	38,698	36,445
Infrastructural Assets														
- Roading	462,403	6,140	14	(469)		468,088	4,713	4,489				9,202	457,690	458,886
- Bridges	22,017	37				22,054	592	591				1,183	21,425	20,871
- Water Supply Schemes:														
Treatment Plants and Facilities	17,203	143		(299)	(2,573)	14,474	2,409	789	(27)	(2,396)		775	14,794	13,699
Other Assets (ie Reticulation)	41,226	759		(539)	212	41,658	2,257	871	(45)	(2,228)		855	38,969	40,803
- Sewerage Schemes:														
Treatment Plants and Facilities	8,585	19		(10)	(492)	8,102	860	315	(2)	(861)		312	7,725	7,790
Other Assets (ie Reticulation)	32,972	34		(18)	313	33,301	1,853	684	(2)	(1,852)		683	31,119	32,618
- Drainage Schemes	14,703			(37)	412	15,078	616	224	(1)	(616)		223	14,087	14,855
- Solid Waste Facilities	1,288	12				1,300	970	63				1,033	318	267
- Oamaru Harbour	32,496	13				32,509	4,736	340				5,076	27,760	27,433
- Alps to Ocean	2,443	1,000				3,443	137	109				246	2,306	3,197
Total Infrastructural Assets	635,336	8,157	14	(1,372)	(2,128)	640,007	19,143	8,475	(77)	(7,953)		19,588	616,193	620,419
Operational Assets														
- Plant, Equipment and Vehicles	2,203	246	22	(225)		2,246	1,129	199	(147)			1,181	1,074	1,065
- Office Equipment and Fittings	3,203	320		(16)		3,507	2,581	235	(16)			2,800	622	707
Total Operational Assets	5,406	566	22	(241)		5,753	3,710	434	(163)			3,981	1,696	1,772
Collections	2,246	108	5	(232)		2,127	777	90	(220)			647	1,469	1,480
Capital Works in Progress	2,914	3,009		(1,306)		4,617							2,914	4,617
	735,968	12,344	62	(5,780)	(2,128)	740,466	28,570	11,240	(623)	(7,953)		31,234	707,398	709,232

# Notes to the Financial Statements

## Note 10: Property, Plant and Equipment (Council Only)

2015 Council Only	Cost/ Valuation 1-Jul-14 \$000	Current Year Assets Constructed by WDC \$000	Current Year Assets Transferred to WDC \$000	Current Year Disposals \$000	Revaluation \$000	Cost/ Valuation 30-Jun-15 \$000	Accum Depn & Impairment Charges 1-Jul-14 \$000	Current Year Depreciation \$000	Current Year Disposals \$000	Revaluation \$000	Current Year Impairment Charges \$000	Accum Depn & Impairment Charges 30-Jun-15 \$000	Book Value 30-Jun-14 \$000	Book Value 30-Jun-15 \$000
Land	46,563	91		(138)	(88)	46,428							46,563	46,428
Buildings and Improvements	43,226	458		(46)		43,638	2,750	2,193	(3)			4,940	40,476	38,698
Infrastructural Assets														
- Roading	472,707	6,379	65		(16,748)	462,403	15,448	4,471		(15,206)		4,713	457,259	457,690
- Bridges	24,363	558			(2,904)	22,017	1,858	592		(1,858)		592	22,505	21,425
- Water Supply Schemes: Treatment Plants and Facilities	16,141	1,086		(24)		17,203	1,717	701	(9)			2,409	14,424	14,794
Other Assets (ie Reticulation)	39,727	2,139	47	(687)		41,226	1,513	827	(83)			2,257	38,214	38,969
- Sewerage Schemes: Treatment Plants and Facilities	8,616			(31)		8,585	594	294	(28)			860	8,022	7,725
Other Assets (ie Reticulation)	32,261	688	30	(7)		32,972	1,247	608	(2)			1,853	31,014	31,119
- Drainage Schemes	14,699	4				14,703	408	208				616	14,291	14,087
- Solid Waste Facilities	1,293			(5)		1,288	913	62	(5)			970	380	318
- Oamaru Harbour	32,496					32,496	4,395	341				4,736	28,101	27,760
- Alps to Ocean	2,126	317				2,443	50	87				137	2,076	2,306
Total Infrastructural Assets	644,429	11,171	142	(754)	(19,652)	635,336	28,143	8,191	(127)	(17,064)		19,143	616,286	616,193
Operational Assets														
- Plant, Equipment and Vehicles	3,132	253		(1,182)		2,203	1,776	225	(872)			1,129	1,356	1,074
- Office Equipment and Fittings	3,077	210		(84)		3,203	2,426	239	(84)			2,581	651	622
Total Operational Assets	6,209	463		(1,266)		5,406	4,202	464	(956)			3,710	2,007	1,696
Collections	2,479	107	3	(343)		2,246	1,019	93	(335)			777	1,460	1,469
Capital Works in Progress	4,773	1,052		(2,911)		2,914							4,773	2,914
	747,679	13,342	145	(5,458)	(19,740)	735,968	36,114	10,941	(1,421)	(17,064)		28,570	711,565	707,398

# Notes to the Financial Statements

## Note 10: Property, Plant and Equipment (Consolidated)

2016 Consolidated	Cost/ Valuation 1-Jul-15	Current Year Assets Constructed by WDC	Current Year Assets Transferred to WDC	Current Year Disposals	Revaluation	Cost/ Valuation 30-Jun-16	Accum Depn & Impairment Charges 1-Jul-15	Current Year Depreciation	Current Year Disposals	Revaluation	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-16	Book Value 30-Jun-15	Book Value 30-Jun-16
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	49,217	3	21	(1,938)		47,303							49,217	47,303
Buildings and Improvements	55,276	687	95	(778)		55,280	5,121	2,665	(264)			7,522	50,155	47,758
Infrastructural Assets														
- Roading	462,403	6,140	14	(469)		468,088	4,713	4,489				9,202	457,690	458,886
- Bridges	22,017	37				22,054	592	591				1,183	21,425	20,871
- Water Supply Schemes														
Treatment Plants and Facilities	17,203	143		(299)	(2,573)	14,474	2,409	789	(27)	(2,396)		775	14,794	13,699
Other Assets (ie Reticulation)	41,226	759		(539)	212	41,658	2,257	871	(45)	(2,228)		855	38,969	40,803
- Sewerage Schemes														
Treatment Plants and Facilities	8,585	19		(10)	(492)	8,102	860	315	(2)	(861)		312	7,725	7,790
Other Assets (ie Reticulation)	32,972	34		(18)	313	33,301	1,853	684	(2)	(1,852)		683	31,119	32,618
- Drainage Schemes	14,703			(37)	412	15,078	616	224	(1)	(616)		223	14,087	14,855
- Solid Waste	1,288	12				1,300	970	63				1,033	318	267
- Oamaru Harbour	32,496	13				32,509	4,736	340				5,076	27,760	27,433
- Alps to Ocean	2,443	1,000				3,443	137	109				246	2,306	3,197
Total Infrastructural Assets	635,336	8,157	14	(1,372)	(2,128)	640,007	19,143	8,475	(77)	(7,953)		19,588	616,193	620,419
Operational Assets														
- Plant, Equipment and Vehicles	24,691	2,045	22	(1,095)		25,663	17,168	1,592	(891)		32	17,901	7,523	7,762
- Office Equipment and Fittings	4,721	470		(82)		5,109	3,730	347	(80)			3,997	991	1,112
Total Operational Assets	29,412	2,515	22	(1,177)		30,772	20,898	1,939	(971)		32	21,898	8,514	8,874
Collections	2,246	108	5	(232)		2,127	777	90	(220)			647	1,469	1,480
Capital Works in Progress	2,914	3,060		(1,306)		4,668							2,914	4,668
	774,401	14,530	157	(6,803)	(2,128)	780,157	45,939	13,169	(1,532)	(7,953)	32	49,655	728,462	730,502

# Notes to the Financial Statements

## Note 10: Property, Plant and Equipment (Consolidated)

2015 Consolidated	Cost/ Valuation 1-Jul-14	Current Year Assets Constructed by WDC	Current Year Assets Transferred to WDC	Current Year Disposals	Revaluation	Cost/ Valuation 30-Jun-15	Accum Depn & Impairment Charges 1-Jul-14	Current Year Depreciation	Current Year Disposals	Revaluation	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-15	Book Value 30-Jun-14	Book Value 30-Jun-15
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	49,337	91		(123)	(88)	49,217							49,337	49,217
Buildings and Improvements	55,100	467		(183)	(107)	55,277	3,022	2,600	(140)	(361)		5,121	52,078	50,156
Infrastructural Assets														
- Roading	472,707	6,379	65		(16,748)	462,403	15,448	4,471		(15,206)		4,713	457,259	457,690
- Bridges	24,363	558			(2,904)	22,017	1,858	592		(1,858)		592	22,505	21,425
- Water Supply Schemes														
Treatment Plants and Facilities	16,141	1,086		(24)		17,203	1,717	701	(9)			2,409	14,424	14,794
Other Assets (ie Reticulation)	39,727	2,139	47	(687)		41,226	1,513	827	(83)			2,257	38,214	38,969
- Sewerage Schemes														
Treatment Plants and Facilities	8,616			(31)		8,585	594	294	(28)			860	8,022	7,725
Other Assets (ie Reticulation)	32,261	688	30	(7)		32,972	1,247	608	(2)			1,853	31,014	31,119
- Drainage Schemes	14,699	4				14,703	408	208				616	14,291	14,087
- Solid Waste	1,293			(5)		1,288	913	62	(5)			970	380	318
- Oamaru Harbour	32,496					32,496	4,395	341				4,736	28,101	27,760
- Alps to Ocean	2,126	317				2,443	50	87				137	2,076	2,306
Total Infrastructural Assets	644,429	11,171	142	(754)	(19,652)	635,336	28,143	8,191	(127)	(17,064)		19,143	616,286	616,193
Operational Assets														
- Plant, Equipment and Vehicles	24,905	1,347		(1,562)		24,690	16,741	1,599	(1,172)			17,168	8,164	7,522
- Office Equipment and Fittings	4,540	297		(116)		4,721	3,509	333	(112)			3,730	1,031	991
Total Operational Assets	29,445	1,644		(1,678)		29,411	20,250	1,932	(1,284)			20,898	9,195	8,513
Collections	2,479	107	3	(343)		2,246	1,019	93	(335)			777	1,460	1,469
Capital Works in Progress	4,773	1,052		(2,911)		2,914							4,773	2,914
	785,563	14,532	145	(5,992)	(19,847)	774,401	52,434	12,816	(1,886)	(17,425)		45,939	733,129	728,462



# Notes to the Financial Statements

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## Note 10: Property, Plant and Equipment – continued

### Fair Values

Council considers that current book values for fixed assets accurately reflect fair value overall. Property and infrastructural assets are revalued regularly in accordance with Council policy.

### Capital Work in Progress

Capital Work in Progress consists of the following asset categories:

	2016	2015
	<u>\$000</u>	<u>\$000</u>
Infrastructural Assets – roading and bridges	176	190
Infrastructural Assets – water supply schemes	2,230	873
Infrastructural Assets – sewerage schemes	709	647
Infrastructural Assets – drainage schemes	128	64
Property and other assets	1,374	1,140
Total	<u>\$4,617</u>	<u>\$2,914</u>

### Restricted Assets

The asset categories Land, and Buildings and Improvements, include properties that are restricted. These restrictions relate to Council's right to use, or dispose of, the asset, and may derive either from legislation (such as the Reserves Act 1977) or from the terms of particular endowments or bequests which determine the purpose for which the assets may be used. The carrying value of such assets amounts to \$6,081,118 (2015: \$6,230,782).

### Oamaru Harbour

Oamaru Harbour, including the breakwater structure and wharves, was valued by Royds Garden Ltd, Consulting Engineers, in 1992, and was initially recognised at deemed cost of \$32 million. The assets have not been subsequently revalued, and are depreciated in accordance with stated policies. The assets must be assessed for impairment annually. To make this assessment, Council engaged Gary Teear, Registered Engineer, OCEL Consultants NZ Ltd, to value the breakwater at 30 June 2007. This valued the assets at \$36.5 million, so no adjustment has been made to the carrying value.

### Insurance (mandatory disclosure required by Schedule 10, s31A of the LGA 2002)

The Canterbury earthquakes highlighted the importance of risk management and of insurance and risk financing in the protection of public assets. Council can provide key services in the future only if its infrastructure assets, in particular, remain available for use, and must consider carefully ways of managing risk effectively and making the best use of insurance and other mitigation tools.

#### - Water, Waste Water and Storm Water Assets

Total carrying value \$109,765,339. Individual assets valued in excess of \$1,000,000 are insured – the value of these assets for insurance purposes is \$34,429,640 (2015: \$24,301,232). Council mitigates the risk related to the remaining assets through its membership of the Local Authority Protection Programme (LAPP), use of depreciation reserves and the Disaster Fund (refer below).

Estimated cost of full replacement of the assets totals \$201,680,000, based on the most recent valuation at 1 July 2015, and subsequent additions at cost or valuation, and can be analysed as follows:

Water Supply schemes – treatment plants and facilities	\$31,340,000
Water Supply schemes – other assets (ie reticulation)	\$69,457,000
Waste Water (Sewerage) schemes – treatment plants and facilities	\$21,219,000
Waste Water (Sewerage) schemes – other assets (ie reticulation)	\$53,340,000
Storm Water (Drainage) schemes	\$26,324,000

#### - Land and Buildings

Land has a carrying value of \$44,498,946 and cannot be insured. Restoration might be funded by the Earthquake Commission if the loss resulted from an earthquake or landslip.

# Notes to the Financial Statements

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## Note 10: Property, Plant and Equipment – continued

Buildings have a carrying value of \$36,444,590, and a value of \$61,174,366 (2015: \$59,703,646) for insurance purposes. Council self-insures buildings which would either not be replaced in the event of loss, or would be funded from depreciation reserves and the Disaster Fund (refer below).

### - **Roading Assets, including bridges and footpaths**

Total carrying value \$479,757,343. Not specifically insured, but significant loss or damage would be subsidised by the New Zealand Transport Agency, which has subsidised costs from storm events in previous years. Current rates of financial assistance may change in the future. Any un-subsidised cost would be met from depreciation reserves, and the Disaster Fund (refer below). Estimated cost of full replacement of the assets is \$627,526,000 based on the valuation at 1 July 2014.

### - **Art Works, Museum Collections, Library Books**

Total carrying value \$1,479,201. Valued at \$3,772,500 for insurance purposes (2015: \$3,764,500), being \$2,722,500 for Council's own art works (2015: \$2,714,500), and \$1,050,000 for art works on loan to Council (2015: \$1,050,000). The balance of Council's own art works is uninsured. No provision has been made to self-insure these items, as they are considered unique, and could not be replaced.

Library books are not insured, and their replacement would be met from depreciation reserves.

### - **Vehicles, Plant and Equipment, Furniture and Fittings**

Vehicles have a carrying value of \$1,064,983, and a value for insurance purposes of \$1,112,515 (2015: \$1,069,283). All are insured for replacement value.

Other items with a carrying value of \$706,812 are not insured. Individual items are not generally of material value, and depreciation reserves would provide funding for replacement.

### - **Solid Waste facilities, Oamaru Harbour and the Alps2Ocean Cycle Trail**

Total carrying value of \$30,897,278. Not specifically insured. Replacement or reinstatement would be funded from operational budgets or depreciation reserves.

### - **Summary of Insurance Cover arranged by Council**

Total carrying value of Property Plant and Equipment	\$709,231,641
Total value of cover for insurance purposes	<u>\$100,489,021</u>
Total value of uninsured assets	\$608,742,620

Significant uninsured assets include:

Roading Network (NZTA subsidies, Council reserves)	\$479,757,343
Water, Waste water and stormwater assets (LAPP assistance)	\$75,335,699
Land holdings (uninsurable, potential Earthquake Commission funding)	\$44,498,946
Solid Waste, Harbour, Cycle Trail	\$30,897,278

In the event of the destruction of or significant damage to uninsured assets as a result of a natural disaster, financial support might be provided from NZTA subsidies, the LAPP fund, the Earthquake Commission and Council's own reserves, including the Disaster Fund and the Insurance Excess Fund (details below). Furthermore, assets that were destroyed might not be rebuilt or, if reconstructed, might not be in the same configuration as the previous asset, in order to reduce cost.

### **Disaster Fund, Insurance Excess Fund (refer also Note 9 – Special Reserves)**

Council has specific reserves to enable it to provide a rapid response to a significant and damaging event and to provide a reserve to meet uninsured losses that may arise. At 30 June 2016, the Disaster Fund stood at \$3,582,771 (2015: \$3,463,700), and the Insurance Excess Fund totalled \$135,538 (2015: \$68,005). Council maintains committed cash facilities with its bankers to provide additional and immediate funding to meet any shortfall.

# Notes to the Financial Statements

	2016				2015			
	Software	Carbon Credits	Other	Total	Software	Carbon Credits	Other	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000

## Note 11: Intangible Assets

### Council only

Balance at 1 July

Cost	1,969	81	165	2,215	1,946	34	165	2,145
Accumulated Amortisation	(1,090)	-	(133)	(1,223)	(868)	-	(127)	(995)
Opening Book Value	879	81	32	992	1,078	34	38	1,150

Movements for the year

Additions	145	-	-	145	23	55	-	78
Disposals - cost	-	(18)	-	(18)	-	(8)	-	(8)
Amortisation charge	(217)	-	(7)	(224)	(222)	-	(6)	(228)
Disposals - accum amortisation	-	-	-	-	-	-	-	-
Net movement for the year	(72)	(18)	(7)	(97)	(199)	47	(6)	(158)

Balance at 30 June

Cost	2,114	63	165	2,342	1,969	81	165	2,215
Accumulated Amortisation	(1,307)	-	(140)	(1,447)	(1,090)	-	(133)	(1,223)
Closing Book Value	<b>\$807</b>	<b>\$63</b>	<b>\$25</b>	<b>\$895</b>	<b>\$879</b>	<b>\$81</b>	<b>\$32</b>	<b>\$992</b>

### Consolidated

Balance at 1 July

Cost	2,069	81	988	3,138	1,991	34	985	3,010
Accumulated Amortisation	(1,107)	-	(448)	(1,555)	(868)	-	(391)	(1,259)
Opening Book Value	962	81	540	1,583	1,123	34	594	1,751

Movements for the year

Additions	176	-	-	176	78	55	3	136
Disposals - cost	-	(18)	-	(18)	-	(8)	-	(8)
Amortisation charge	(242)	-	(141)	(383)	(239)	-	(57)	(296)
Disposals - accum amortisation	-	-	-	-	-	-	-	-
Net movement for the year	(66)	(18)	(141)	(225)	(161)	47	(54)	(168)

Balance at 30 June

Cost	2,245	63	988	3,296	2,069	81	988	3,138
Accumulated Amortisation	(1,349)	-	(589)	(1,938)	(1,107)	-	(448)	(1,555)
Closing Book Value	<b>\$896</b>	<b>\$63</b>	<b>\$399</b>	<b>\$1,358</b>	<b>\$962</b>	<b>\$81</b>	<b>\$540</b>	<b>\$1,583</b>

## Carbon Credits

These include 8,340 credits vested in Council by Central Government in the 2012/13 financial year related to Council's forestry plantations (see note 12), to be held against the potential liability that would arise should Council, in the future, decide against replanting forested areas after harvesting or fire.

Additional credits purchased since that time are believed to be sufficient to meet anticipated future obligations related to emissions at the Oamaru landfill facility through to the closure of the facility. These obligations will be satisfied by surrendering (disposing of) credits based on volumes of waste accepted at the facility each year. Credits remaining unused after the landfill facility is closed will be held against any potential future liability relating to the forestry plantations referred to above.

# Notes to the Financial Statements

	Consolidated		Council Only	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>Note 12: Forestry Assets</b>				
Balance at 1 July	402	1,035	402	1,035
Forestry area (7.5ha) divested to DOC	(4)	-	(4)	-
Impact arising from harvesting activities	(247)	(308)	(247)	(308)
Gains / (Losses) arising from changes in fair value less estimated point of sale costs	102	(325)	102	(325)
Balance at 30 June	\$253	\$402	\$253	\$402

Council owns 234.95ha of land for forestry (2015: 242.45ha). Of this total estate, 88.28ha (2015: 82.58ha) is planted, mainly in *pinus radiata*, in nine blocks in the Waitaki district. These are at varying stages of maturity, mainly from 20 – 30 years. Council's forestry holdings are primarily for aesthetic and land protection purposes.

The annual valuation, dated 30 June 2016, was performed by David Janett, B.For.Sc, MNZIF, a registered forestry consultant, on behalf of Forestry Management Limited. A pre-tax discount rate of 9.0% (2015: 9.0%) has been used to discount the present value of expected cash flows. All costs and prices used are 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.

## Insurance

Council's forestry assets are subject to the risk of fire and storm damage. In the 2016/17 financial year Council had arranged insurance which provides maximum cover of \$223,861 (2015: \$554,110) for the forestry plantations, up to \$250,000 (2015: \$250,000) for fire-fighting costs and up to \$111,800 (2015: \$111,800) for replanting and other re-establishment costs. The reduced level of insurance cover reflects the decreased value of the forest asset after logging activities undertaken during the year.

## Emissions Trading Scheme

The 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 specifically related to its forestry asset (refer note 11).

# Notes to the Financial Statements

	Consolidated		Council Only	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
<b>Note 13: Other Financial Assets</b>				
<b>Non-Current</b>				
<b>Available for sale</b>				
Shares in other companies (see below)	145	145	145	145
<b>Investments Carried at Cost</b>				
Shares in Subsidiaries	-	-	4,912	4,912
<b>Loans and Receivables</b>				
Mortgages and Secured Loans	19,526	660	17,663	660
<b>Total Non-Current Other Financial Assets</b>	<b>\$19,671</b>	<b>\$805</b>	<b>\$22,720</b>	<b>\$5,717</b>
<b>Current</b>				
Term Deposits maturing between 3 & 12 months	17,310	16,878	14,750	9,250
Mortgages and Secured Loans	1	13,050	1	13,050
<b>Total Current Other Financial Assets</b>	<b>\$17,311</b>	<b>\$29,928</b>	<b>\$14,751</b>	<b>\$22,300</b>
<b>Maturity Profile</b>				
Within one year	17,311	29,928	14,751	22,300
One to two years	1	-	1	-
Two to five years	662	660	662	660
Five years and over	19,008	145	17,145	145
<b>Total Other Financial Assets</b>	<b>\$36,982</b>	<b>\$30,733</b>	<b>\$32,559</b>	<b>\$23,105</b>

The effective interest rate on mortgages and secured loans at year end was 4.56% (2015: 4.43%).

## Loans and Receivables

Council's lending to community groups is primarily the new loan to North Otago Irrigation Co Ltd (NOIC) which had a balance of \$17,000,000 (2015: \$13,042,877) at year end. Interest is based on the 1 year bill rate and is reviewed annually. The loan is for seven years, maturing in August 2022, and is secured by a General Security Agreement covering the Company's assets including Water Supply Contracts and Memorandum of Encumbrances between NOIC and the Irrigators.

Secured loans for the Group relate to an interest-free advance to the Observatory Village Charitable Trust. The principal sum is \$4,141,000, and the loan is secured by a General Security Agreement covering the Trust's assets. However, because repayments will not commence until the 2027/28 financial year and as there is uncertainty around the ability of the Trust to make the projected repayments, the value of the loan has been impaired by \$2,278,214, reducing the present value of the loan to \$1,862,786 using a discount rate of 5.77%. This impairment allowance will be reassessed annually.

# Notes to the Financial Statements

	Consolidated		Council Only	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000

## Shares in Other Companies Carried at Cost

Council holds shares in the following unlisted companies (balance dates 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	2,909	2,909	2,909	2,909
Percentage of Issued Shares	11.50%	11.50%	11.50%	11.50%
Book Value	\$31,016	\$31,016	\$31,016	\$31,016

As there is no market for shares in these companies, or any like market or shares for sale, a fair value cannot be accurately estimated for these holdings.

## Note 14: Cash and Cash Equivalents

Cash at bank and in hand	1,296	2,206	178	(132)
Deposits initially placed for 3 months or less	5,906	6,950	2,285	6,950
Total Cash Equivalents	\$7,202	\$9,156	\$2,463	\$6,818

The overdrawn position at year end 2015 resulted from a bank error which was corrected on 1 July 2015.

## Note 15: Trade and Other Receivables

Rates	2,308	2,176	2,308	2,176
Government Funding	2,615	2,505	1,621	1,481
Inter-company	-	-	53	28
Infringements	37	28	37	28
Sundry Debtors	3,919	3,899	1,013	975
Total Receivables	8,879	8,608	5,032	4,688
Less Provision for Impairment	(899)	(839)	(773)	(762)
	\$7,980	\$7,769	\$4,259	\$3,926

There is no concentration of credit risk outside the group other than the New Zealand Transport Agency and the Southern District Health Board. However, given the nature of these organisations, this risk is assessed as very low.

## Analysis of Receivables

Not yet overdue	7,182	6,794	4,056	3,781
Overdue 0 – 30 days	383	438	136	49
Overdue 30 – 60 days	218	222	16	9
Overdue more than 61 days	1,096	1,154	824	849
Total Receivables	\$8,879	\$8,608	\$5,032	\$4,688

# Notes to the Financial Statements

	Consolidated		Council Only	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000

## Note 15: Trade and Other Receivables (continued)

### Analysis of Provision for Impairment

Individual Impairment	160	115	34	38
Collective Impairment	739	724	739	724
Total Receivables	\$899	\$839	\$773	\$762

At 30 June, all general receivables are assessed for impairment and individual provisions are 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 outstanding rates that are older than 12 months and to a portion of current year rate penalties.

### Analysis of movements in the Provision for Impairment

At 1 July	839	922	762	839
Increase / (Decrease in Provision)	77	(55)	24	(58)
Less Receivables written off	(17)	(28)	(13)	(19)
Total inventory classified as Current	\$899	\$839	\$773	\$762

Amounts shown are inclusive of GST if applicable. The face value of Trade and Other Receivables approximates their fair value.

## Note 16: Inventories

Retail Inventories	109	107	11	6
Metal and Soil Stocks	335	289	-	17
Logged Timber	18	42	18	42
Other Supplies	518	538	-	-
Less Provision for Obsolescence	(30)	-	-	-
Total inventory classified as Current	\$950	\$976	\$29	\$65

Property holdings available for sale, for which a sale is not anticipated within twelve months of balance date, have been classified as non-current inventory.

Land – North End Industrial Park, 3 sites	1,150	1,150	1,150	1,150
Land – Omarama, 13 (2015: 14) residential sites	1,000	1,073	1,000	1,073
Land and buildings – Boundary Creek site	369	-	369	-
Total inventory classified as Non-current	\$2,519	\$2,223	\$2,519	\$2,223

The North End Industrial Park sites are subject to an agreement for sale and purchase, with deferred settlement. Interest is charged on the outstanding balance. Full settlement is required by June 2023, but the precise timing cannot be determined.

The residential sections in Omarama and the Boundary Creek property are being actively marketed, but sales have been sporadic and the timing of future sales is uncertain.

# Notes to the Financial Statements

	Consolidated		Council Only	
	2016	2015	2016	2015
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
<b>Note 17: Work in Progress</b>				
Cost	5,851	4,655	-	-
Profit Recognised to Date	1,258	822	-	-
Gross Construction WIP	7,109	5,477	-	-
Less Progress Billings	(7,109)	(5,445)	-	-
Net Construction WIP	-	32	-	-
Other Contracts	90	89	-	-
Total Work in Progress	\$90	\$121	-	-

## Note 18: Assets Held for Sale

Land which is available for sale, and for which completion of a sale is anticipated within twelve months of balance date, is included in this category.

Land – Oamaru, Hospital Hill site	-	253	-	253
Land – Oamaru, former hospital site	289	-	289	-
Land – Waitaki District, 3 sites	152	-	152	-
Total	\$441	\$253	\$441	\$253

The property on Hospital Hill was sold in March 2016 for \$615,000.

Land associated with the former Oamaru hospital is being actively marketed and a sale is anticipated within twelve months of balance date.

Two residential sites, one in Oamaru and one in Kurow, have been sold subsequent to balance date, and the sale of a commercial site in Oamaru is expected to be completed during the 2017 financial year.



# Notes to the Financial Statements

	Consolidated		Council Only	
	2016	2015	2016	2015
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 19: Provisions

### Landfill Aftercare and Site Restoration

Opening	635	895	616	876
Provision utilised	(257)	(273)	(257)	(273)
Additions to Provision	377	13	377	13
	<u>\$755</u>	<u>\$635</u>	<u>\$736</u>	<u>\$616</u>

### Analysed:

Non-Current	387	382	387	382
Current	368	253	349	234
	<u>\$755</u>	<u>\$635</u>	<u>\$736</u>	<u>\$616</u>

## Landfill Aftercare

Council operates landfills in Oamaru and Palmerston, and is required by the conditions of its consents to maintain and monitor those landfills after their closure. This includes establishing a provision to undertake clean-up work at these and other potentially contaminated sites.

The provision is based on the remaining expected life of the landfills, as determined by current and expected future volumes, and the costs of cleaning up and monitoring the sites utilising current methods and technologies. The costs are expected to be incurred over the 30 years following closure, and are discounted back to present value using a discount rate of 5.0% (2015: 5%).

## Site Restoration

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

## Note 20: Employee Entitlements

Accrued Pay	1,252	960	389	365
Annual Leave	2,662	2,635	626	580
Long Service Leave	101	82	-	4
Sick Leave	38	39	-	-
Continuing Medical Entitlements	150	160	-	-
	<u>\$4,203</u>	<u>\$3,876</u>	<u>\$1,015</u>	<u>\$949</u>
Analysed:				
Non-Current	94	82	-	-
Current	4,109	3,794	1,015	949
	<u>\$4,203</u>	<u>\$3,876</u>	<u>\$1,015</u>	<u>\$949</u>

# Notes to the Financial Statements

	Consolidated		Council Only	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000

## Note 21: Borrowings

### Non-Current Borrowing

Public Debt – secured	-	-	-	-
Other secured loans	11	-	-	-
Total	\$11	\$-	\$-	\$-

### Current Borrowing

Public Debt – secured	-	-	-	-
Other secured loans	1	-	-	-
Total	\$1	\$-	\$-	\$-
Total Borrowings	\$12	\$-	\$-	\$-

## Financing Costs

Council has no remaining public debt, so no fixed interest rate now applies.

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

## Security

Public debt reported by Council as secured is normally secured over future rates revenues, while debt reported by members of Council's group is generally secured over property.

## Repayment Terms

The following is a maturity analysis of total debt:

Payable no later than one year	1	-	-	-
Later than one, not later than five years	11	-	-	-
Later than five years	-	-	-	-
	\$12	\$-	\$-	\$-

# Notes to the Financial Statements

	Interest Expense \$000	Balance 1 July \$000	Increased Borrowing \$000	Principal Repaid \$000	Balance 30 June \$000
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## Note 21: Borrowings (continued)

### Internal Loans (Council Only)

Council's Liability, Management and Investment Policy established an internal loan system using cash reserves to fund activities in preference to raising external debt. By using this policy, Council has repaid all its external debt. Internal loans are deemed 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 2016 were \$23,943,328 (2015: \$25,074,639), as below:

### Movements for the year ended 30 June 2016

Roads and Footpaths	27	720	37	(223)	534
Waste Water	17	459	51	(197)	313
Stormwater Damage	3	108	-	(97)	11
Water Supply	395	9,754	380	(718)	9,416
Waste Management and minimisation	26	671	-	(117)	554
Arts, Heritage and Culture	-	8	-	(1)	7
Parks and Recreation	25	630	190	(111)	709
Community Amenities	2	43	69	(5)	107
Oamaru Harbour and Historic Precinct	68	1,694	9	(175)	1,528
Commercial and Development Activities	443	10,935	877	(1,048)	10,764
Environmental Regulation and Safety	-	53	-	(53)	-
Support Services	(1,006)				
	-	25,075	1,613	(2,745)	23,943

### Movements for the year ended 30 June 2015

Roads and Footpaths	33	791	-	(71)	720
Waste Water	34	497	34	(72)	459
Stormwater Damage	5	124	16	(32)	108
Water Supply	452	10,625	272	(1,143)	9,754
Waste Management and minimisation	32	779	-	(108)	671
Arts, Heritage and Culture	0	9	-	(1)	8
Parks and Recreation	27	605	131	(106)	630
Community Amenities	2	60	-	(17)	43
Oamaru Harbour and Historic Precinct	91	2,412	50	(768)	1,694
Commercial and Development Activities	462	10,836	408	(309)	10,935
Environmental Regulation and Safety	-	-	53	-	53
Support Services	(1,139)				
	-	26,738	964	(2,627)	25,075

# Notes to the Financial Statements

	Consolidated		Council Only	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000

## Note 22: Trade and Other Payables

Sundry Creditors	5,352	5,622	3,244	3,062
Accruals	197	108	99	90
Owing to Subsidiaries	-	-	613	795
Revenue Charged or Received in Advance	1,574	1,176	1,223	1,047
Deposits	91	99	91	99
	<u>\$7,214</u>	<u>\$7,005</u>	<u>\$5,270</u>	<u>\$5,093</u>
Analysed:				
Non-Current	-	-	-	-
Current	<u>7,214</u>	<u>7,005</u>	<u>5,270</u>	<u>5,093</u>
	<u>\$7,214</u>	<u>\$7,005</u>	<u>\$5,270</u>	<u>\$5,093</u>

## Note 23: Commitments

### Capital Commitments

Water infrastructure	452	365	452	365
Roading infrastructure	-	1,260	375	1,651
Property	865	93	416	56
Total Capital Commitments	<u>\$1,317</u>	<u>\$1,718</u>	<u>\$1,243</u>	<u>\$2,072</u>

### Contractual Commitments

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

Not later than one year	13,578	7,905	14,828	10,546
Later than one year and not later than two	1,871	3,214	2,451	4,350
Later than two years	4,528	-	4,489	600
Total Contractual commitments	<u>\$19,977</u>	<u>\$11,119</u>	<u>\$21,768</u>	<u>\$15,496</u>

Contractual commitments expected to be paid within twelve months after balance date include:

- In 2016: loan funding of up to \$8 million for the Observatory Village Charitable Trust
- In 2015: additional loan funding of up to \$4 million for North Otago Irrigation Company Ltd.

### Operating Leases

Council and the group have commitments related to non-cancellable operating leases with the following payment profile:

Not later than one year	229	347	104	105
Later than one year and not later than five years	392	733	193	282
Later than five years	1	-	-	-
Total Operating Lease commitments	<u>\$622</u>	<u>\$1,080</u>	<u>\$297</u>	<u>\$387</u>

# Notes to the Financial Statements

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## Note 24: Guarantees and Contingencies

### Council and Group

- 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 is a member of the Civic Liability Pool (CLP – formerly the NZ Mutual Liability Risk Pool) established specifically to provide insurance for claims made under the Building Act 2004. Further calls may be made by the CLP on Council in the future. A liability for future calls will be recognised when there is certainty over the amounts involved.
- Council is a member of the Local Authority Protection Programme (LAPP). Members may be called upon to make a contribution should a future major natural disaster negatively impact the LAPP. A liability will be recognised in relation to those future contributions when there is more certainty over their amount and timing. Council is not aware of any such liability due at, or occurring since, balance date. *Refer to Note 10 – Insurance section.*
- Council is not aware of any actual or potential personal grievance claims (2015: nil).
- Council owns and manages several closed landfills whose contents are unknown. Resource consents require regular monitoring of these landfills. Except for the former Hampden landfill, there are no known defects that might result in a claim, and Council believes defects at this site have been resolved. Future changes to environmental conditions or land use may affect this position. Council has established the Provision for Closed Landfills to reflect the estimated future cost of its obligation – *see Note 19 for further information.*
- Council owns 234.95 (2015: 242.45) hectares of forest, all being pre-1990 forest in terms of the emissions trading scheme. If this land is permanently de-forested, a de-forestation penalty may be incurred, the amount of which 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 continues to hold carbon credits related to its forestry asset. *See Notes 11 and 12 for further information.*
- As a significant property owner, Council faces a number of issues:
  - The findings of the Canterbury Earthquakes Royal Commission of Inquiry are being assessed to determine the potential costs and timing of any changes. Depending on the scale and timing of any necessary structural strengthening or other mitigation work, and the statutory deadlines for its completion, Council may have to reprioritise other capital expenditure; and
  - Insurance premiums are reducing as insurance providers reassess their risk profiles after the Christchurch earthquakes. To mitigate the effect of changes in insurance premiums on rates, Council self-insures a range of assets, and assumes larger excesses in some cases. This strategy carries increased risk of financial loss to Council, the impact of which cannot be accurately quantified. Council continues to monitor this risk and to consider ways by which it can practically limit its exposure. *See Note 10 – Insurance section – for further information.*

# Notes to the Financial Statements

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## Note 25: Financial Instruments

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

### Interest Rate Risk

Council, Whitestone Contracting Ltd and Waitaki District Health Services Ltd have 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.

- **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 is limited to any borrowing, short-term bank deposits and short- and longer- term investments in other entities, mainly Whitestone Contracting Ltd, North Otago Irrigation Company Ltd and major registered banks with which Council may from time to time have dealings.

#### *Cash flow interest rate risk*

Cash flow interest rate risk is the risk that cash flows from financial instruments will fluctuate due to 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 does not enter into foreign currency transactions.

- **Credit Risk**

Credit risk is the risk that a third party will default on its obligations causing Council to incur a loss. Due to the timing of cash inflows and outflows, surplus cash is invested 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 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 community loans. Further details are provided in Notes 13, 14 and 15.

In the normal course of business the Group incurs credit risk from debtors and financial institutions. NZTA owed 16.89% (2015: 21.03%) 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.

# Notes to the Financial Statements

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## **Note 25: Financial Instruments (continued)**

The Group has total bank overdraft and Letter of Credit facilities of \$2,100,000 (2015: \$2,100,000) and committed draw-down facilities of \$15,200,000 (2015: \$15,200,000). Council has uncommitted facilities of \$10,000,000 (2015: \$10,000,000) for the purposes of meeting borrowing needs.

At balance date, Council was not using the overdraft facility (2015: (\$132,000)). No other members of the Group were utilising these facilities at balance date (2015: \$nil). 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 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 maintains flexibility in funding by keeping committed credit lines available. In meeting its liquidity requirements, Council maintains a target level of investments that 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 \$285,000 (2015 \$298,000).

## **Contractual Maturity Analysis**

The tables on the following pages 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.

# 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
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## Note 25: Financial Instruments (continued)

### Council only - 2016

#### *Non-current Assets*

##### Other Financial Assets

- Investments in CCOs	4,912	-	-	-	-	-
- Investments in other entities	145	-	-	-	-	-
- Loans to other entities	17,663	17,663	-	1	662	17,000

#### *Current Assets*

Cash and Cash Equivalents	2,463	2,503	2,503	-	-	-
Trade and Other Receivables	4,259	4,259	4,259	-	-	-
Other Financial Assets						
- Term Deposits	14,750	15,193	15,193	-	-	-
- Loans to other entities	1	1	1	-	-	-

<b>Total Financial Assets</b>	<b>44,193</b>	<b>39,619</b>	<b>21,956</b>	<b>1</b>	<b>662</b>	<b>17,000</b>
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#### *Non-current Liabilities*

Borrowings	-	-	-	-	-	-
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#### *Current Liabilities*

Trade and Other Payables	5,270	5,270	5,270	-	-	-
Short Term Borrowings	-	-	-	-	-	-
Employee Entitlements	1,015	1,015	1,015	-	-	-

<b>Total Financial Liabilities</b>	<b>6,285</b>	<b>6,285</b>	<b>6,285</b>	<b>-</b>	<b>-</b>	<b>-</b>
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<b>Net Liquidity</b>	<b>\$ 37,908</b>	<b>\$ 33,334</b>	<b>\$ 15,671</b>	<b>\$ 1</b>	<b>\$ 662</b>	<b>\$ 17,000</b>
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### Council only - 2015

#### *Non-current Assets*

##### Other Financial Assets

- Investments in CCOs	4,912	-	-	-	-	-
- Investments in other entities	145	-	-	-	-	-
- Loans to other entities	660	660	-	-	660	-

#### *Current Assets*

Cash and Cash Equivalents	6,818	6,939	6,939	-	-	-
Trade and Other Receivables	3,926	3,926	3,926	-	-	-
Other Financial Assets						
- Term Deposits	9,250	9,402	9,402	-	-	-
- Loans to other entities	13,050	13,142	13,142	-	-	-

<b>Total Financial Assets</b>	<b>38,761</b>	<b>34,069</b>	<b>33,409</b>	<b>-</b>	<b>660</b>	<b>-</b>
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#### *Non-current Liabilities*

Borrowings	-	-	-	-	-	-
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#### *Current Liabilities*

Trade and Other Payables	5,093	5,093	5,093	-	-	-
Short Term Borrowings	-	-	-	-	-	-
Employee Entitlements	949	949	949	-	-	-

<b>Total Financial Liabilities</b>	<b>6,042</b>	<b>6,042</b>	<b>6,042</b>	<b>-</b>	<b>-</b>	<b>-</b>
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<b>Net Liquidity</b>	<b>\$ 32,719</b>	<b>\$ 28,027</b>	<b>\$ 27,367</b>	<b>\$ -</b>	<b>\$ 660</b>	<b>\$ -</b>
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# 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
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## Note 25: Financial Instruments (continued)

### Group - 2016

#### Non-current Assets

##### Other Financial Assets

- Investments in CCOs	-	-	-	-	-	-
- Investments in other entities	145	-	-	-	-	-
- Loans to other entities	19,526	21,804	-	1	662	21,141

#### Current Assets

Cash and Cash Equivalents	7,202	7,363	7,363	-	-	-
Trade and Other Receivables	7,980	7,980	7,980	-	-	-
Other Financial Assets						
- Term Deposits	17,310	17,829	17,829	-	-	-
- Loans to other entities	1	1	1	-	-	-

<b>Total Financial Assets</b>	<b>52,164</b>	<b>54,977</b>	<b>33,173</b>	<b>1</b>	<b>662</b>	<b>21,141</b>
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#### Non-current Liabilities

Borrowings	11	11	-	2	2	7
Employee Entitlements	94	94	-	-	94	-

#### Current Liabilities

Trade and Other Payables	7,214	7,214	7,214	-	-	-
Short Term Borrowings	1	1	1	-	-	-
Employee Entitlements	4,109	4,109	4,109	-	-	-

<b>Total Financial Liabilities</b>	<b>11,429</b>	<b>11,429</b>	<b>11,324</b>	<b>2</b>	<b>96</b>	<b>7</b>
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<b>Net Liquidity</b>	<b>\$ 40,735</b>	<b>\$ 43,548</b>	<b>\$ 21,849</b>	<b>(\$ 1)</b>	<b>\$ 566</b>	<b>\$ 21,134</b>
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### Group - 2015

#### Non-current Assets

##### Other Financial Assets

- Investments in CCOs	-	-	-	-	-	-
- Investments in other entities	145	-	-	-	-	-
- Loans to other entities	660	660	-	-	660	-

#### Current Assets

Cash and Cash Equivalents	9,156	9,317	9,317	-	-	-
Trade and Other Receivables	7,769	7,769	7,769	-	-	-
Other Financial Assets						
- Term Deposits	16,878	17,320	17,320	-	-	-
- Loans to other entities	13,050	13,142	13,142	-	-	-

<b>Total Financial Assets</b>	<b>47,658</b>	<b>48,208</b>	<b>47,548</b>	<b>-</b>	<b>660</b>	<b>-</b>
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#### Non-current Liabilities

Borrowings	-	-	-	-	-	-
Employee Entitlements	82	82	-	-	82	-

#### Current Liabilities

Trade and Other Payables	7,005	7,005	7,005	-	-	-
Short Term Borrowings	-	-	-	-	-	-
Employee Entitlements	3,794	3,794	3,794	-	-	-

<b>Total Financial Liabilities</b>	<b>10,881</b>	<b>10,881</b>	<b>10,799</b>	<b>-</b>	<b>82</b>	<b>-</b>
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<b>Net Liquidity</b>	<b>\$ 36,777</b>	<b>\$ 37,327</b>	<b>\$ 36,749</b>	<b>\$ -</b>	<b>\$ 578</b>	<b>\$ -</b>
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# Notes to the Financial Statements

	Consolidated		Council Only	
	2016	2015	2016	2015
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 25: Financial Instruments (continued)

The maximum credit exposure for each class of financial instrument is consistent with the amounts disclosed in Note 26.

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 with institutions rated AA or better by Standard and Poor's	24,512	26,034	17,213	16,068
Cash with other entities with no default history	19,527	13,710	17,664	13,710
Total Cash and Cash Equivalents	<u>\$44,039</u>	<u>\$39,744</u>	<u>\$34,877</u>	<u>\$29,778</u>

## Fair Values

The fair value of financial instruments approximates carrying amounts disclosed in the Statement of Financial Position, and is consistent with Council's Liability Management and Investment Policy.

## Note 26: Categories of Financial Assets and Liabilities

Carrying amounts of financial assets and liabilities in each of the PBE IPSAS 29 categories are:

### Financial Assets

Shares in other companies (note 13)	145	145	145	145
Secured and other loans (note 13)	19,527	13,710	17,664	13,710
Deposits with an initial term over 3 months (note 13)	17,310	16,878	14,750	9,250
Cash and cash equivalents (note 14)	7,202	9,156	2,463	6,818
Trade and other receivables (note 15)	7,980	7,769	4,259	3,926
Total Financial Assets	<u>\$52,164</u>	<u>\$47,658</u>	<u>\$39,281</u>	<u>\$33,849</u>

### Financial liabilities measured at amortised cost

Trade and other payables (note 22)	7,214	7,005	5,270	5,093
Borrowings (note 21)	12	-	-	-
Employee entitlement liabilities (note 20)	4,203	3,876	1,015	949
Total Financial Liabilities at amortised cost	<u>\$11,429</u>	<u>\$10,881</u>	<u>\$6,385</u>	<u>\$6,142</u>

# Notes to the Financial Statements

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## Note 27: Members' Interests Transactions

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

All transactions are assumed to have been undertaken at normal commercial rates in the normal course of business. All amounts are stated in whole dollars.

- Mayor Gary Kircher is currently a Trustee, and Cr Peter Garvan was previously a Trustee of the Oamaru Whitestone Civic Trust until resigning on 9 March 2016. The Trust leases several properties from Council. During the year ended 30 June 2016, Council provided rental and other services to the value of \$44,325 (2015: \$20,800). At year end, \$21,188 was owed to Council (2015: \$11,960). The Trust receives financial support by way of loan advances from Council, with \$365,000 outstanding at year end (2015: \$365,000) and grants provided of \$15,143 (2015: \$15,993).
- Mayor Gary Kircher is a Trustee of the newly-formed Observatory Village Charitable Trust, which is constructing a retirement village on property located on Hospital Hill. In the current financial year, the Trust purchased land from Council for \$615,000, and paid \$65,804 for building consents and reimbursement of legal costs. Council has committed to lend the Trust up to \$8 million to assist with completion of the project – refer to Note 23. At year end, \$16,432 was owed to Council.
- Cr Sally Hope is employed by Hope and Associates Legal which, during the year ended 30 June 2016, provided professional services to Council in relation to property, debt and other matters to the value of \$23,709 (2015: \$6,134). At year end, a balance of \$4,465 was owed by Council (2015: \$Nil).
- Cr Kathy Dennison owns Palmerston Dental Surgery Ltd which, during the year ended 30 June 2016, rented premises in Palmerston from Council to the value of \$4,102 (2015: \$3,600). At year end \$1,236 was owed to Council (2015: \$1,035). Cr Dennison's family is involved with Jeffrey Dennison Builders Ltd which undertook maintenance work on residential units and other property to the value of \$79,475 (2015: \$Nil).
- Cr Colin Wollstein is a Director of North Otago Motor Group Ltd which, during the year ended 30 June 2016, provided vehicle maintenance services to Council amounting to \$10,104 (2015: \$6,563). At 30 June 2016, Council owed \$938 (2015: \$1,400). Council purchased no motor vehicles during the year from this supplier (2015: one vehicle, \$34,838).
- Cr Melanie Tavendale is a Trustee of the Waitaki Community Recreation Trust which operates the Waitaki Community Recreation Centre located at Waitaki Girls' High School. During the year ended 30 June 2016, the Trust received operating grants from Council amounting to \$73,000 (2015: \$72,000).
- Calum Reid, a member of the Ahuriri Community Board, is a Director and/or shareholder of several companies with which Council conducts business:
  - Calect Electrical Ltd – purchases by Council \$Nil (2015: \$2,537) – Council owed \$Nil at year end (2015: \$Nil).
  - Waitaki Test & Tag Ltd - purchases by Council \$3,035 (2015: \$1,751) - Council owed \$Nil at year end (2015: \$Nil).Mr Reid is also a member of the committee of the Waitaki Valley Community Society. The Society operates the Kurow Museum and received funding of \$22,897 either directly from Council or by way of the Ahuriri Community Board in the current year (2015: \$17,192) to support the museum's operations and to provide i-site services in the Waitaki Valley.

# Notes to the Financial Statements

	Consolidated		Council Only	
	2016	2015	2016	2015
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 28: Employee Remuneration

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

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

#### Mayor:

Gary Kircher	91	90
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#### Elected Members:

Kathy Dennison	27	26
Peter Garvan	24	21
Sally Hope	22	14
Jim Hopkins	24	23
William Kingan	27	25
Guy Percival	24	16
Hugh Perkins	31	29
June Slee	24	21
Melanie Tavendale	24	22
Colin Wollstein	27	22

<b>Total Remuneration – Mayor and Elected Members</b>	<b>\$345</b>	<b>\$309</b>
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### Remuneration of the Chief Executive Officer (Clause 32(iii))

Total remuneration of the Chief Executive Officer, Michael Ross, for the year ended 30 June 2016 was \$256,275 (2015: \$253,170).

Michael Ross is a Director of North Otago Irrigation Company Limited (Council appointee) receiving Director's Fees of \$12,000 (2015: \$12,000).

### Key Management Personnel

Employees considered key personnel for Council are the Mayor and Councillors, the Chief Executive, the Chief Financial Officer and the three Group Managers.

Total remuneration of key management personnel is as follows:

Senior management team, including Chief Executive	925	930
<i>Full-time equivalent members</i>	5	5
Councillors	345	309
<i>Full-time equivalent members</i>	11	11
<b>Total remuneration</b>	<b>\$1,270</b>	<b>\$1,239</b>
<b><i>Total Full-time equivalent members</i></b>	<b>16</b>	<b>16</b>

# Notes to the Financial Statements

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## **Note 28: Employee Remuneration (continued)**

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

At 30 June 2016, Council had 99 full-time employees (2015: 99), and casual and part-time employees amounting to 29 full-time equivalent (FTE) staff (2015: 30 FTE).

132 employees received annual remuneration of less than \$60,000 (2015: 147), and 63 staff (2015: 62) received annual remuneration greater than \$60,000. In the table below, these are expressed in bands of \$20,000 or in bands adjusted as appropriate to ensure compliance with the legislation:

<b>Remuneration band</b>	<b>Employees</b>	
	<b>2016</b>	<b>2015</b>
\$180,000 – \$259,999	2	2
\$120,000 – \$179,999	6	5
\$100,000 – \$119,999	10	8
\$80,000 – \$99,999	14	16
\$60,000 – \$79,999	31	31
<b>Total staff</b>	<b>63</b>	<b>62</b>

The Group, comprising Council and four CCOs, has 33 employees receiving annual remuneration in excess of \$100,000 (2015: 31).

### **Severance Payments (Clause 33)**

Council made one severance payment, of \$36,100, during the current financial year (2015: two payments were made, \$28,520 and \$1,339, totaling \$29,859).

Other members of Council's group made severance payments totaling \$53,582 (2015: 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, may undertake minor transactions with Council, including the payment of rates, registering of dogs and incurring and paying other fees and charges.

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

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

# Notes to the Financial Statements

## Note 29: 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 parent and group members are completed on normal contract terms, with payments made either in accordance with those contracts, or in the month following supply.

Entities listed may transact business between themselves, but the values of such transactions are not detailed here and are not considered material for the purposes of this disclosure.

<u>Entity and details of transaction</u>	<b>Council only</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$000</b>	<b>\$000</b>
<ul style="list-style-type: none"> <li><b>Waitaki District Health Services Limited</b> (refer pages 79 - 81)</li> </ul>		
Services provided by Council	52	55
Balance owed to Council at year end	4	6
<ul style="list-style-type: none"> <li><b>Tourism Waitaki Limited</b> (refer pages 76 - 78)</li> </ul>		
Services provided by Council	140	126
Balance owed to Council at year end	-	16
Services provided to Council	708	745
Balance owed by Council at year end	80	-
Subvention payments made to Council	16	-
<ul style="list-style-type: none"> <li><b>Whitestone Contracting Limited and Group</b> (refer pages 82 - 84)</li> </ul>		
Services provided by Council	89	62
Balance owed to Council at year end	45	3
Services provided to Council	5,851	6,719
Balance owed by Council	533	795
Dividends and Subvention payments made to Council	546	-
<ul style="list-style-type: none"> <li><b>Omarama Airfield Limited</b> (refer pages 73 - 75)</li> </ul>		
Services provided by Council	23	23
Balance owed to Council at year end	-	-
<ul style="list-style-type: none"> <li><b>North Otago Irrigation Company Limited</b> (significant borrower)</li> </ul>		
Interest charged by Council on funds advanced (Note 4)	727	550
Outstanding balance of Council loan funding (Note 13)	17,000	13,043
<i>The company is developing and maintaining a significant irrigation system in the district</i>		
<ul style="list-style-type: none"> <li><b>Observatory Hill Charitable Trust</b> (significant borrower)</li> </ul>		
Land purchased from Council	615	-
Services provided by Council	67	-
Balance owed to Council at year end	17	-
Council has committed loan funding to a maximum limit of	8,000	-
<i>The company is constructing and will operate a retirement village complex in Oamaru</i>		

No provision is required, nor has any expense been recognised, for impairment of loans or other receivables due from related parties (2015: \$nil).

# Notes to the Financial Statements

	Consolidated		Council Only	
	2016	2015	2016	2015
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
<b>Note 30: Reconciliation of Net Operating Surplus to Cash Flows from Operating Activities</b>				
Net Operating Surplus after Taxation	(60)	3,473	1,320	2,992
<u>Add/(Less) non-cash items</u>				
Depreciation/Amortisation	13,586	13,112	11,463	11,169
Interest compounded	-	(550)	-	(550)
Increase/(Decrease) in Doubtful Debts Provision	55	(74)	11	(77)
Increase/(Decrease) in Landfill Closure & Other Provisions	116	(260)	116	(260)
Net Loss/(Profit) on sale of Assets	3,064	890	3,206	902
Gain on Forestry Harvesting	(432)	-	(432)	-
Loss/(Gain) on Forestry revaluation	(102)	632	(102)	632
Provision for Impairment	2,278	-	-	-
Vested Assets	(158)	(146)	(63)	(146)
Surrender of Carbon Credits	18	8	18	8
Increase/(decrease) in Deferred Tax position	(75)	79	-	-
	<u>18,350</u>	<u>13,691</u>	<u>14,217</u>	<u>11,678</u>
<u>Add/(Less) movements in Other Working Capital items</u>				
Decrease/(Increase) in Trade & Other Receivables	(109)	938	(344)	1,014
Decrease/(Increase) in Prepayments	(45)	8	(39)	(19)
Decrease/(Increase) in Inventories	25	(17)	36	(55)
Decrease/(Increase) in Work in Progress	31	(5)	-	-
Increase/(Decrease) in Trade & Other Payables	97	288	226	127
Increase/(Decrease) in Employee Entitlements	331	13	70	18
Increase/(Decrease) in Provision for Taxation	289	(416)	-	2
	<u>619</u>	<u>809</u>	<u>(51)</u>	<u>1,087</u>
<b>Net Cash Inflow from Operating Activities</b>	<b><u>\$ 18,909</u></b>	<b><u>\$ 17,973</u></b>	<b><u>\$ 15,486</u></b>	<b><u>\$ 15,757</u></b>

# Notes to the Financial Statements

	Council Only			
	2016	2016	2015	2015
	\$000	Annual Plan \$000	\$000	Annual Plan \$000
<b>Note 31: Funding Impact Statement (whole of Council)</b>				
<b>Sources of <u>operating</u> funding</b>				
General Rates, uniform annual general charge, rates penalties	6,554	6,550	6,516	6,505
Targeted Rates	23,096	23,051	22,622	22,603
<b>Rates Revenue</b>	<b>29,650</b>	<b>29,601</b>	<b>29,138</b>	<b>29,108</b>
Subsidies and grants for operating purposes	3,092	3,695	3,319	2,701
Fees and charges	6,593	5,798	6,117	5,673
Interest and dividends from investments	1,827	1,394	1,134	985
Local Authorities' fuel tax, fines, infringement fees and other receipts	2,507	2,505	1,733	1,659
<b>Total operating funding</b>	<b>43,669</b>	<b>42,993</b>	<b>41,441</b>	<b>40,126</b>
<b>Application of <u>operating</u> funding</b>				
Payments to staff and suppliers	33,378	35,106	30,489	32,556
Finance Costs	-	-	-	-
Other operating funding applications	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>33,378</b>	<b>35,106</b>	<b>30,489</b>	<b>32,556</b>
<b>Surplus / (Deficit) of operating funding</b>	<b>10,291</b>	<b>7,887</b>	<b>10,952</b>	<b>7,570</b>
<b>Sources of <u>capital</u> funding</b>				
Subsidies and grants for capital expenditure	4,033	2,853	3,483	2,567
Development and financial contributions	710	640	729	680
Increase / (decrease) in debt	-	(1)	(3)	(2)
Gross proceeds from sale of assets	(1,048)	121	(1,003)	466
<b>Total sources of capital funding</b>	<b>3,695</b>	<b>3,613</b>	<b>3,206</b>	<b>3,711</b>
<b>Application of <u>capital</u> funding</b>				
Capital expenditure	-	-	-	-
- to meet additional demand	-	-	-	-
- to improve the level of service	3,947	2,144	2,263	2,131
- to replace existing assets	7,594	9,599	7,827	6,952
<b>Total capital expenditure</b>	<b>11,541</b>	<b>11,743</b>	<b>10,090</b>	<b>9,083</b>
Increase / (decrease) in Reserves	2,445	(243)	4,068	2,198
Increase / (decrease) in Investments	-	-	-	-
<b>Total application of capital funding</b>	<b>13,986</b>	<b>11,500</b>	<b>14,158</b>	<b>11,281</b>
<b>Surplus/deficit of capital funding</b>	<b>(10,291)</b>	<b>(7,887)</b>	<b>(10,952)</b>	<b>(7,570)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Notes to the Financial Statements

	2015/16 Actual \$(000)	2015/16 Budget \$(000)	2014/15 Actual \$(000)	2014/15 Budget \$(000)
<b>Note 32: Reconciliation of Funding Impact Statements by Group of Activity</b>				
<b>Operating Revenue</b>				
Roads & Footpaths	3,364	4,251	3,609	3,241
Sewerage (Treatment & Disposal)	723	729	770	657
Stormwater Drainage	-	-	9	-
Water Supply	966	815	1,037	813
Waste Management & Minimisation	1,470	806	1,251	956
Arts, Heritage & Community	563	652	594	641
Parks & Recreation	2,280	2,212	1,511	1,294
Democracy, Accountability & Planning	44	31	27	34
Commercial & Development Activities	3,139	2,432	2,239	1,977
Regulation & Safety	1,343	1,441	1,237	1,515
Support Services (Net Allocated)	15,330	16,160	14,803	15,056
<b>Operational Revenue per Activity FIS</b>	29,222	29,529	27,087	26,184
<b>Total Sources of Capital Funding</b>				
Roads & Footpaths	3,369	2,992	3,247	2,706
Sewerage (Treatment & Disposal)	83	116	67	116
Stormwater Drainage	-	-	-	-
Water Supply	242	275	245	275
Waste Management & Minimisation	-	-	-	-
Arts, Heritage & Community	14	-	7	-
Parks & Recreation	687	-	8	-
Democracy, Accountability & Planning	-	-	-	-
Commercial & Development Activities	(855)	46	(832)	374
Regulation & Safety	76	110	434	150
Support Services (Net Allocated)	79	74	30	90
<b>Capital Revenue per Activity FIS</b>	3,695	3,613	3,206	3,711
Add total Rates	29,650	29,601	29,138	29,107
Less Internal recoveries included	(15,203)	(16,137)	(14,784)	(15,153)
<b>Revenue per Total Activities FIS</b>	47,364	46,606	44,647	43,849
Remove increase/decrease in debt	-	1	3	2
Offset Rates remissions against revenue	(321)	(312)	(229)	(245)
Gross Proceeds from sale of assets	1,048	(121)	1,003	(466)
Adjust Asset Sales contra account	(2,774)	-	(1,534)	-
Adjust internal revenue	-	1	-	(1)
<b>Revenue per Statement of Comprehensive Revenue and Expenditure</b>	45,317	46,175	43,890	43,139

# Notes to the Financial Statements

	2015/16 Actual \$(000)	2015/16 Budget \$(000)	2014/15 Actual \$(000)	2014/15 Budget \$(000)
<b>Note 32: Reconciliation of Funding Impact Statements by Group of Activity (continued)</b>				
<i>Total Applications of Operating Funding</i>				
Roads & Footpaths	5,990	7,869	6,058	6,158
Sewerage (Treatment & Disposal)	2,249	1,899	1,667	1,544
Stormwater Drainage	164	190	143	197
Water Supply	4,546	4,540	4,310	4,317
Waste Management & Minimisation	1,940	1,636	1,344	1,608
Arts, Heritage & Community	3,736	3,933	3,782	3,764
Parks & Recreation	5,351	5,175	4,494	4,492
Democracy, Accountability & Planning	3,184	3,410	3,152	3,633
Commercial & Development Activities	3,063	3,016	2,597	3,693
Regulation & Safety	3,511	3,953	3,593	3,823
Support Services (Net Allocated)	14,847	15,624	14,133	14,491
<b>Total Operational expenditure per FIS</b>	<b>48,581</b>	<b>51,245</b>	<b>45,273</b>	<b>47,720</b>
Less internal recoveries	(15,203)	(16,139)	(14,784)	(15,152)
<b>Expenditure per Total Activities FIS</b>	<b>33,378</b>	<b>35,106</b>	<b>30,489</b>	<b>32,568</b>
Less internal charges included in capital	(523)	(398)	(531)	(530)
Less Rate remissions offset against revenue	(321)	(312)	(229)	(245)
Adjust internal charges	-	-	-	1
Add Depreciation and Amortisation (below)	11,463	11,343	11,169	11,894
<b>Expenditure per Statement of Comprehensive Revenue and Expenditure</b>	<b>43,997</b>	<b>45,739</b>	<b>40,898</b>	<b>43,688</b>
<i>Depreciation and Amortisation</i>				
Roads & Footpaths	5,129	5,078	5,120	5,674
Sewerage (Treatment & Disposal)	1,011	969	903	955
Stormwater Drainage	223	208	208	208
Water Supply	1,670	1,731	1,528	1,722
Waste Management & Minimisation	79	57	57	57
Arts, Heritage & Community	186	190	188	188
Parks & Recreation	872	870	871	844
Democracy, Accountability & Planning	-	-	0	0
Commercial & Development Activities	1,138	1,093	1,100	1,050
Regulation & Safety	30	24	35	111
Support Services (Net Allocated)	1,123	1,124	1,160	1,086
<b>Total Depreciation and Amortisation charges</b>	<b>11,463</b>	<b>11,343</b>	<b>11,169</b>	<b>11,894</b>

# Notes to the Financial Statements

## Note 33: Explanation of Major Variances against Budget and the prior period

Variances in revenue and expenditure to the prior year, and to budget, are generally detailed in the financial commentary in each activity area.

The following provides further information concerning significant or unusual variances:

Council only	2016 Actual \$000	2016 Annual Plan \$000	2015 Actual \$000
<b>Revenue</b>			
Rates	30,375	30,155	30,026
<i>Refer to Note 1 for further analysis</i> Council levies Rates in accordance with its Finance Policies, and the 2015/25 Long Term Plan (LTP). Variances from budget arise from subdivision activities and other changes in the rating database occurring between the adoption of the LTP and the time the rates were struck for the year. Reported Rate revenue includes Penalties applied to overdue Rates, and charges for water supplied by meter, and are net of remissions granted. Changing amounts of penalties levied and volumes of water consumed have contributed to the variances reported			
User Charges	6,410	5,689	5,186
Significant variances:			
• Landfill charges – <i>facility was budgeted to close mid-year, but remained open for the full year</i>	1,361	746	1,174
• Property rentals	1,573	1,504	1,437
• Forestry activities	1,215	1,233	562
• Water, sewer and stormwater connection charges	350	260	398
Government Grants	6,574	6,464	6,161
<i>Refer to Note 2 for further analysis</i> Roading subsidies include a grant of \$250k towards construction of the Alps2Ocean Cycle Trail			
Other Grants and Donations	677	232	773
<i>Refer to Note 3 for further analysis</i> Grants were received in 2016 and 2015 for on-going construction of the Alps2Ocean Cycle Trail. Revenue was also received in 2015 for the reinstatement of Haven Street, Moeraki			
Other Gains and Losses	(2,672)	-	(1,534)
<i>Refer to Note 5 for further analysis</i> Forestry assets increased \$102k due to improved log prices (2015: a decrease of \$(632k)) and gains from harvesting totalled \$432. Losses on disposal of Fixed Assets were (\$3,665k), due to a reassessment of capital work in progress, the divestment of the Lake Middleton to DOC and the decision to write off the remaining value of the road to the Awakino skifield (2015: (\$933k)). Gains on disposal were \$891k (2015: \$31k)			
<b>Expenditure</b>			
Personnel Costs	9,914	10,192	9,387
<i>Refer to Note 6 for further analysis</i> Council budgets for full staffing, and had fewer vacancies than in the previous financial year. Two positions were either fully or partially dis-established during the year			
Depreciation and amortisation	11,463	11,343	11,169
<i>Refer to Notes 10 and 11 for further analysis</i> Increased depreciation charge has resulted from the three-yearly revaluation of Water, Wastewater and Stormwater infrastructure completed in July 2015			

# Notes to the Financial Statements

## Note 33: Explanation of Major Variances against Budget and the prior period (continued)

Council only	2016 Actual \$000	2016 Annual Plan \$000	2015 Actual \$000
Other expenses	22,620	24,204	20,342
<i>Refer to Note 7 for statutory disclosures</i>			
Other significant variances:			
• Contractors, maintenance and other works	15,131	15,424	12,732
• Consultants	800	1,190	801
• Electricity	1,656	1,573	1,604

Balance Sheet items			
Property, Plant & Equipment	709,232	699,782	707,398
Refer to Note 10 The budget assumed a devaluation of (\$212k) arising from the triennial valuation of Waters infrastructure. The actual result was an increase in value \$5.824m			
Cash and Cash Equivalents	2,463	2,360	6,818
Other Financial Assets – Term Deposits	14,750	8,500	9,250
Refer to Notes 13 and 14 for further analysis Council held more funds than usual at year end due to the deferral of several capital projects, and because of its commitment to provide loan funding to the Observatory Village Charitable Trust			
Loans to other entities – non-current asset	17,663	22,430	660
Loans to other entities – current asset	1	-	13,050
Refer to Note 13 for further analysis The <u>current asset</u> in 2015 included the loan repayment from the North Otago Irrigation Company in the 2015/16 financial year. The <u>non-current asset</u> in 2016 includes the new loan to the company. The budget included the Observatory Village Charitable Trust loan which is not required until the 2016/17 financial year			
Receivables	4,259	5,756	3,926
Refer to Note 15 for further analysis Improved payments by customers, and changes to the pattern of NZTA subsidy claims, have contributed to the year end debtors' position			
Provisions – non-current	387	452	382
Provisions – current	349	169	234
Refer to Note 19 for further analysis Costs of completing landfill capping and future monitoring of the site were reassessed at year end, leading to an increased provision and adjustments to the projected timing of required payments			

Statement of Cash Flows			
Net Cash from Operating Activities	15,486	12,665	15,757
Net Cash from Investing Activities	(19,841)	(12,762)	(10,560)
Refer to the Statement of Cash Flows and Note 30 for further analysis			

# Notes to the Financial Statements

	2015 Original \$000	2015 Change \$000	2015 Re-stated \$000
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## Note 34: Reclassification of Amounts

Council and the group have made changes to the presentation of items in the financial reports to better reflect either the financial position at year end or financial activities undertaken during the year, or to give effect to changes required by the Financial Prudence Regulations (2014).

These changes have resulted in amendments to 2015 comparative figures, the effect of which is set out in the table below.

Council became aware during the 2016 financial year that certain property had been vested in Council in previous financial periods. Because the vesting occurred prior to the 2015 financial year, the adjustments below have been required to recognise the resulting assets. This change also affects Notes 9 and 10.

### Statement of Financial Position

#### **Council only**

Property, Plant and Equipment	705,489	1,909	707,398
Ratepayers' Equity	308,299	1,909	310,208

#### **Group**

Property, Plant and Equipment	726,553	1,909	728,462
Ratepayers' Equity	308,299	1,909	310,208

Council is not now required to disclose Targeted Rates for Water Supply on the face of the Statement of Comprehensive Revenue and Expenditure. This information is now included within Rates Revenue. This change also affects disclosures made in Note 1.

### Statement of Comprehensive Revenue and Expenditure

#### **Council only**

Rates Revenue	24,226	5,800	30,026
Targeted Rates for Water Supply	5,800	(5,800)	-

#### **Group**

Rates Revenue	24,190	5,800	29,990
Targeted Rates for Water Supply	5,800	(5,800)	-

Community Grants expense has been adjusted to include grants made to the Otago Rural Fire Authority. This change only affects details provided in Note 7.

### Note 7 - Operating Expenses - Other Charges

#### **Council only**

Community Grants and donations	906	321	1,227
Other Expenditure	19,064	(321)	18,743

#### **Group**

Community Grants and donations	1,305	321	1,626
Other Expenditure	26,891	(321)	26,570

# Notes to the Financial Statements

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	2015 Original \$000	2015 Change \$000	2015 Re-stated \$000
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## **Note 34:        Reclassification of Amounts (continued)**

Amounts owed to members of Council's consolidated group by Government agencies have previously been incorrectly included in Sundry debtors. This change only affects disclosures made in Note 15.

### Note 15 - Trade and Other Receivables

#### **Group**

Total outstanding - Government funding	1,481	1,024	2,505
Total outstanding - Sundry	4,923	(1,024)	3,899

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## **Note 35:        Events Subsequent to Balance Date**

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

# ***Managing Our People***

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## **Staffing Reviews**

Staffing reviews were carried out in three Council units during the past year:

- Regulatory Services Unit - Building
- Water Services and Waste Unit
- Property Unit

All reviews were carried out in a consultative, robust manner resulting in the successful implementation of the revised structures to better meet the needs of the organisation and of our community.

## **Employee Workplace Survey**

The Annual Workplace Survey was undertaken via independent survey provider IBM in November 2015. The Executive Team has worked through the results with staff, through a variety of forums and has identified the areas that are significant.

When the sections of this survey are compared to the 2015 Local Government section indices, Council highlights a more positive result in all 13 sections as well as against all 2014 Council section results. Engagement analysis results in 2015 also demonstrated a significant positive trend on the 2014 results.

## **Employee Headcount and Turnover**

The employee headcount and full time equivalent calculations continue to be recorded. As Council is now participating in the PWC Local Government Operational Effectiveness Survey, we are currently reviewing how we report this information.

## **2015/16 Staff Statistics**

This period resulted in a total average full time equivalent staff (including casual positions) of 129.0 FTE.

Staff turnover figures in 2015/16 demonstrate further reductions in both part time and full time employee turnover compared to the 2014/15 figures, with total employee turnover down from 11.6% (2014/15) to 5.2% (2015/16).

Human Resources has reviewed the turnover data. The six full time employees comprising the 5.2% 2015/16 turnover includes people leaving for the following reasons:

Staffing Review – Redundancy	1
Change of Career	1
Family Reasons/Relocation	2
Retirement	1
Other	1

## **New Positions Approved**

During this period the following new full time positions were approved:

- Senior Building Control Officer, Regulatory Services Unit
- Building Control Officer, Regulatory Services Unit
- Regulatory Services Administrator, Regulatory Services Unit
- Biodiversity Coordinator, Planning Unit
- Property Officer, Property Unit

# ***Managing Our People***

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## **Health and Safety**

All health and safety practices and procedures continue to be monitored and reviewed in line with the changing legislative and ACC Workplace Safety Management Practices Programme requirements.

2016 saw the implementation of the new Health and Safety at Work Act 2015. As a result of this significant change:

- Legislative update training has been provided for all Council staff and Elected Members
- Internal processes have been reviewed and have been (or are in the process of being) updated as required
- Health and Safety Governance Charter has been prepared
- Officer Due Diligence Plan documentation has been prepared
- Review analysis of critical risk is in progress

## **ACC Workplace Safety Management Practices Programme**

An internal audit (self-audit) was carried out in July 2016, to measure Council's health and safety systems and practices against the Workplace Safety Management Practices audit standards. This audit was also peer reviewed by personnel from Tourism Waitaki. This audit highlighted that Council is continuing on track to maintain secondary level accreditation.



# Governance Statement

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The Local Government Act 2002 requires Council to disclose the following information in its Governance Statement:

The purpose of the Waitaki District Council is 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.

In fulfilling its purpose Waitaki District Council exercises powers and fulfils responsibilities conferred on it by numerous public acts of parliament (e.g. the Local Government Act 2002 and Resource Management Act 1991) and the following local statutes:

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

## Electoral System

Every three years Council must review the electoral system.

The review of the electoral system is a choice between first-past-the-post (FPP) voting and single transferable vote (STV) voting. In September 2014, Council resolved to retain FPP voting for the 2016 elections. This decision was not challenged and was publicly notified in September 2014. The process for determining which electoral system Council will follow can be found in the Local Electoral Act 2001.

## Representation Arrangements

Every three to six years Council must review its representation and that of its Community Boards. The review of representation involves decisions about the number of councillors to be elected, how many wards (if any) are needed to reflect community interest, and – if wards are favoured – how many members should be elected from each ward. Council resolved on 28 August 2012 to retain the four wards as follows:

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

Council has not exercised the option of establishing a Māori Ward.

The Waitaki district includes two Community Boards: Ahuriri (north-western ward) and Waihemo (southern ward). The role of the boards is to:

- Represent and act as an advocate for the interests of their community
- Consider and report on any matter referred to it by Council and any issues of interest or concern to the Community Board
- Make an annual submission to Council on expenditure in the community
- Maintain an overview of services provided by Council within the community
- Communicate with community organisations and special interest groups in the community
- Undertake any other responsibilities delegated by Council
- Each Community Board has a Chairperson and five other members. Five members are elected triennially by electors in the community and Council appoints Ward Councillors. The Community Board elects its own Chairperson at its first meeting after the triennial election.

Section 24 and Schedule 3 of the Local Government Act contains provisions for reorganisation proposals, including boundary changes.

# Governance Statement

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## Members' Roles and Conduct

The Mayor and the Councillors of the Waitaki District Council have the following roles:

- Setting the policy direction of Council
- Monitoring the performance of Council
- Representing the interests of the district. On election all members must make a declaration that they will perform their duties faithfully and impartially, and according to their best skill and judgement in the best interests of the district
- Employing the Chief Executive: Under the Local Government Act the local authority employs the Chief Executive, who in turn employs all other staff on its behalf.

The Mayor is elected by the district as a whole and, as one of the elected members, shares the same responsibilities as other members of Council. In addition the Mayor has the following roles:

- Presiding member at Council meetings. The Mayor is responsible for ensuring the orderly conduct of business during meetings (as determined in Standing Orders)
- Advocating on behalf of the community. This role may involve promoting the community and representing its interests. Such advocacy will be most effective where it is carried out with the knowledge and support of Council
- Ceremonial head of Council
- Establishing committees of Council and appointing the Chairperson of each committee
- Providing leadership and feedback to other elected members on teamwork and chairing committees.

The Deputy Mayor is nominated by the Mayor and elected by members at the first meeting of Council. The Deputy Mayor exercises the same roles as other elected members. In addition, if the Mayor is absent or incapacitated, or if the Office of Mayor is vacant, then the Deputy Mayor must perform all of the responsibilities and duties, and may exercise the powers of the Mayor (as summarised above). The Deputy Mayor may be removed from office by resolution of Council.

The Mayor proposes the current committees of Council and nominates the Chairpersons of those committees. The proposed structure and chairpersons are established by Council resolution. The Chairperson is responsible for presiding over meetings of the committee, ensuring that the committee acts within the powers delegated by Council, and as set out in Council's Delegations Policy. A committee Chairperson may be removed from office by resolution of Council.

The Chief Executive is appointed by Council in accordance with section 42 and clauses 33 and 34 of Schedule 7 of the Local Government Act 2002. The Chief Executive implements and manages Council's policies and objectives within the budgetary constraints established by Council. Under section 42 of the Local Government Act 2002, the responsibilities of the Chief Executive are:

- Implementing the decisions of Council
- Providing advice to Council and Community Boards
- Ensuring 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
- Managing the activities of Council effectively and efficiently
- Maintaining systems to enable effective planning and accurate reporting of the financial and service performance of Council
- Providing leadership for the staff of Council
- Employing, on behalf of Council, the staff of Council in accordance with any remuneration and employment policy
- Negotiating the terms of employment of the staff of Council in accordance with any remuneration and employment policy.

Elected members have specific obligations as to their conduct outlined in the following legislation:

- Schedule 7 of the Local Government Act 2002, which includes obligations to act as a good employer in respect of the Chief Executive and to abide by the current Code of Conduct and Standing Orders.

# Governance Statement

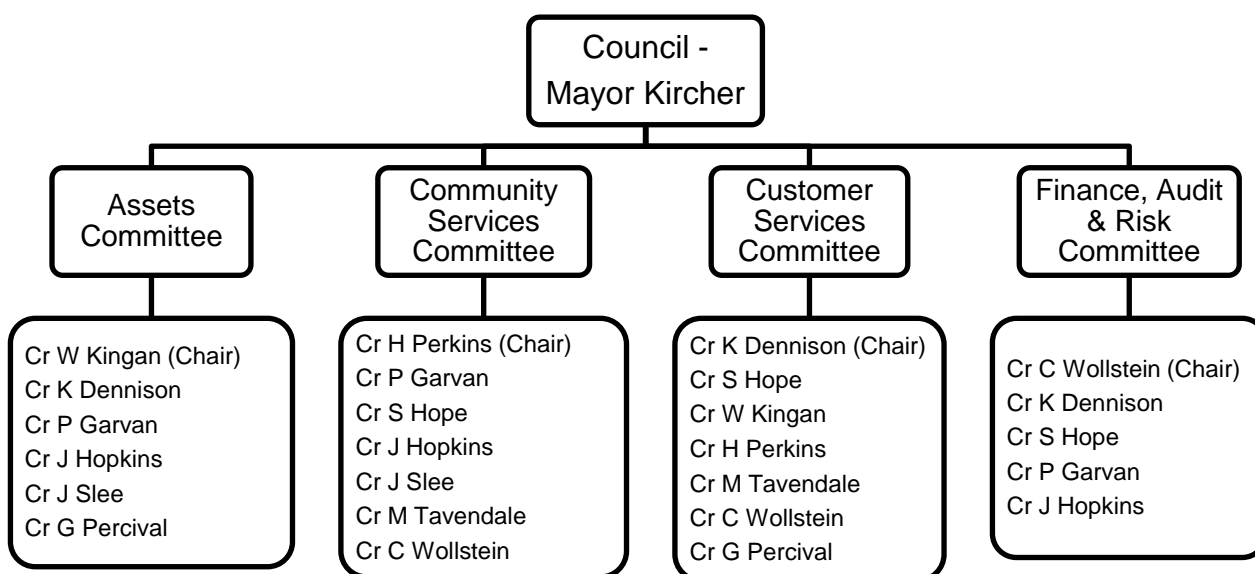
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- Local Authorities (Members' Interests) Act 1968 which regulates the conduct of elected members in situations where there is, or could be, a conflict of interest between their duties as an elected member and their financial interests (either directly or indirectly)
- Secret Commissions Act 1910, which prohibits elected members from accepting gifts or rewards which, could be seen to sway them to perform their duties in a particular way
- Crimes Act 1961 regarding the acceptance of gifts for acting in a certain way and the use of official information for private profit.

All elected members are required to adhere to a Code of Conduct. Adopting such a code is a requirement of the Local Government Act 2002. Once adopted, the Code may only be amended by a 75% or greater majority of Council. The Code sets out Council's understanding and expectations of how the Mayor and Councillors will relate to one another, to staff, to the media and to the general public in the course of their duties. It also covers disclosure of information that is received by, or is in the possession of, elected members, and contains details of the sanctions that Council may impose if an individual breaches the code. Copies of the full Code of Conduct may be obtained from Council.

## Governance Structures

Council reviews its committee structures after each triennial election. At the last review Council established the following four standing committees:



The Mayor is an ex-officio member on the four standing committees detailed above.

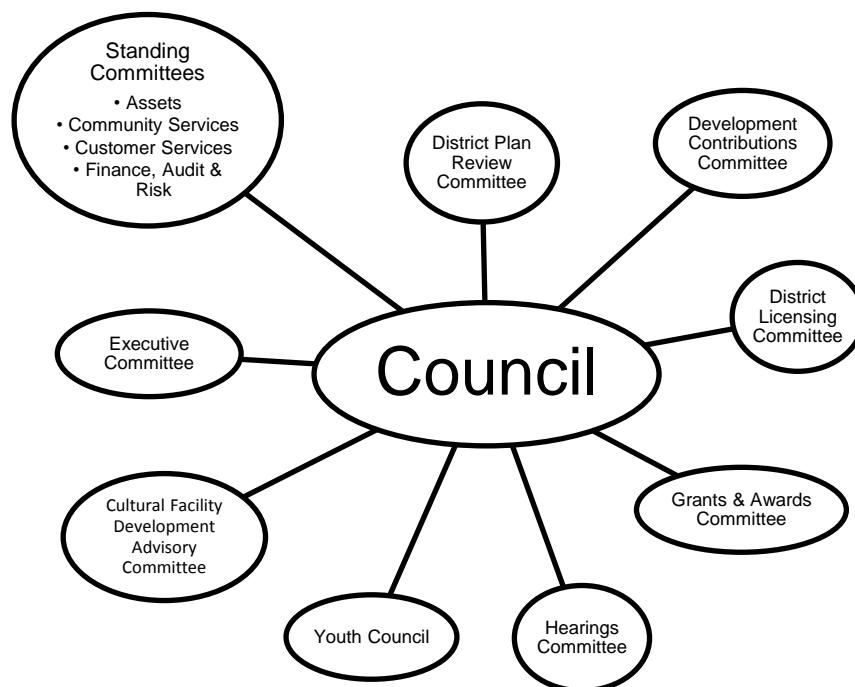
Committees meet between full Council meetings. Further details on these committees, including their terms of reference, delegated powers and meeting arrangements can be obtained from Council.

Council may, from time to time, establish ad hoc committees to consider a particular issue or issues.

Council has established a number of further committees (other than the main standing committees as above). These additional committees report directly to Council.

# Governance Statement

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## Council Organisations and Council Controlled Organisations

Council appoints trustees and directors to a number of companies and trusts. Where the number of Council appointees are less than half of the total membership of the respective governing board, the organisation is deemed to be a Council Organisation (CO). If Council appoints 50% or more of trustees/directors, it is deemed to be a Council Controlled Organisation (CCO).

Council Organisations include Oamaru Whitestone Civic Trust, Waitaki Community Recreation Centre Trust and Waitaki District Community House Trust.

Council Controlled Organisations are Whitestone Contracting Ltd, Tourism Waitaki Ltd, Waitaki District Health Services Ltd and Omarama Airfield Ltd.

Council has adopted policies and processes for appointing people to COs and CCOs that are designed to recognise the skills and attributes provided by appointees and the need to be publicly accountable.

## Meeting Processes

The legal requirements for Council meetings are set down in the Local Government Act 2002 and the Local Government Official Information and Meetings Act 1987 (LGOIMA).

All Council and committee meetings must be open to the public unless there is reason to consider some items 'in committee'. Although meetings are open to the public, members of the public do not have speaking rights unless prior arrangements are made with Council. LGOIMA contains a list of the circumstances where councils may consider items with the public excluded. These circumstances generally relate to protection of personal privacy, professionally privileged or commercially sensitive information, and the maintenance of public health, safety and order. Council agendas are public documents, although parts may be withheld if the above circumstances apply.

The Mayor or Committee Chairperson is responsible for maintaining order at meetings and may, at his or her discretion, order the removal of any member of the public for disorderly conduct, or remove any member of Council who does not comply with Standing Orders.

# Governance Statement

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Minutes of meetings must be kept as evidence of the proceedings of the meeting. These must be made publicly available, subject to the provisions of the LGOIMA.

For an ordinary meeting of Council, at least 14 days' notice of the time and place of the meeting must be given. Extraordinary meetings generally can be called on three working days' notice.

During meetings the Mayor and Councillors must follow Standing Orders (a set of procedures for conducting meetings). Standing Orders were reviewed and reconfirmed by Council on 17 December 2013. Council may suspend Standing Orders by a vote of 75% of the members present. A copy of the Code of Conduct and Standing Orders can be obtained from Council.

## Consultation

The Local Government Act 2002 sets out consultation principles and a procedure that local authorities must follow when making certain decisions. The principles for consultation and use of a procedure called the **Special Consultative Procedure**, is found in sections 82 – 90 of the Local Government Act 2002.

Council can and does, consult outside of the Special Consultative Procedure. When it is adopting its Long Term Plan, Annual Plan or District Plan it holds formal meetings with community groups and other interested parties to seek views on the matters Council considers to be important and to identify issues of concern to the community.

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

Council has in place protocols for ensuring Tangata Whenua are consulted in regard to decisions made under the Resource Management Act 1991, Local Government Act 2002. In the last triennium Council 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 with Waitahi Taiwhenua O Waitaki Trust Board.

Council continues to focus on its wider role, including:

- Encouraging Māori contribution to decision-making processes of all Council activities, not simply decisions made under the Resource Management Act
- Reference to Māori 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 Māori capacity to contribute.

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

## Management Structure

Local Government Act 2002 requires Council to employ a Chief Executive whose responsibilities are to employ other staff on behalf of Council in accordance with any remuneration and employment policy, implement Council decisions and provide advice to Council. Under the Local Government Act 2002 the Chief Executive is the only person who may lawfully give instructions to a staff member. Any complaint about individual staff members should therefore be directed to the Chief Executive, rather than the Mayor or Councillors.

The Chief Executive of Waitaki District Council is Mr Michael Ross.

Council management is organised into three main groups with the Human Resources Manager and the Chief Financial Officer reporting directly to the Chief Executive.

# Governance Statement

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## Equal Employment Opportunities

Council is committed to the principle of equal employment opportunities (EEO).

The key principles are:

- All employees (whether current or prospective) will have equal opportunity to gain benefits associated with employment on the ground of relevant merit
- People will not be discriminated against

Goals are:

- To create an EEO environment
- To implement EEO best practice in the workplace
- To provide a harassment free workplace
- To achieve, where possible, a labour force profile which matches the external labour market

## Key Approved Planning and Policy Documents

### Long Term Plan

Sets out the direction for the district over the next ten years. Council reviews the Long Term Plan every three years and it provides information on all Council activities, how these will be delivered, the cost and how they will be paid for.

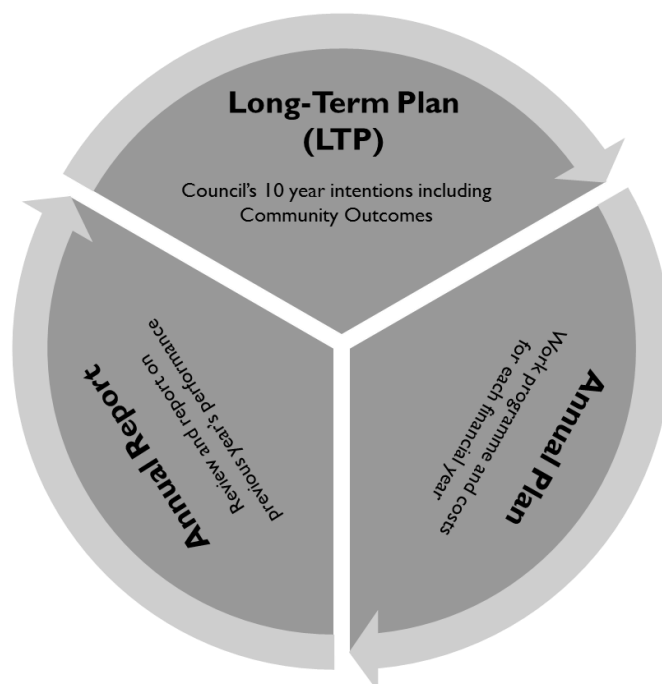
### Annual Plan

Provides information on activities, services and projects that Council proposes to undertake during the year. It shows the cost of those activities and how they will be paid for.

### Annual Report

Reports the actual performance of Council against what was planned in the Annual Plan and Long Term Plan. This includes reporting on the achieved work programme, performance measures and financial targets and accountability.

The Annual Report is for each financial year (eg 1 July 2015 to 30 June 2016), and must be completed and adopted by Council resolution within four months after the end of the financial year to which it relates. Section 98 of the Local Government Act 2002 requires that the full Annual Report and the Summary Annual Report be made publicly available within one month after their adoption by Council. The Annual Report is audited by Audit New Zealand.



# Governance Statement

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## Revenue and Financing Policy

This policy explains who will pay the costs of Council's activities and services.

## Funding Impact Statement

Funding Impact Statement contains information on the rating mechanisms used by Council for its activities.

## District Plan

District Plan is prepared by Council to assist it in carrying out its functions under the Resource Management Act 1991 and is the means by which the use, development and protection of the district's natural and physical resources will be managed into the future.

## Policy on Significance

Outlines the thresholds for which issues/decisions of Council are subject to consultation, including the Special Consultative Procedure.

Reviews and changes to key planning and policy documents may be subject to legislative requirements and the process for such reviews may involve following a Special Consultative Procedure.

## Public Access to Council and Elected Members

The main administrative office of Waitaki District Council is in Oamaru:

20 Thames Street  
Private Bag 50058  
Oamaru 9444  
Phone: (03) 433 0300  
Fax: (03) 433 0301  
Freephone: 0800 108 081  
Email: [service@waitaki.govt.nz](mailto:service@waitaki.govt.nz)

Council also has an office at the Waihemo Service Centre in Palmerston:

54 Tiverton Street  
PO Box 17  
Palmerston 9443  
Phone: (03) 465 1106  
Fax: (03) 465 1111  
Email: [waihemosc@waitaki.govt.nz](mailto:waihemosc@waitaki.govt.nz)

Elected members' contact information is included in this report.

## Official Information Requests

Under the Local Government Official Information and Meetings Act 1987 (LGOIMA) any person may request information from Council. Any request for information is a request made under LGOIMA. You do not have to say you are making a request under LGOIMA. Once a request is made, Council must supply the information unless reason exists for withholding it. The LGOIMA says that information may be withheld if release of the information would:

- Endanger the safety of any person
- Prejudice maintenance of the law
- Compromise the privacy of any person
- Reveal confidential or commercially sensitive information
- Cause offence to tikanga Māori or would disclose the location of waahi tapu
- Prejudice public health or safety
- Compromise legal professional privilege
- Disadvantage the local authority while carrying out negotiations or commercial activities
- Allow information to be used for improper gain or advantage

# Governance Statement

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Council must answer LGOIMA requests within 20 working days (although there are certain circumstances where this time-frame may be extended). Council may charge for official information requests under guidelines set down by the Ministry of Justice.

## Bylaws

Bylaws are rules created by a local authority specifically for the regulation of the area of responsibility and for the benefit of the community as a whole.

## Legislation

Waitaki District Council exercises powers and fulfils responsibilities as described and conferred by government legislation and subsequent amendments.

These include:

- Airport Authorities Act 1966
- Biosecurity Act 1993
- Building Act 2004
- Burial and Cremation Act 1964
- Bylaws Act 1910
- Civil Defence Emergency Management Act 2002
- Climate Change Response Act 2002
- Commerce Act 1986
- Companies Act 1993
- Conservation Act 1987
- Dog Control Act 1996
- Employment Relations Act 2000
- Fencing Act 1978
- Fencing and Swimming Pools Act 1987
- Financial Reporting Act 2013
- Food Act 1981
- Forest and Rural Fires Act 1977
- Gambling Act 2003
- Health Act 1956
- Hazardous Substances and New Organisms Act 1996
- Health and Safety at Work Act 2015
- Historic Places Act 1993
- Holidays Act 2003
- Human Rights Act 1993
- Income Tax Act 2007
- Injury Prevention, Rehabilitation and Compensation Act 2001
- Interpretation Act 1999
- Land Drainage Act 1908
- Land Transfer Act 1952
- Land Transport Act 1998
- Land Transport Management Act 2003
- Litter Act 1979
- Local Authorities (Members Interests) Act 1968
- Local Electoral Act 2001
- Local Government Act 2002 and 1974
- Local Government (Rating) Act 2002
- Local Government Official Information and Meetings Act 1987
- Marine and Coastal Area Act 2011
- New Zealand Library Association Act 1939
- New Zealand Public Health and Disability Act 2000
- Oaths and Declarations Act 1975
- Ombudsmen Act 1975
- Plumbers, Gasfitter and Drainlayers Act 2006
- Privacy Act 1993
- Property Law Act 2007
- Prostitution Reform Act 2003
- Protected Disclosures Act 2000
- Public Audit Act 2001
- Public Bodies Contracts Act 1959
- Public Bodies Leases Act 1969
- Public Records Act 2005
- Public Works Act 1981
- Rates Rebate Act 1973
- Rating Valuations Act 1998
- Remuneration Authority Act 1977
- Reserves Act 1977
- Reserves and Other Land Disposals Act 2015
- Residential Tenancies Act 1986
- Resource Management Act 1991
- Sale of and Supply of Alcohol Act 2012
- Securities Act 1978
- Smoke-free Environments Act 1990
- Treaty of Waitangi Act 1975
- Unit Titles Act 2010
- Waste Minimisation Act 2008

*(Note: This does not represent an exhaustive list)*



# ***Opportunities for Māori to Contribute to the Decision Making Process***

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## **Existing Arrangements**

Waitaki District Council acknowledges Māori 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 Māori.

Council has in place protocols for ensuring the 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 its wider role including:

- Encouraging Māori contribution to decision-making processes of all Council activities, not simply decisions under the Resource Management Act
- Reference to Māori 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 Māori capacity to contribute

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

## ***General Information***

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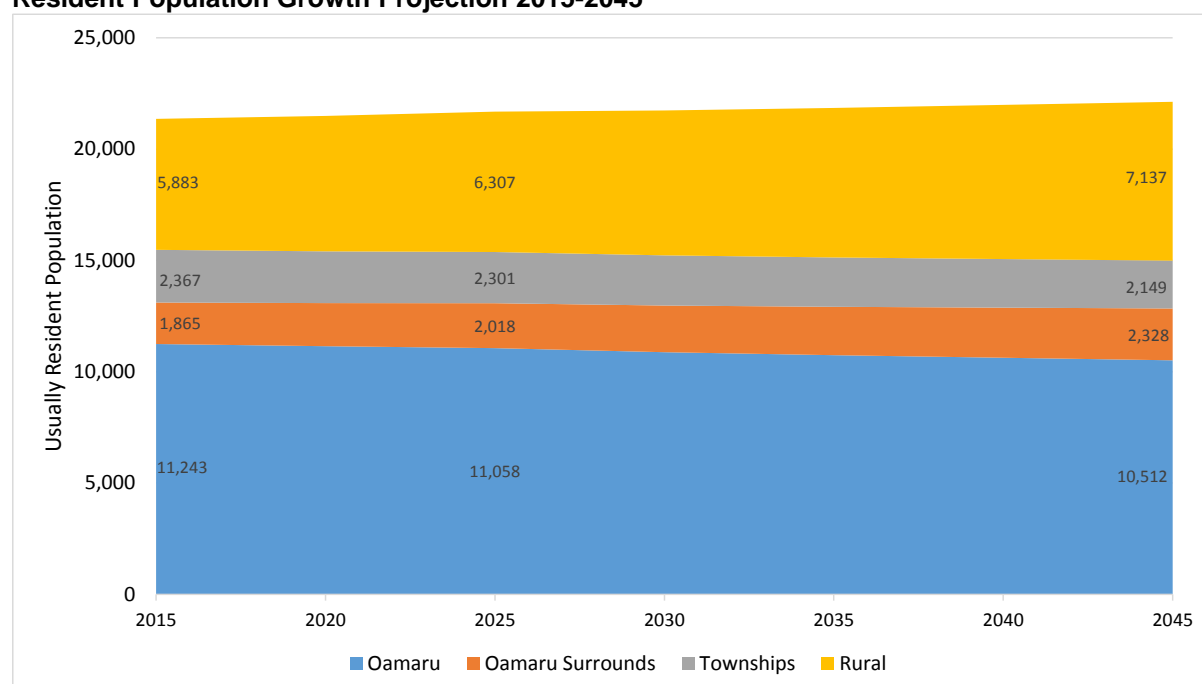
# Overview

Waitaki District Council was established in 1989. Council's operations extend over a total area of 8,990km<sup>2</sup>. The northern-western portion of the district, 4,315km<sup>2</sup> lies in the Canterbury region with the remaining 4,675km<sup>2</sup> in Otago.

## People

The district population at the 2013 census was 20,829. The population in the rural area is projected to grow by over 40 people annually. Over three quarters of this population growth is projected to occur in the Maheno census area unit (around 30 people per year). The population in Aviemore, Nenthorn and Pukeuri is projected to increase slowly, with the Waihemo population projected to remain stable.

## Resident Population Growth Projection 2015-2045



Source: Rationale Report May 2014:  
Waitaki District Projections for Resident Population, Dwellings and Rating Units to 2045

## Age Structure

As outlined in Rationale's 2014 report, the district has a growing elderly population which has increased the average age in the district. In 2013 the proportion of people aged 65+ made up around 22% of the total population in the district. This is higher than the national average of 14%. This trend is projected to continue, with the proportion of people aged 65+ in the district increasing to over 35% by 2030. The number of people aged between 15 and 64 years of age is projected to decrease. This may have a flow-on effect to the make-up of the workforce in the district.

## Economy

The following economic analysis is based on information produced by Business and Economic Research Limited (BERL) in a report 'Otago Economic Overview 2013'.

The economy in the Waitaki district generates 9,608 FTE jobs in 2,884 business units. The economy's GDP is fractionally over \$1.0 billion.

# Overview

As the table below shows, around 43% of employment and 49% of GDP in Waitaki is in the Primary and Manufacturing sectors.

## GDP, Employment and Business Units, Waitaki District 2014

Sectors (2013)	FTEs	%	GDP (2014\$m)	%	Business units	%
Primary	2,300	23.9%	181	20.2%	1,050	35.5%
Manufacturing	1,796	18.6%	256	28.6%	93	3.1%
Construction	876	9.1%	71	7.9%	246	8.3%
Wholesale and Distribution	592	6.1%	80	8.9%	130	4.4%
Retail Trade and Services	1,691	17.6%	97	10.8%	413	13.9%
Business Services	790	8.2%	106	11.8%	824	27.8%
Arts and Recreation Services	92	1.0%	6	0.7%	55	1.9%
Social Services	1,493	15.5%	100	11.2%	150	5.1%
Sub-total (excluding O.O.D.*)	9,631	100.0%	898	100.0%	2,961	100.0%
* Owner Occupied Dwellings			142			
Total	9,631		1,040		2,961	

Source: BERL Regional Database, 2014

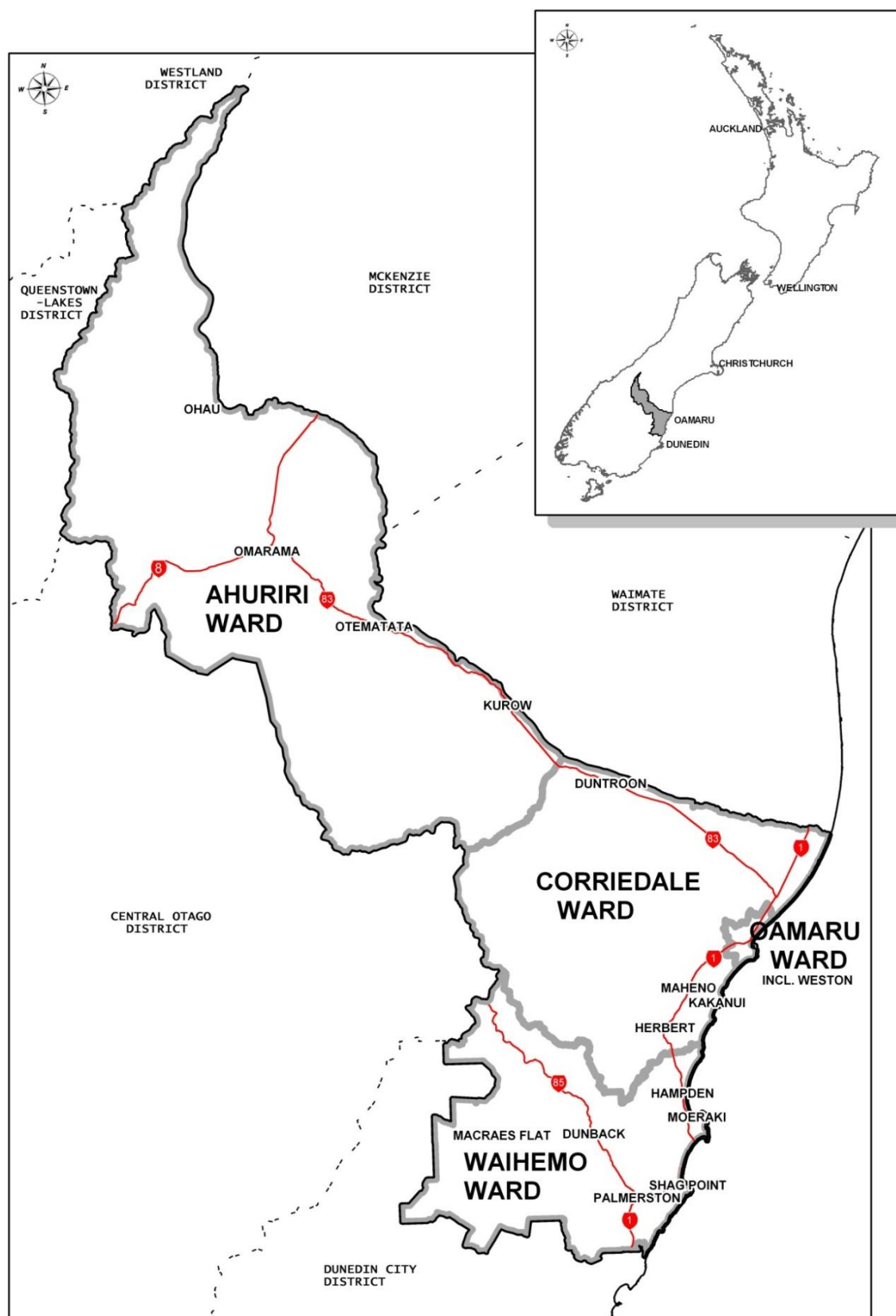
## Economic Profile

### Ten Fastest Growing Industries by FTE Growth, Waitaki District 2004 to 2014

Rank by FTE growth	Industry	Employment (FTEs)		
		2004	2014	% per annum growth
1	Machinery and Equipment Wholesaling	20	102	17.6
2	Agriculture, Forestry and Fishing Support Services	121	267	8.2
3	Basic Material Wholesaling	75	162	8.0
4	Metal Ore Mining	223	467	7.7
5	Social Assistance Services	101	193	6.7
6	Public Administration	63	108	5.6
7	Construction Services	264	430	5.0
8	Repairs and Maintenance	79	128	4.9
9	Hospitals	103	154	4.2
10	Professional Scientific and Technical Services (exc Comp Sys Dsn & related)	185	278	4.2

Source: BERL; Statistics NZ

## Map of the Waitaki District



## ***Mayor and Councillors (at 30 June 2016)***

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**Mayor Gary Kircher**  
326 Homestead Road  
RD 1C  
Oamaru  
Ph (03) 434 5057

### **Oamaru Ward**

**Cr Peter Garvan**  
PO Box 453  
Oamaru  
Ph (03) 434 6943

**Cr Jim Hopkins**  
16 Tamar Street  
Oamaru  
Ph (03) 434 9410

**Cr Sally Hope**  
66 Reservoir Road  
Oamaru  
Ph (03) 437 2295

**Cr Hugh Perkins**  
32 Hull Street  
Oamaru  
Ph (03) 434 1160

**Cr Melanie Tavendale**  
19 Burnett Street  
14 ORD  
Kakanui  
Ph (03) 439 5243

**Cr Colin Wollstein**  
43C Hull Street  
Oamaru  
Ph (03) 434 7017

### **Corriedale Ward**

**Cr William Kingan**  
71 Wellington Street,  
RD2C  
Oamaru  
Ph (03) 432 4247

**Cr Guy Percival**  
55 Rutherfords Road,  
Fuchsia Creek  
RD15D  
Oamaru  
Ph (03) 432 4225

### **Ahuriri Ward**

**Cr Dr June Slee**  
68 Doctor's Creek  
Road  
8 K RD  
Otekaieke  
Ph (03) 431 2886

### **Waihemo Ward**

**Cr Kathy Dennison**  
563 Horse Range  
Road  
2 RD  
Palmerston  
Ph (03) 465 1213

## ***Community Board Members (at 30 June 2016)***

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Community Boards are responsible for:

- Local decision making, assessing and responding to local needs
- Providing local input into Council's 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**

#### **Graham Sullivan (Chair)**

Willowbridge  
10 RD  
Waimate  
Ph (03) 689 9870

#### **Michael Blackstock**

PO Box 5  
Omarama  
Ph (03) 438-9481

#### **Brent Cowles**

Otematata Lodge and Camping Ground  
9 East Road  
Otematata  
Ph (03) 438 7826

#### **Vicky Munro**

2629 Kurow-Otematata Highway  
Otematata  
Ph (03) 438 7855

#### **Calum Reid**

PO Box 75  
Kurow  
Ph (03) 436-0064

#### **Cr Dr June Slee**

### **Waihemo Community Board**

#### **Geoff Foote (Chair)**

87 Galbraith Road 2RD  
Waikouaiti Otago  
Ph (03) 465-7410

#### **Ken Brown**

75 District Road  
Palmerston  
Ph (03) 465-1177

#### **Jane Carlyon**

39 Cardiff Street  
RD 2  
Moeraki  
Ph (03) 439 4520

#### **Heather McGregor**

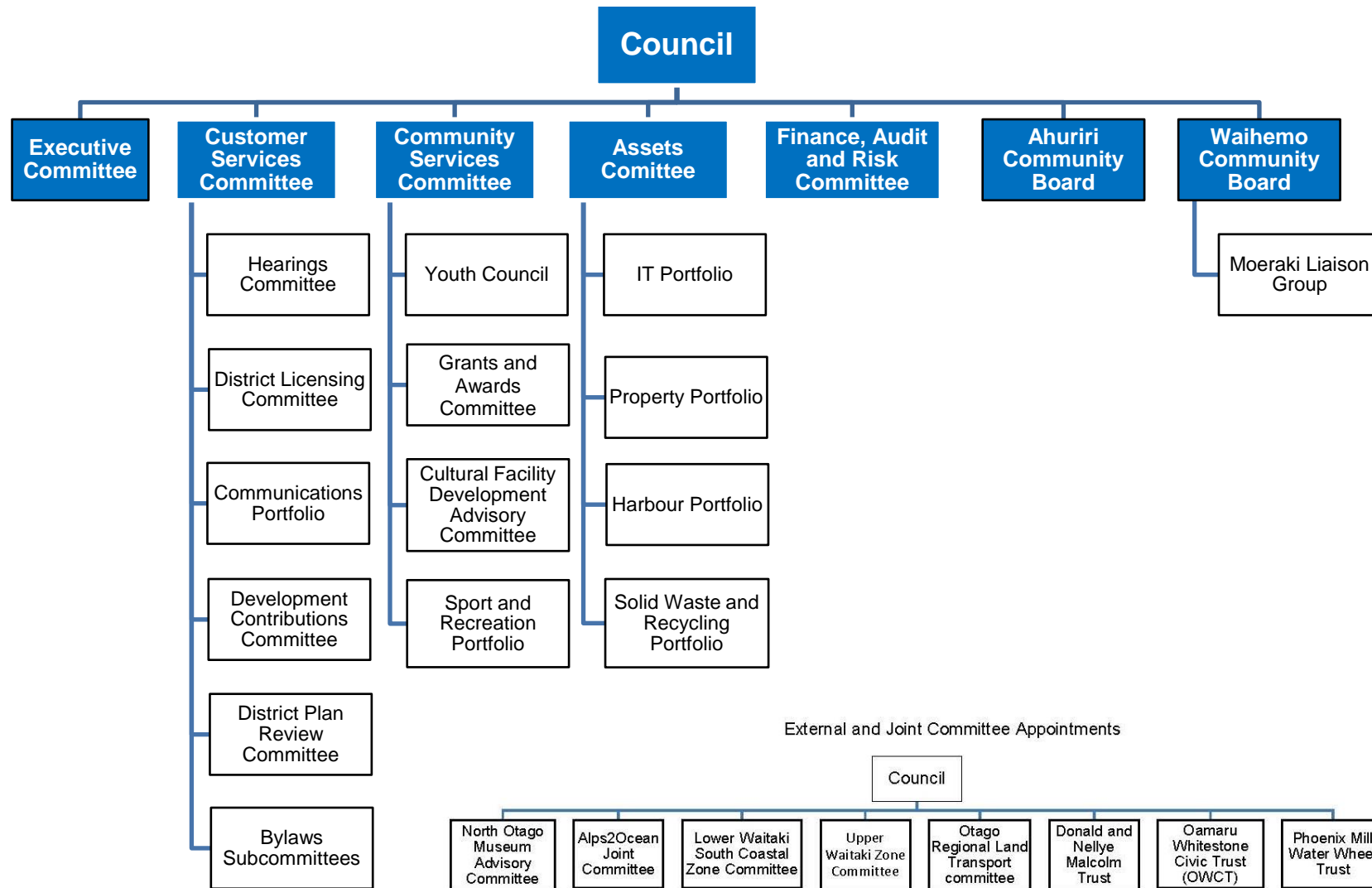
18 Runbrake Street  
Palmerston  
Ph (03) 465 1255

#### **Paul Roy**

173 Taieri Ridge Road  
RD 3  
Palmerston  
Ph (03) 465 2144

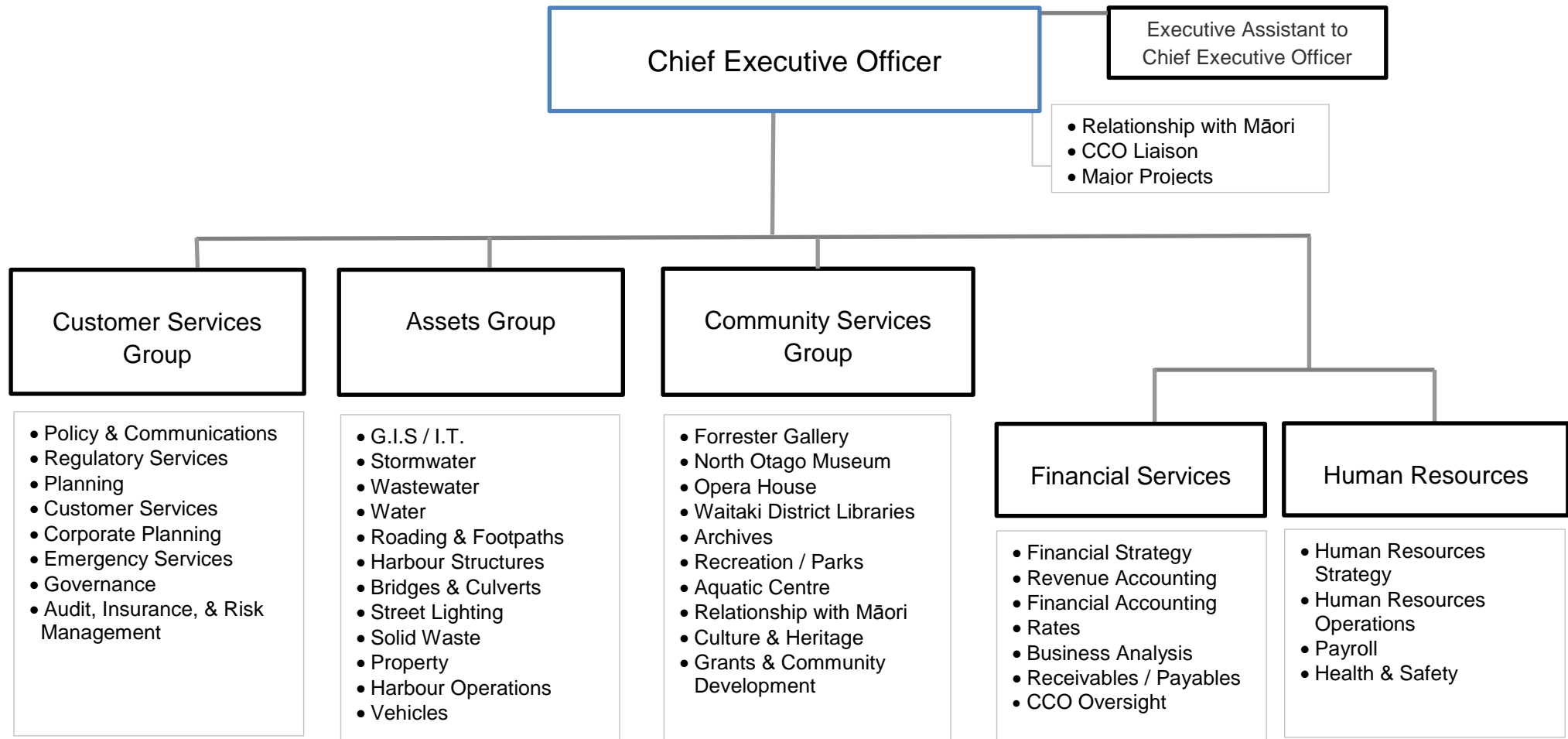
#### **Cr Kathy Dennison**

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





# Management Structure



# ***Principal Advisors***

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## **Auditors**

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

## **Financial and Tax Advisers**

Deloitte  
Dunedin

## **Bankers**

Bank of New Zealand  
Oamaru

ANZ Banking Group  
Oamaru

ASB Bank  
Auckland

Westpac Bank  
Dunedin

## **Insurance Brokers**

Aon NZ Limited  
Dunedin

## **Planners**

Davie Lovell-Smith & Partners  
Christchurch

Andrew Purvis Planning Consultant  
Christchurch

## **Valuers**

Quotable Value NZ  
Dunedin

## **Solicitors**

Anderson Lloyd  
Dunedin

Dean and Associates  
Oamaru

Hope and Associates  
Oamaru

Simpson Grierson  
Wellington

## **Professional Engineers**

BECA Consultants  
Christchurch & Dunedin

David Hamilton & Associates  
Dunedin

OCEL Consultants  
Christchurch

Opus Consultants  
Dunedin

Waugh Consultants  
Timaru

# ***Glossary of Terms***

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

## **Annual Plan**

A plan describing activities 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

## **BERL**

Business and Economic Research Limited

## **Building Act**

Building Act 2004

## **Capital Value**

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

## **Community Boards**

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

## **The Outcomes We Want for Our District**

As part of the 2015-25 Long Term Plan, Council agreed a number of outcomes we want for our district to promote social, environmental, economic and cultural wellbeing. Further details can be found on page 12 of the 2015-25 Long Term Plan and on Council's website [www.waitaki.govt.nz](http://www.waitaki.govt.nz)

## **CV**

Capital Value

## **Development Contributions (DC)**

A development contribution / financial contribution is a charge levied on sub-dividers and developers to help pay for new, upgraded, or extended water supply, sewer or roading infrastructure that must be provided to service the new subdivisions or developments. DCs are in addition to the requirement that the owners reticulate all of the new sections or buildings at their cost

## **Dog Control Act**

Dog Control Act 1996 and Dog Control Amendment Act 2003

## **Efficiency**

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

## **Food Act**

Food Act 1981

## **General Rates**

Rates 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

## **Health Act**

Health Act 1956

## **Indicator**

Flag or signal. Summary data that represents an issue of concern or measures progress toward achieving an objective or outcome

## **Infrastructure**

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

## **Intergenerational Equity**

The concept 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

## **Local Government Act 2002 (LGA)**

The law that defines the powers and responsibilities of territorial local authorities like Waitaki District Council

# ***Glossary of Terms***

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**LTP**

Long Term Plan 2015-25 (renamed in 2012 from the Long Term Council Community Plan)

**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

**Outcome**

A desired state of affairs

**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

**RMA**

Resource Management Act 1991 and RMA Amendment Act 1993

**Targeted Rates (TR)**

Rates 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 to the purpose for which they are levied, and 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 and Supply of Alcohol Act 2013**

(Replaces Sale of Liquor Act 1989)

**Sale of Liquor Act**

Sale of Liquor Act 1989

**Transparency**

A test to determine whether people who pay for activities can see where their money is allocated

**Wastewater**

Wastewater is a combination of liquid wastes which may include chemicals, house wastes, laundry wastes, toilet wastes, animal and vegetable matter in suspension or solution and other wastes discharged from residential, business and industrial establishments

# Council Contact Information

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## FOR ALL GENERAL ENQUIRIES

Enquiries to Customer Contact Team 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
- Solid Waste & 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](mailto:service@waitaki.govt.nz)  
Website [www.waitaki.govt.nz](http://www.waitaki.govt.nz)

### WAIHEMO SERVICE CENTRE

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

### AFTER HOURS

### EMERGENCY CONTACTS

### CIVIL DEFENCE

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 **(03) 433 0300**

### OTHER CONTACTS:

#### FORRESTER GALLERY

Thames Street, Oamaru  
Phone (03) 433 0853  
Email [info@forrestergallery.com](mailto:info@forrestergallery.com)

#### NORTH OTAGO MUSEUM

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

#### OAMARU PUBLIC LIBRARY

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

#### AQUATIC CENTRE

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

#### OAMARU OPERA HOUSE

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