

WAIMATE DISTRICT COUNCIL

ANNUAL REPORT 2005/2006

SUMMARY



Exciting Initiatives for Waimate District Waste Minimisation

Green Party MP Metiria Turei inspects bales of plastic from Waimate's kerbside collection along with Waimate Mayor John Coles, Whitehorse Recycling Trust Chairperson Nanette Wright and Resource Recovery Park Manager Wim Bevers

See page 3 for more

SUMMARY STATEMENT OF PERFORMANCE MEASURES FOR WAIMATE DISTRICT COUNCIL

This summary contains the complete list of activities conducted by Waimate District Council and the areas in which Council has (non-financial) performance targets.

Performance Measure	Achieved	Not Achieved
People		
Community Safety	✓	
Community Support - Info Centre - Community Grants	✓ ✓	
Community Property - Public Toilets - Pensioner Flats - Post Office Bldg - Owner Occupier Flats - Staff Housing - LGC - Vacant & Leased Land	✓ ✓ ✓ ✓ ✓ ✓ ✓	
Civil Defence	✓	
Rural Fire Protection	✓	
Formal Gardens	✓	
Tree Park		✓ see page 3
Camping - Waitaki Lakes - Victoria/Knottingley Parks - St Andrews Camping Reserve	✓ ✓ ✓	
Swimming Pools	✓	
Libraries	✓	
Visually Attractive Roadsides	✓	
Wilderness Reserves	✓	
Our District's History	✓	
Cemeteries	✓	
Utilities		
Rural Water Supply - Staff levels - Repair work - Water quality	✓ ✓ ✓	
Urban Water Supply - Disruptions to Supply - Water Pressure - Adequate Flow - Fire Fighting Pressure - Water Quality	✓ ✓ ✓ ✓ ✓	✓ see page 3
Sewerage & Waste Water Treatment - Service Failures - Discharge Resource Consents - Scheduled Shutdowns	✓ ✓ ✓	
Stormwater	✓	
Waste Management	✓	
Waimate Aerodrome	✓	

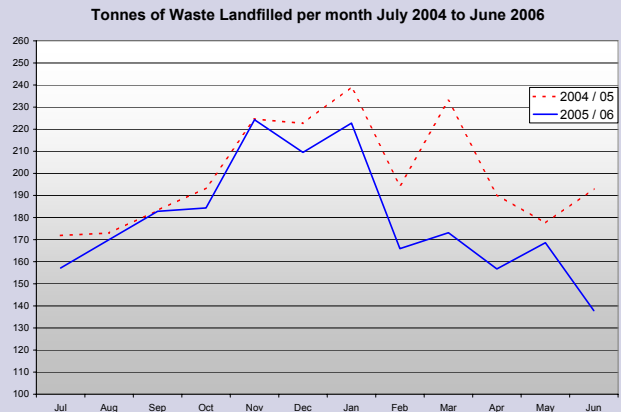
Performance Measure	Achieved	Not Achieved
Roading		
Service Levels	✓	
Road Maintenance	✓	
Footpaths	✓	
Environment		
Building Control - Building Consents - LIMs		✓ see page 4 ✓ see page 4
District Planning - District Plan - Annual Environment Report - Consent Applications	✓ ✓ ✓	
Environmental Health - Liquor Licence Apps - Inspections of Registered Premises - Investigations of Notifiable Diseases - Noise Complaints	✓ ✓ ✓ ✓	
Animal Control - Registrations - Response to Complaints	✓ ✓	
Liquor & Gaming Machine Licensing - Liquor Licensing - Gaming Machine Licensing	✓	✓ see page 4
Pest Management - Plants	✓	
Economic Development		
Forestry	✓	
Economic Development	✓	
Central Organisation		
Community Representation - Elections - Public Meetings - LTCCP - Special Consultation	✓ ✓ ✓ ✓	
CEO's Strategic Planning Team	✓	
Corporate Services Support Team	✓	
Information Management - Availability of Services - Availability of GIS Officer	✓ ✓	
Waimate Medical Centre		✓ see page 3

SELECTED COUNCIL ACTIVITIES - HIGHLIGHTED INFORMATION

WASTE MANAGEMENT

During the year under review, Council undertook exciting new initiatives in recycling and kerbside collection of household waste. As these areas of operation were new to Council, initial budgeting had to place reliance on estimate, with no previous years actual activity to use as a guide. Significant differences between budget and actual results were signalled to Council six months into the year, and explanations of budgeting inaccuracies and possible remedial actions were made. The major adverse differences between budget and actual results in this area, were found to be in gate sales at the Resource Recovery Park, kerbside collection contract, the new recycling contract, and various landfill charges.

Council have learned a great deal from the first year of operating recycling and kerbside collection, and expect to achieve results much closer to budget in the next year. Additionally, following the trial of free greenwaste at Council's Resource Recovery Park, the trial was found to be expensive, and to not reduce residual waste to landfill as expected. Council plan to work with Whitehorse Recycling to develop a more efficient means of providing for greenwaste.



TREE PARK

It was decided not to plant new trees at Knottingley Park. The 38 trees planted in July 2004 have all grown well in a new attractive area of the park.

WATER SUPPLIES (COUNCIL MANAGED)

During the year under review, Council have made strenuous efforts to examine the finances of water schemes, both rural and urban to ensure that the requirements of the new up coming Ministry of Health drinking water standards can be met.

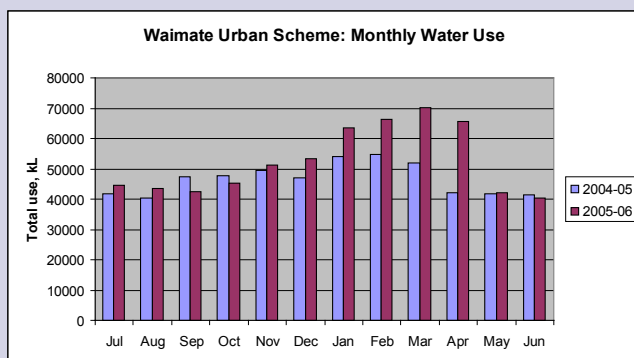
Council has budgeted for the implementation of a water quality improvement programme for each scheme in the coming years, in anticipation of the possible requirements as per the Health (Drinking Water) Amendment Bill 2006.

With the improvements in record-keeping, water quality monitoring and network maintenance already in place/ being envisaged, the 'c' Grading for the distribution network for all the schemes is achievable within the next two years.

In the meantime,

(1) The water quality at source and the distribution network is monitored in accordance with the NZ Drinking Water Standards 2005.

(2) All complaints regarding the aesthetic quality of water are being recorded, investigated, reported to the South Island Drinking Water Assessment Unit if deemed necessary, and remedied as best possible.



WAIMATE MEDICAL CENTRE

The after hours roster established and operating with Oak House Medical Centre was on a 50:50 basis for 9 months but was forced to reduce to 25:75 in the remaining 3 months of the financial year. This was the result of locum doctors not being available outside Medical Centre hours. This has since been remedied by the appointment of a permanent doctor.

CIVIL DEFENCE

At the beginning of our 2006 financial year, Civil Defence was an area of Council operations where inadequacies were apparent in the level of Council staffing and equipment provision, and also in terms of community preparedness. Additionally, there was a very real concern about Council's compliance with its statutory obligations for Civil Defence. Although unbudgeted, Council undertook the substantial Civil Defence preparedness work during 2006, including the recruitment of a part time Civil Defence Coordinator, a comprehensive program of school and community education, pandemic planning for our District, training of Council staff in CIMS (Coordinated Incident Management) to NCEA level, the establishment and provisioning of Civil Defence sector posts across our District, the provision of equipment such as powerful, battery capable mountain radios into remoter district communities to ensure communication in times of emergency and disruption to normal services, and the forging of links with Civil Defence organisations at a regional and national level.



Council considers that its investment in Civil Defence preparedness, has paid off handsomely even in its first year, enabling the effective and rapid response to the June snow storms. Comments made by the Minister of Civil Defence, Mr Rick Barker, during a visit to Waimate District's Emergency Operations Centre during the recent snow event were that Waimate District's response was a model that other districts nationwide could learn from.

BUILDING CONTROL

The 15 building consents and 1 LIM were not processed within the legislative timeframes due to all the necessary information not being forwarded with the applications.

SPORT & RECREATIONAL SPACES

The major item of unbudgeted expenditure in Council's area of community support, relates to an opportunity perceived by Council to kick off it's project for the production of a Sport and Recreation Plan for our District. Council's Long Term Community Plan, identifies a number of projects which are capable of significantly enhancing outcomes such as health and wellness, that must compete for Council funding, and wait until conditions are right for their commencement. During the early part of our year, information became available that sport & recreation plans for districts such as Waimate, could qualify for significant funding from SPARC, and so our Sport & Recreation Plan was given the green light. During the past year, production of the Sport and Recreation Plan has prompted the formation of a steering group, composed of Council staff, and elected members, sport enthusiasts, and health professionals from our community, working together with Sport South Canterbury, to guide the preparation of the plan. In-depth survey work was done with clubs, facility providers and individuals within our Community to take a snapshot of where Waimate District is at now in terms of its physical activity and recreation, and to identify key initiatives that could be advanced for our District to improve our physical health and recreational opportunities.



As a result of our plan, Community groups have formed to advance feasibility studies for year round swimming in Waimate, for a multi-purpose sport and conference facility, for walkways and mountain bike tracks, and the recruitment of a physical activity co-ordinator for our District.

Waimate District's Sport and Recreation Plan shows the coming of age of our LTCCP, where the Community is working with Council and other organisations to drive initiatives in line with desired outcomes recognised for our District. It is also pleasing to note that both the NZ Recreation Association and SPARC are promoting the Waimate District Sport & Recreation Plan, as a model to be used by other districts right throughout New Zealand. Well done Waimate!

LIQUOR LICENSING

The 14 liquor licence applications were not processed within 20 days due to all the necessary information not being forwarded with the applications.

REVALUATION OF WAIMATE DISTRICT COUNCIL'S ASSETS

One of the outcomes of the new Local Government Act's focus on Long Term Planning for councils is that our council is now required to recognise all of its assets (including Council land and water scheme assets previously not valued) and to have all assets revalued on a regular cycle.

Assets values are calculated taking into account the replacement cost in today's dollars using the most up to date construction materials and technologies available. We are pleased to report that in common with many other New Zealand councils Waimate District Council's asset base has accrued significant increases for our district, these are in the region of \$80 million:

	Increase in Value	Explanation
Downlands	\$350,000	a
Rural Water Schemes	\$250,000	b
Urban Water Scheme	\$302,000	c
Drainage Urban (Wastewater)	\$277,000	d
Drainage Urban (Stormwater)	\$982,000	e
Investments	\$5,796,000	f
Operational Assets	\$6,765,000	g
Forestry	\$1,061,000	h
Roading	\$64,201,000	i
Total Increase in Value	\$79,984,000	

- a) Waimate District Council holds a 14.81% share of the Downlands water supply managed by Timaru District Council. The Downlands water scheme was revalued this year by Meritec, Registered Valuers.
- b) Council's Rural Water Schemes were valued and included on balance sheet for the first time this year at valuation rather than historical cost.
- c) Council's Urban Water Schemes were valued and included on balance sheet for the first time this year at valuation rather than historical cost.
- d) Council's wastewater network and plant were revalued this year using Council's own asset software.
- e) Council's stormwater system was valued by Opus Consultants Ltd and included on balance sheet for the first time this year at valuation rather than historical cost.
- f) The increase in the value of Council's investments relates to Council's shareholding in Alpine Energy Ltd of 7.54% comprising: 3,116,132 Ordinary Shares of \$1.00, fully paid. This investment was revalued as at 30 June 2006 by Deloitte, Chartered Accountants, using the Fair Value basis, taking the value of the investment from 2005 \$3,116,000 (at cost) to 2006 \$8,912,000.
- g) Significant value increases in Council's operational assets are as follows:

	Increase in Value
Land Freehold	\$3,472,000
Land Restricted	\$1,461,000
Buildings	\$1,697,000
Library Books	\$73,000
Furniture	\$62,000

These increases result from the formal revaluation of these assets for the first time since their purchase.

- h) Land used in the operation of Council's forests has been valued this year for the first time since purchase. A valuation of the forestry land employed by Quotable Value NZ places its value at \$1,061,000.
- i) The increase in the value of Council's Roothing asset of \$64,201,000 relates to a comprehensive valuation undertaken by Opus Consultants, recognising significant value increases or costs to replace land under roads, unsealed pavement, pavement basecourse, pavement sub-base and bridges.

THE MAYOR'S REPORT

The year saw a number of varied and interesting events that effected the whole community.

The Community indicated in its submission process that it wanted to continue with recycling of our waste following trials last year. Council in this full year of operation has not seen the cost savings from reduced waste it originally hoped for. It is to be noted that Whitehorse Recycling Trust, a community based organisation, have worked diligently and aggressively in the operation to present a tidy landfill and to sell the recycling product.

Roading assets were re-valued and are showing that in the next year costs to the ratepayer will increase through mainly book keeping entries that increases depreciation, and maintenance costs. Because Roothing represents 30% of total Council expenditure this will have a very serious effect on rate requirement.

Forestry showed a valuation improvement, and with the silviculture programme reducing over the next two years, should gain in worth to Council.

Council was actively involved in assisting with the consent process for the new Dairy Factory at Studholme. This will produce a tremendous spin off for farmers and employment.

Throughout the year, Council has supported study on a proposed irrigation scheme from which the Hunter Downs proposal is being promoted by Meridian Energy Ltd.

The Snow storm in June became a real Civil Defence event from which, from the feedback I got, Council performed very well. The setting up of the wardens and sector posts earlier in the year was a major advantage as the snow storm brought with it power outages, water shortages and endangered sheep numbers. Thank you to all those staff, volunteers and the NZ Army who were associated with the event.

It has been extremely pleasing to see the Rates Rebate Scheme established by the Department of Internal Affairs is assisting so many ratepayers in the District. At the point of writing over \$123,000 will be distributed back to ratepayers that are eligible.

A big thank you to staff and Councillors for their efforts over the past year. We will continue to work together to achieve the best results for our community.

John Coles
Mayor of Waimate District



CHIEF EXECUTIVE'S REPORT

It has been an excellent year with all services operating as expected within the service levels as outlined in the Long-term

Council Community Plan and experiencing no serious breakdowns other than those associated with the Civil Defence snow event in June. The response to that event was rapid and highly successful.

The Civil Defence response was applauded by the Minister of Civil Defence, Ministry staff and the Regional Emergency Management Centre in Christchurch.

Sport and Recreation NZ have complemented us on our new Sport and Recreation Plan.

The Council continues to experience rates levels that are in the low end of the New Zealand wide scale and debt is minimal. All services continued to be available and the general financial state of the Council is excellent.

For 2005/2006, the key message is that the majority of Council activities performed closely to budgets despite those budgets having been pruned to allow for little in the way of responses to unexpected events.

Outside the day-to-day operations, variations from budget occurred from a number of events that were beyond the Council's control. Our dividend income from Alpine Energy shares fell by \$53,000 against expectations when the company's directors decided to retain additional capital for future renewals.

The revaluation of our forests showed an increase of \$346,000 after two years where the valuations have dropped. This turnaround was very welcome and augurs well for the future as the market stops receding.

Our camping facilities continue to be very popular with growth in use being much higher than anticipated, particularly at the Waitaki Lakes sites. Profit from Council's camping activities directly reduces the rates that Council must collect each year, the benefit accruing to ratepayers for the 2005/06 year is \$62,000.

In anticipation of implementing International Accounting Standards, Council had its assets revalued. Some of the revaluations went directly to Reserves and some were included in the Statement of Financial Performance. Overall, the net effect was an increase in our asset values of \$79,984,000.

Thank you to all in the Community that have participated in our Community working and information groups and we look forward to another great year in 2006/2007.

John Maxwell
Chief Executive



SUMMARY FINANCIAL REPORT

	Council			Consolidated	
	Actual	Budget	Actual	Actual	Actual
	2006	2006	2005	2006	2005
	\$000	\$000	\$000	\$000	\$000
Summary Statement of Financial Performance for the year ended 30 June 2006					
Total operating revenue	8,822	8,642	9,080	9,297	9,555
Total operating expenditure	9,641	8,591	10,339	10,193	10,611
Operating surplus/(deficit)	(819)	51	(1,259)	(896)	(1,056)
Net surplus/(deficit)	(819)	51	(1,259)	(896)	(1,056)
Summary Statement of Movements in Equity for the year ended 30 June 2006					
Equity at the beginning of the year	204,407	205,951	205,633	204,406	205,429
Asset revaluation and adjustments	80,013	0	33	80,013	33
Net surplus/(deficit)	(819)	51	(1,259)	(896)	(1,056)
Total recognised revenue and expenses for the year	79,194	51	(1,226)	79,117	(1,023)
Equity at the end of the year	283,601	206,002	204,407	283,523	204,406
Summary Statement of Financial Position as at 30 June 2006					
Total current assets	596	1,112	1,470	620	1,526
Total non-current assets	287,169	209,372	207,387	287,162	207,383
Total assets	287,765	210,484	208,857	287,782	208,909
Total current liabilities	1,495	1,021	1,264	1,589	1,317
Total non-current liabilities	2,670	3,461	3,186	2,670	3,186
Equity	283,601	206,002	204,407	283,523	204,406
Total liabilities and equity	287,766	210,484	208,857	287,782	208,909
Summary of Statement of Cash Flows for the year ended 30 June 2006					
Net cash inflow/(outflow) from operating	1,304	2,317	1,928	1,298	1,947
Net cash inflow/(outflow) from investment	(2,247)	(3,048)	(1,844)	(2,249)	(1,859)
Net cash inflow/(outflow) from financing	(14)	703	(45)	(22)	(50)
Net increase/(decrease) in cash held	(957)	(28)	39	(973)	38
Opening cash balance	566	46	527	588	550
Closing cash balance	(391)	18	566	(385)	588

The information included in the Summary Financial Report has been extracted from the audited full financial report and authorised for issue by the Corporate Services Manager on 31 October 2006.

COUNCIL FINANCIAL STATISTICS

	Actual	Budget	Actual
	2006	2006	2005
Proportion of rates to total income %	55.7%	56.1%	50.5%
Average rates per rateable property	\$1,536	\$1,538	\$1,464
Net Public debt (as a percentage of total assets)	1.06%	1.7%	1.47%
Public Debt (per rateable property)	\$992	\$1,097	\$961

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

1. Accounting Policies

Basis of Preparation

Council has prepared the summary financial report in order to provide users with a succinct overview of Council performance. The specific disclosures included in the summary financial report have been extracted from the full audited financial report dated 31 October 2006.

Users of the summary financial report should note that the information contained therein cannot be expected to provide as complete an understanding as provided by the full financial report of the financial and service performance, financial position and cash flows of the Council.

Users who require additional information are encouraged to request a printed version from the following address:

Corporate Services Manager
Waimate District Council
P O Box 122
Waimate

The Financial Statements have been prepared in accordance with generally accepted accounting practice in New Zealand.

The summary financial report was authorised for issue on 20 November 2006 by the Chief Executive Officer, Mr John Maxwell.

2. Changes in Accounting Policies

There has been one significant change in accounting policies since the last audited financial statements. This policy is that equity investments are now valued at fair value as compared to cost in the prior year.

Apart from the one change above, there has been no change to the accounting policies from those adopted last year and accounting principles that have been applied on a basis consistent with last year.

AUDIT REPORT TO THE READERS OF WAIMATE DISTRICT COUNCIL'S SUMMARY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

We have audited the summary annual report.

Unqualified opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements complies with FRS-39: Summary Financial Reports and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 31 October 2006, on:

- the full financial statements; and
- the Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

Basis of opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which include New Zealand Auditing Standards. Other than the audit and in conducting the audit of Long Term Council Community Plan; we have no relationship with or interests in the Council.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on that report. These responsibilities arise from the Local Government Act 2002.



Bede Kearney
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
20 November 2006

Matters relating to the electronic presentation of the audited annual report summary.

This audit report relates to the annual report summary of Waimate District Council and group for the year ended 30 June 2006 included on Waimate District Council's website. Waimate District Council is responsible for the maintenance and integrity of the Waimate District Council's website. We have not been engaged to report on the integrity of the Waimate District Council's website. We accept no responsibility for any changes that may have occurred to the summary annual report since they were initially presented on the website. We have not been engaged to report on any other electronic versions of the Waimate District Council and group's summary annual report, and accept no responsibility for any changes that may have occurred to electronic versions of the summary annual report published on other websites and/or published by other electronic means.

The audit report refers only to the summary annual report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this summary annual report. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary annual report and related audit report dated 31 October 2006 to confirm the information included in the audited summary annual report presented on this website. Legislation in New Zealand governing the preparation and dissemination of the summary annual report may differ from legislation in other jurisdictions.