

Waimate District Council

ANNUAL REPORT

2014/15



Photographer: Geoff Cloake



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Message from the Mayor and Chief Executive

A Year of Progress ...

This year was marked by a number of significant events and achievements. A few of the major highlights were:

Governance Improvements

This year Councillors signalled a desire to improve our status within the community, reinforcing an open-door and can-do approach. This is being reflected in many areas including a shift from portfolio type meetings to three new committees – Environmental Services and Finance; District Infrastructure; and Community Services and Development. These committees meet on a six weekly cycle with decisions ratified at the Council Meetings.

In April 2015 Council welcomed David Anderson to the position of Pareora-Otaio-Makikihi Ward Councillor due to the resignation of Councillor Thomson.

Economic Growth

In January 2015 the Waihao Downs Irrigation Scheme officially commenced this exciting project and together with the announcements of the expansion of the Oceania Dairy Plant at Glenavy and the Fonterra Studholme Dairy Factory, our District continues to show positive growth.

Motorhome Friendly

Since Waimate became recognised as a Motorhome Friendly town in March 2014, there has been a noticeable increase in motorhome visitors, benefiting local businesses.

Waimate District Community Complex

This financial year saw Council achieving the green light to proceed with this very exciting project.

Following public consultation February-May 2014, Council entered into a project partnership with a local businessman for the provision of an extended facility. Because of the partnership arrangement the community will benefit from a facility which has been greatly extended and enhanced from the original single court facility which was consulted on, at no additional cost. Construction is expected to begin September 2015, with completion in mid-2016.

At the time of writing this message the Waimate District Charitable Foundation and Fundraising Committee report that they have achieved the target of attracting external funding of 25% of Council's contribution of \$3.8m towards the project.



Building Control

The Building Control Department has fully implemented the new Quality Assurance System, greatly enhancing the overall knowledge and effectiveness of staff within the department. This improvement aligns the technical and non-technical aspects of the department and sets a firm foundation for ongoing Accreditation as a Building Control Authority.

Mid-South Canterbury Roothing Collaboration Agreement

Waimate District along with Ashburton, Timaru and Mackenzie districts has formed the Mid-South Canterbury Roothing Collaboration. This group aims to provide opportunities to share resources, ideas and approaches, with the aim of ultimately achieving better value for money and improving levels of service for the respective district's ratepayers.

Financial Assistance Rates Increase

The Financial Assistance Rates (FAR) represents the amount of money the New Zealand Transport Agency (NZTA) will contribute towards local road works. The NZTA conducted a major review of how they will assist Councils in funding local roads, resulting in changes across the country to all Council FARs. Following extensive lobbying by Council, we were pleased to be advised that we will receive funding which recognises our District's unique challenges with our roading network. The FAR review has resulted in the rate for Waimate District increasing from 51% in 2014/15 to 54% in 2015/16 and thereafter increasing 1% each year to a maximum of 60%.

Manchester Road Fire

We would like to acknowledge the urgent work undertaken by local tradespeople following a major fire damaging our Manchester Road urban bore site in December 2014. Their immediate action ensured this vital facility was operational over the heavy usage summer period and beyond.

Financial Performance ...

Council has incurred a deficit of \$50,000 which compares to the Long Term Plan (LTP) budget deficit of \$352,000 and the Annual Plan deficit of \$696,000. The main reasons for the lower deficit are:

- Increased New Zealand Transport Agency government grants.
- Increased Camping fees, and Dog registration and animal control fees.
- Lower Finance costs from reduced interest rates and stronger cash reserves than expected.
- Lower depreciation, against the Annual Plan, due to delays in capital projects and the revaluation reduction to some infrastructural assets.
- Council's total liabilities are \$2,730,000 including Public Debt (external borrowings) of \$500,000. Council has strong cash reserves at \$1,905,000 and a working capital ratio of 1.68 (Current Assets of \$4,485,000, compared to Current Liabilities of \$2,664,000).
- Another year of growth, with an additional \$159,000 of value to the forest being recognised.
- Councils Infrastructural/Operational assets and Investments dispersed around the District total \$394,580,000, compared to the LTP budget of \$401,996,000 from lower than expected revaluations.

Points of Interest

- Stage three of the urban water main renewal is completed and has reached a location whereby interim pressure management has become feasible.
- John Street sewer reticulation was upgraded, along with kerb and channel replacement and associated road drainage works. The replacement of a section of the John Street sewer main was identified as being in very poor condition and had been problematic in recent years.
- Completion of 2012-2015 National Land Transport Programme – The Districts 2012-2015 Maintenance Operations, Renewals and Minor improvements programmes has been completed with 2014/15 being the final year of this three year programme. The total programme expenditure was \$10,357,096 including NZTA share of \$6,010,616.
- One Network Road Classification – The Waimate District Rooding Network has been categorised using the One Network Road Classification (ONRC) system. The ONRC has been jointly developed by the NZTA and Local Movement New Zealand as a tool for ensuring that there is a consistent level of service experienced by road users throughout the country. Historically, Waimate District Council has used its own road classification system to categorise roads.
- Rooding Improvements: Reconstruction – Ikawai Middle Road 900m, Craigmore Valley Road 164m, Morven Road 173m. Seal Widening – Ikawai Middle Road 1940m, Esk Valley Road 314m. Resealing – 40.7km completed 5.9% of the sealed network area.

Final Comments

It has been a productive year for us all.

We thank those who have contributed to this report's achievements – elected members, council staff, agencies, contractors, local businesses, volunteers and the community.

We look forward to working with you to continue improving and growing our community.



Craig Rowley, Mayor



Bede Carran, Chief Executive

Glossary

Annual Report

Assesses the performance of Council against the objectives, policies, activities, performance targets, indicative costs, and sources of funds outlined in the Long Term Plan or Annual Plan.

Asset Management

Refers to the programme to fund and maintain Council's essential infrastructural assets in a sound condition in the future. This includes roads, bridges, and water and sewage reticulation.

Cash Flow Statement

Provides a summary of cash flows from operating activities, investing activities and financing activities.

Current Assets

Assets which can be readily converted to cash, or will be used up during the year. These include cash, stock, receivables and short-term investments.

Current Liabilities

Payables and other liabilities due for payment within the next financial year.

Days

Included within the Objectives and Performance Measures section of the Statement of Service Performance, days mean working days, which do not include statutory holidays or weekends.

Debt Management Policy

Covers Council's policy on management of its debt.

Decline in Service Potential (Depreciation)

Is the measure of the wearing out, consumption or other reduction in the economic benefits embodied in an asset whether arising from use, the passing of time or obsolescence.

Fair Value

The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction.

Funding Impact Statement

The Funding Impact Statement (either at Council or Group of Activities level) represents the actual cash impacts on the reported area. It specifically excludes depreciation and amortisation as these are non-cash, but does include capital expenditure.

Funding Policy

Provides a statement of the mix of funding mechanisms for Council as a whole, the funding mechanisms for each of Council's functions, and the rationale of how the funding mix for each function has been determined.

Infrastructural Assets

Infrastructural assets are utility service networks i.e. water, wastewater, stormwater and roading. They also include associated assets such as pump stations, treatment plants, street lighting and bridges.

Investment Policy

Is a statement of Council's financial asset mix and how these assets are managed.

Long Term Plan

A plan that describes the activities of the local authority, the Community Outcomes, and long term focus for the decisions and activities of the local authority.

Objectives

Objectives are the results Council is aiming to achieve for the community.

Operating Costs

Expenditure through outputs on such items as wages, materials, electricity and plant expenses. All these inputs are consumed within the financial year.

Operating Revenue

Money earned through the outputs in return for a service provided, or by way of a grant or subsidy received. Examples include New Zealand Transport Agency subsidies, rental revenue, and licence fees.

Operating Surplus

Operating Surplus is an accounting term meaning the excess of revenue over expenditure. Revenue and expenditure in this context exclude capital items, loan uplifts and repayments, and transfers to and from reserves. An operating surplus is inclusive of non-cash items such as revenue and expenditure owing but not paid (Receivables and Payables) and depreciation.

Property, Plant and Equipment

These consist of land, buildings, operational and infrastructural assets including wastewater and water systems, roading, motor vehicles, plant and equipment, and furniture and fittings. They are sometimes referred to as capital assets.

Resources

These are the assets, staff and funds needed to produce the outputs of Council.

Service Measures

Also referred to as performance measures - a measure that shows how well Council is doing in achieving the goals it has set for itself.

Statement of Changes in Equity

Is the change in Ratepayers' Equity (difference between Council's total assets and total liabilities) from year to year. It also records the gross movement in reserve accounts.

Statement of Comprehensive Revenue and Expenditure

Accounts for all of Council's revenue and expenditure over a period of time according to accounting conventions.

Statement of Financial Position

Provides a financial snapshot of Council's assets, liabilities, term loans and ratepayers equity at a point in time.

Statement of Service Performance

Is the statement for each Activity, or Group of Activities, that reflects the revenue and expenditure over a period of time. Unlike the Funding Impact Statement, the Service Performance Statement includes depreciation and amortisation, and excludes capital expenditure.

Working Capital

These are Council's net current assets which are held in cash or can be readily converted to cash less liabilities due for payment within one year. This is indicative of Council's ability to meet its obligations as they fall due.

Council Information

Council Elected October 2013

Mayor Craig Rowley

Deputy Mayor Sharyn Cain

Councillor Peter McIlraith, BA, MinstD

Councillor Stuart Thomson (resigned February 2015)

Councillor David Anderson (elected March 2015)

Councillor Tom O'Connor JP

Councillor Sheila Paul

Councillor Miriam Morton, BSc

Councillor Peter Collins

Councillor Arthur Gavegan

Ward

Waimate

Hakataramea-Waihaorunga

Pareora-Otaio-Makikihi

Pareora-Otaio-Makikihi

Pareora-Otaio-Makikihi

Waihao

Waimate

Waimate

Waimate

Management Team

Bede Carran, CA

Graham Durston, CA

Dan Mitchell, BSc

Carolyn Johns, Dip Com

Sue Kelly

Fiona Hester-Smith

Chief Executive

Chief Financial Officer

Asset Group Manager

Community, Planning and Development Group Manager

Property and Regulatory Group Manager

Human Resources Manager

General Information

Bankers

ANZ Banking Group, Waimate

Auditor

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

Solicitors

Anderson Lloyd, Dunedin

Hope and Associates Legal, Waimate

Peter Churchman QC, Wellington

Simpson Grierson, Wellington

Contact Details

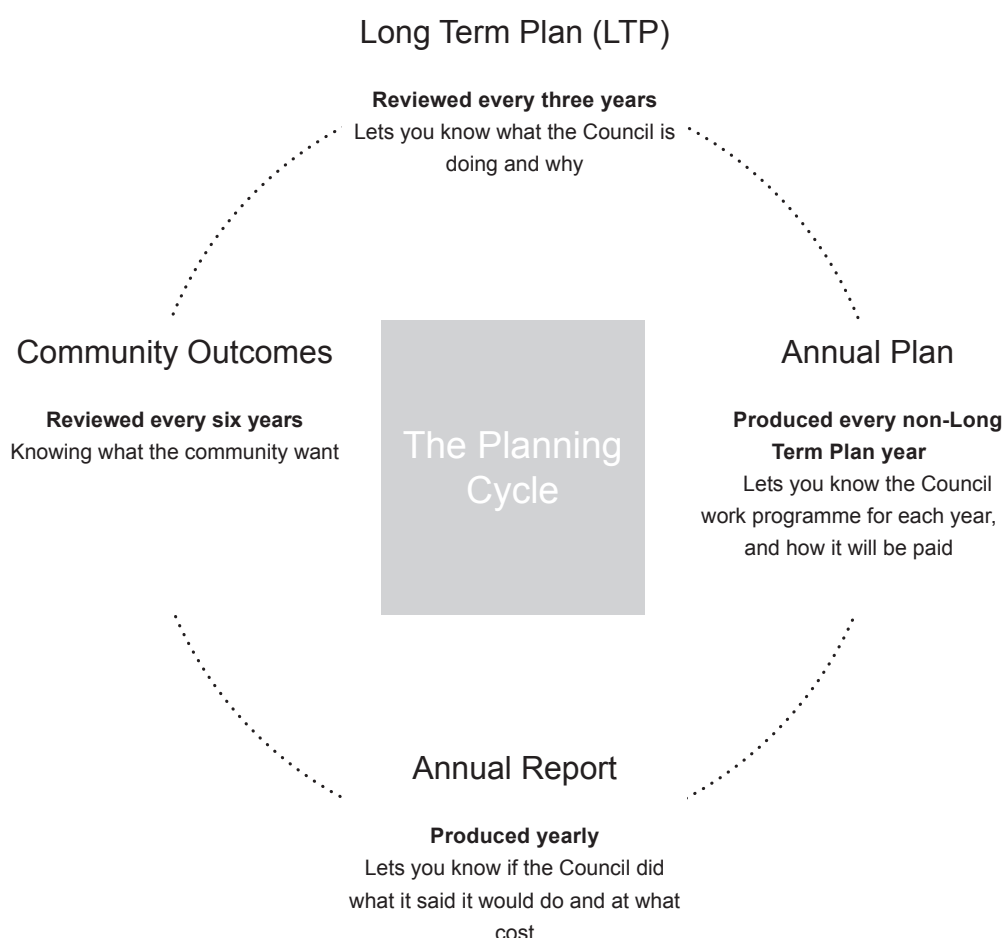
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About the Annual Report

The purpose of the Annual Report is to explain how we delivered on the 2014/15 Annual Plan (or year three of the 2012-22 Long Term Plan) as required by section 98 of the Local Government Act 2002.



The Annual Report details Council's achievements and progress across the 10 Groups of Activities:

| Group | Activities Within Group |
|-----------------------------|--|
| Water Supply | Urban, Rural |
| Waste Management | Waste Management |
| Stormwater Drainage | Stormwater Drainage |
| Sewerage and Sewage | Sewerage and Sewage |
| Roading and Footpaths | Roading and Footpaths |
| Property and Investments | Forestry, Investments and Finance, Property |
| Parks and Recreation | Camping, Cemeteries, Parks and Public Spaces and Swimming |
| Organisation and Governance | Community Representation, Strategy and Managing Services |
| Environmental Services | Building Control, Resource Management, Emergency Management, Regulatory Services, Dog and Animal Control |
| Community Services | Economic Development and Promotions, Community Support and Library |

Report on Long Term Plan (LTP) and Policies

Long Term Plan

The Local Government Act 2002 (LGA), brought major changes in the way local bodies operate and the way they interact with the communities they represent. Greater emphasis is put on requirements for Councils to be guided by the aspirations and needs of the local community and to ensure that they truly understand what those aspirations and needs are.

One piece of this picture is the generation of a LTP. The LGA outlines what the LTP is for, what it must contain and how it will be used as the basis of all Council decision-making and operations. Effective consultation with the community is a key requirement.

The LTP must be reviewed every three years. Annually, Council will consider interim amendments following the Annual Plan procedure. This will allow for unforeseen changes or events that have altered the basis for budgeting and scheduling operations. An annual budget will also be released, based on the intentions contained in the LTP, but again, allowing for changed circumstances.

What does the LTP Intend to Achieve?

The LTP represents the agreement between the community of the District and Council as to how the community should develop to meet the local citizens' wishes, and the part that Council will play in reaching those objectives.

It therefore presents a 'future view' of what type of community we should ideally be living in by approximately the year 2022, and sets out a plan for Council to do its part in making that future happen.

It outlines the 'Outcomes' or results that the community have identified as the important themes for the future and describes what must change in order to achieve these outcomes.

The role of Council in making these outcomes come into being, determines its future work programme, budgets and resource requirements.

Councils LTP covers the years 2012-22 and within this document the Consolidated Comprehensive Revenue and Expenditure information for each of these 10 years, is shown. In the Statements of Service Performance by Activities later in this Annual Report document explanations of any significant variances in the LTP for year 2014/15 budget and the actual results achieved are shown.

Treasury Policy

This policy incorporates Council's **Investment Policy** 403 and **Liability Management Policy** 402 prepared in accordance with the Local Government Act 2002.

The **Investment Policy** states:

- the objectives in terms of which financial and equity investments are to be managed; and
- the mix of investments; and
- the acquisition of new investments; and
- an outline of the procedures by which investments are managed and reported on to the local authority; and
- an outline of how risks associated with investments are assessed and managed.

The **Liability Management Policy** states in respect to borrowing and other liabilities:

- interest rate exposure; and
- credit exposure; and
- specific borrowing limits; and
- liquidity; and
- debt repayment; and
- the giving of securities.

Funding Policy

This policy incorporates Council's **Revenue and Financing Policy** 401 in accordance with the Local Government Act 2002.

The **Revenue and Financing Policy** states in respect to:

- funding of operating expenses from the various funding sources
- funding of capital expenditure from the various funding sources

These funding sources come from the following:

- general rates;
- fees and charges;
- borrowing;
- grants and subsidies;
- development and financial contributions;
- targeted rates;
- interest and dividends from investments;
- proceeds from asset sales;
- financial contributions under the Resource Management Act 1991;
- any other source.

This policy can be found in Volume 2 of the LTP 2012-22.

Statement of Compliance and Responsibility

Compliance

The Council and management of Waimate District Council confirm that they have complied with all the statutory requirements of the Local Government Act 2002 regarding financial management and borrowing.

Responsibility

- The Council and management of Waimate District Council accept responsibility for the preparation of the Annual Report and the judgements used in them.
- The Council and management of Waimate District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- In the opinion of the Council and management of Waimate District Council, the Annual Report for the year ended 30 June 2015, fairly reflects the financial position and operations of the Council.



Craig Rowley
Mayor
27/10/2015



Bede Carran
Chief Executive
27/10/2015

Independent Auditor's Report

To the readers of Waimate District Council's annual report for the year ended 30 June 2015

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

- the financial statements of the District Council that comprise:
 - the statement of financial position as at 30 June 2015 on page 19;
 - the statement of comprehensive revenue and expenditure, statement of changes in equity and statement of cash flows for the year ending 30 June 2015 on pages 17, 18 and 20; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 28 to 75.
- the statement of service provision of the District Council and each group of activities carried out by the District Council on pages 80 to 159;
- the funding impact statements in relation to each group of activities of the District Council on pages 82 to 152;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 82 to 152;
- the funding impact statement of the District Council on page 21; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 23 to 26.

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

- information about:
 - internal borrowing on page 60;
 - reserve funds on page 57 to 61;
 - remuneration paid to the elected members and certain employees of the District Council on page 66;

- employee staffing levels and remuneration on page 66;
- severance payments on page 67;
- rating base units on page 16; and
- insurance of assets on page 74;
- a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 162; and
- a statement of compliance signed by the mayor of the Council, and by the District Council's chief executive on page 9.

Opinion

Audited information

In our opinion:

- the financial statements of the District Council on pages 17 to 75:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2015;
 - 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.
- the statement of service provision of the District Council on pages 80 to 159:
 - presents fairly, in all material respects the District Council's levels of service for the year ended 30 June 2015, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan;
 - the reasons for any significant variances between the actual service and the expected service; and
 - complies with generally accepted accounting practice in New Zealand.
- the funding impact statements in relation to each group of activities of the District Council on pages 82 to 152, presents fairly, in all material respects, by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 82 to 152, presents fairly, in all material respects by each group of activities the capital

expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan.

- the funding impact statement of the District Council on page 21, 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's annual plan.
- the disclosures on pages 23 to 26 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

Compliance with the other requirements of schedule 10

The District Council's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 27 October 2015. This is the date at which our opinion is expressed.

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

Basis of opinion

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

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the statement of service provision. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's 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's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;

- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported statement of service provision within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

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

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

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

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and the statement of service provision that:
 - comply with generally accepted accounting practice in New Zealand;
 - present fairly the District Council's financial position, financial performance and cash flows;
 - present fairly its service performance, including achievements compared to forecast;
- funding impact statements in relation to each group of activities that presents fairly by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that presents fairly by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan;
- a funding impact statement that presents fairly the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and

- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

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

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

Responsibilities of the Auditor

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

Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Summary Annual Report and the audit of the District Council's 2015-25 Long Term Plan, we have no relationship with or interests in the District Council.



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

Financial Statements

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Financial Summary

Council Financial Statistics

| | 2015 Actual | 2015 LTP Budget | 2015 Annual Plan | 2014 Actual |
|--|----------------|--------------------|---------------------|----------------|
| Proportion of rates to total revenue | 63.1% | 66.7% | 65.5% | 59.1% |
| Average rates per rateable property (equals Total Rates divided by Total Rateable Units) | \$ 2,482 | \$ 2,521 | \$ 2,474 | \$ 2,339 |
| Net public debt as a percentage of total assets | 0.13% | 0.29% | 0.12% | 0.13% |
| Public debt per rateable property | \$ 146 | \$ 343 | \$ 146 | \$ 143 |
| Rating units | | | | |
| - rateable | 3,422 | | | 3,502 |
| - non-rateable | 1,068 | | | 1,008 |
| Total Rating units at the start of the financial year | 4,490 | | | 4,510 |
| Total Capital Value of Rating Units at the start of the financial year (\$000) | \$ 3,999,262 | | | \$ 3,897,087 |
| Total Land Value of Rating Units at the start of the financial year (\$000) | \$ 2,560,391 | | | \$ 2,527,196 |

Council Five Year Financial Performance Summary

| | 2015 Actual \$000 | 2014 Actual \$000 | 2013 Actual \$000 | 2012 Actual \$000 | 2011 Actual \$000 |
|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| General/Civic Amenities rates | 5,363 | 5,301 | 5,048 | 4,595 | 4,211 |
| Targeted rates | 3,131 | 2,890 | 2,695 | 2,611 | 2,544 |
| Net surplus/(deficit) | (50) | (3) | (314) | 468 | (1,202) |
| Working capital | 1,821 | 1,478 | 1,142 | 1,784 | 403 |
| Public debt | 500 | 500 | 1,100 | 1,280 | 1,280 |
| Net assets | 396,335 | 379,398 | 368,105 | 365,696 | 363,147 |

Statement of Comprehensive Revenue and Expenditure

for the year ended 30 June 2015

| | | 2015 | 2015 | 2015 | 2014 |
|--|------|------------------|---------------------|----------------------|------------------|
| | Note | Actual \$000 | LTP Budget \$000 | Annual Plan \$000 | Actual \$000 |
| Operating Revenue | | | | | |
| Rates | 2 | \$ 8,494 | \$ 8,628 | \$ 8,465 | \$ 8,191 |
| Development and Financial contributions | 3 | 146 | 93 | 85 | 133 |
| Subsidies and Grants | 3 | 2,252 | 1,983 | 2,021 | 2,759 |
| Fees and charges | 3 | 1,013 | 839 | 885 | 1,052 |
| Interest revenue | 4 | 81 | 85 | 30 | 66 |
| Other revenue | 5 | 1,465 | 1,316 | 1,430 | 1,658 |
| Total Operating Revenue | | 13,451 | 12,944 | 12,916 | 13,859 |
| Operating Expenditure | | | | | |
| Employment benefit expenses | 6 | 3,351 | 3,299 | 3,302 | 3,235 |
| Depreciation | 15 | 4,110 | 4,027 | 4,190 | 4,071 |
| Amortisation | 17 | 48 | 31 | 55 | 15 |
| Finance costs | 4 | 22 | 83 | 29 | 36 |
| Other expenses | 8 | 5,970 | 5,856 | 6,036 | 6,505 |
| Total Operating Expenditure | | 13,501 | 13,296 | 13,612 | 13,862 |
| Operating Surplus/(Deficit) before Taxation | | (50) | (352) | (696) | (3) |
| Taxation expense | 9 | - | - | - | - |
| Total Surplus/(Deficit) | | \$ (50) | \$ (352) | \$ (696) | \$ (3) |
| Other Comprehensive Revenue and Expenditure | | | | | |
| Increase/(decrease) in discretionary reserves/restricted assets | 22 | (3) | - | - | 3 |
| Increase/(decrease) in revaluation reserves | 22 | 2,383 | 1,293 | 1,072 | 11,356 |
| Impairment of revalued assets and reversal of a prior year value | 22 | - | - | - | (63) |
| Financial assets at fair value through other comprehensive revenue | 22 | 14,607 | - | - | - |
| Total Other Comprehensive Revenue and Expenditure | | 16,987 | 1,293 | 1,072 | 11,296 |
| Total Comprehensive Revenue and Expenditure | | \$ 16,937 | \$ 941 | \$ 376 | \$ 11,293 |

This statement is to be read in conjunction with the Statement of Accounting Policies and Notes to the Financial Statements.

Statement of Changes in Equity

for the year ended 30 June 2015

| | | 2015 | 2015 | 2015 | 2014 |
|---|------|-------------------|---------------------|----------------------|-------------------|
| | Note | Actual \$000 | LTP Budget \$000 | Annual Plan \$000 | Actual \$000 |
| Equity as at 1 July | 22 | \$ 379,398 | \$ 401,642 | \$ 407,278 | \$ 368,105 |
| Total Comprehensive Revenue and Expenditure | | 16,937 | 941 | 376 | 11,293 |
| Equity at 30 June | | \$ 396,335 | \$ 402,583 | \$ 407,654 | \$ 379,398 |

This statement is to be read in conjunction with the Statement of Accounting Policies and Notes to the Financial Statements.

Statement of Financial Position

as at 30 June 2015

| | Note | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|-------------------------------------|------|-------------------------|-----------------------------|------------------------------|-------------------------|
| Assets | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | 10 | \$ 1,905 | \$ 1,808 | \$ 555 | \$ 1,553 |
| Trade and other receivables | 11 | 1,447 | 949 | 965 | 1,512 |
| Inventories | 12 | 540 | 244 | 245 | 586 |
| Other financial assets | 13 | 593 | 221 | 8 | 410 |
| Total Current Assets | | 4,485 | 3,222 | 1,773 | 4,061 |
| Non-Current Assets | | | | | |
| Infrastructural assets | 15 | 346,392 | 374,615 | 372,437 | 346,468 |
| Operational assets | 15 | 19,332 | 15,873 | 21,310 | 17,536 |
| Forestry assets | 16 | 1,749 | 1,713 | 1,408 | 1,569 |
| Intangible assets | 17 | 121 | 50 | 108 | 135 |
| Other financial assets | 13 | 26,986 | 9,745 | 12,545 | 12,280 |
| Total Non-Current Assets | | 394,580 | 401,996 | 407,808 | 377,988 |
| Total Assets | | \$ 399,065 | \$ 405,218 | \$ 409,581 | \$ 382,049 |
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Trade and other payables | 18 | \$ 1,799 | \$ 974 | \$ 958 | \$ 1,621 |
| Public debt | 21 | 500 | 37 | 500 | 500 |
| Provisions | 19 | 5 | - | 6 | 6 |
| Derivative financial instruments | 14 | - | - | - | 12 |
| Employee benefit liabilities | 20 | 360 | 282 | 410 | 444 |
| Total Current Liabilities | | 2,664 | 1,293 | 1,874 | 2,583 |
| Non-Current Liabilities | | | | | |
| Public Debt | 21 | - | 1,137 | - | - |
| Provisions | 19 | 66 | 205 | 53 | 68 |
| Total Non-Current Liabilities | | 66 | 1,342 | 53 | 68 |
| Equity | | | | | |
| Public Equity | 22 | 82,768 | 81,923 | 82,671 | 83,272 |
| Special separate and trust funds | 22 | 1,838 | 726 | 1,139 | 1,387 |
| Asset revaluation reserve | 22 | 293,849 | 319,186 | 320,571 | 291,466 |
| Other reserves | 22 | 17,880 | 748 | 3,273 | 3,273 |
| Total Equity | | 396,335 | 402,583 | 407,654 | 379,398 |
| Total Liabilities and Equity | | \$ 399,065 | \$ 405,218 | \$ 409,581 | \$ 382,049 |

This statement is to be read in conjunction with the Statement of Accounting Policies and Notes to the Financial Statements.

Statement of Cash Flows

for the year ended 30 June 2015

| | | 2015 | 2015 | 2015 | 2014 |
|---|------|-----------------|---------------------|----------------------|-----------------|
| | Note | Actual \$000 | LTP Budget \$000 | Annual Plan \$000 | Actual \$000 |
| Cash flows from operating activities | | | | | |
| Cash was received from: | | | | | |
| Receipts from rates revenue | | \$ 8,418 | \$ 7,427 | \$ 7,236 | \$ 8,107 |
| Interest received | | 81 | 85 | 30 | 66 |
| Dividends received | | 589 | 578 | 608 | 577 |
| Receipts from other revenue | | 4,224 | 5,420 | 5,963 | 4,407 |
| | | 13,312 | 13,510 | 13,837 | 13,157 |
| Cash was applied to: | | | | | |
| Payments to suppliers and employees | | 9,219 | 9,898 | 10,154 | 9,485 |
| Interest paid | | 34 | 84 | 29 | 80 |
| | | 9,253 | 9,982 | 10,183 | 9,565 |
| Net Cash Flows from operating activities | 23 | 4,059 | 3,528 | 3,654 | 3,592 |
| Cash flows from investing activities | | | | | |
| Cash was received from: | | | | | |
| Proceeds from sale of property, plant and equipment | | 75 | 25 | 25 | 101 |
| Proceeds from sale of harvested forests | | 14 | - | - | 331 |
| Proceeds from sale of investment property | | - | 137 | 134 | - |
| Proceeds from sale of investments | | 12 | 4 | 3 | 57 |
| | | 101 | 166 | 162 | 489 |
| Cash was applied to: | | | | | |
| Purchase of property, plant and equipment | | 3,510 | 2,975 | 3,771 | 4,004 |
| Purchase of intangible assets | | 6 | 53 | - | 35 |
| Purchase of silviculture | | - | - | 44 | - |
| Acquisition of investments | | 292 | - | 250 | 191 |
| | | 3,808 | 3,028 | 4,065 | 4,230 |
| Net Cash Flows from investing activities | | (3,707) | (2,862) | (3,903) | (3,741) |
| Cash flows from financing activities | | | | | |
| Cash was applied to: | | | | | |
| Repayment of public debt | | - | 35 | - | 600 |
| | | - | 35 | - | 600 |
| Net Cash Flows from financing activities | | - | (35) | - | (600) |
| Net increase/(decrease) in cash held | | 352 | 631 | (249) | (749) |
| Add opening cash balance (1 July) | | 1,553 | 1,177 | 804 | 2,302 |
| Closing cash (30 June) | 10 | \$ 1,905 | \$ 1,808 | \$ 555 | \$ 1,553 |
| Represented by: | | | | | |
| Cash, cash equivalents and bank overdrafts | 10 | 1,905 | 1,808 | 555 | 1,553 |
| | | \$ 1,905 | \$ 1,808 | \$ 555 | \$ 1,553 |

This statement is to be read in conjunction with the Statement of Accounting Policies and Notes to the Financial Statements.

Funding Impact Statement

for the year ended 30 June 2015

| | 2015 | 2015 | 2015 | 2014 | 2014 |
|--|-----------------|---------------------|----------------------|-----------------|---------------------|
| | Actual \$000 | LTP Budget \$000 | Annual Plan \$000 | Actual \$000 | LTP Budget \$000 |
| Sources of operating funding | | | | | |
| General rates, UAGC and rates penalties | \$ 5,426 | \$ 5,641 | \$ 5,384 | \$ 5,344 | \$ 5,385 |
| Targeted rates | 3,131 | 3,025 | 3,116 | 2,890 | 2,294 |
| Subsidies and grants for operating purposes | 978 | 849 | 874 | 1,160 | 801 |
| Fees and charges | 911 | 766 | 810 | 950 | 1,299 |
| Interest and dividends from investments | 683 | 663 | 638 | 643 | 652 |
| Local authority fuel tax, fines, infringement fees other | 714 | 630 | 718 | 972 | 995 |
| Total sources of operating funding | 11,843 | 11,574 | 11,540 | 11,959 | 11,426 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 9,305 | 9,155 | 9,244 | 9,678 | 9,100 |
| Finance costs | 22 | 83 | 29 | 36 | 83 |
| Other operating funding applications | - | - | - | - | 100 |
| Total applications of operating funding | 9,327 | 9,238 | 9,273 | 9,714 | 9,283 |
| Surplus/(deficit) of operating funding | 2,516 | 2,336 | 2,267 | 2,245 | 2,143 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | 1,303 | 1,134 | 1,148 | 1,622 | 1,405 |
| Development and financial contributions | 146 | 93 | 85 | 133 | 89 |
| Increase/(decrease) in debt | - | (35) | - | (600) | (35) |
| Gross proceeds from sale of assets | 75 | 25 | 25 | 100 | 25 |
| Lump sum contributions | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - |
| Total sources of capital funding | 1,524 | 1,217 | 1,258 | 1,255 | 1,484 |
| Applications of capital funding | | | | | |
| Capital expenditure - to meet additional demand | 8 | - | 10 | 45 | 10 |
| Capital expenditure - to improve level of service | 642 | 378 | 642 | 1,603 | 900 |
| Capital expenditure - to replace existing assets | 2,855 | 2,647 | 3,163 | 2,354 | 2,954 |
| Increase/(decrease) in reserves | 243 | 528 | (540) | (693) | (237) |
| Increase/(decrease) in investments | 292 | - | 250 | 191 | - |
| Total applications of capital funding | 4,040 | 3,553 | 3,525 | 3,500 | 3,627 |
| Surplus/(deficit) of capital funding | (2,516) | (2,336) | (2,267) | (2,245) | (2,143) |
| Funding balance | \$ - | \$ - | \$ - | \$ - | \$ - |

This statement is to be read in conjunction with the Statement of Accounting Policies and Notes to the Financial Statements.

Reconciliation of Surplus/(deficit) after tax to operating funding per the Funding Impact Statement for the year ended 30 June 2015

| | 2015 | 2015 | 2015 | 2014 | 2014 |
|---|-----------------|---------------------|----------------------|-----------------|---------------------|
| | Actual \$000 | LTP Budget \$000 | Annual Plan \$000 | Actual \$000 | LTP Budget \$000 |
| Service Performance Statement | | | | | |
| operating surplus/(deficit) by Activity | | | | | |
| Forestry | \$ 88 | \$ 28 | \$ 31 | \$ 25 | \$ (172) |
| Investments and Finance | 52 | 34 | 35 | 64 | 35 |
| Community Property | (125) | (72) | (161) | (84) | (80) |
| Building Control | 23 | - | 7 | (204) | - |
| Resource Management | 75 | 44 | 36 | 83 | 42 |
| Emergency Management | (12) | - | - | (14) | - |
| Regulatory Services | (8) | - | - | (13) | - |
| Dog and Animal Control | 59 | - | - | (14) | - |
| Community Representation | 107 | 14 | 33 | 55 | (25) |
| Strategy | (41) | (11) | (113) | 88 | 11 |
| Economic Development and Promotions | 19 | - | - | 25 | - |
| Community Support | 1 | - | - | (6) | (100) |
| Library | 19 | - | - | 16 | - |
| Camping | 70 | (3) | (17) | 34 | 13 |
| Cemeteries | (21) | - | (10) | 7 | - |
| Parks and Public Spaces | 52 | - | (2) | (18) | 1 |
| Swimming | (12) | - | (20) | (2) | (21) |
| Roading | (547) | (360) | (450) | (930) | (193) |
| Sewerage and Sewage | 88 | (11) | 13 | 74 | 5 |
| Stormwater Drainage | 18 | 8 | (2) | 32 | 11 |
| Waste Management | 40 | 4 | 4 | 19 | 17 |
| Water Supply | 5 | (27) | (80) | 760 | 261 |
| Total Surplus/(Deficit) after tax per the Statement of Comprehensive Revenue and Expenditure | (50) | (352) | (696) | (3) | (195) |
| less Subsidies and grants for capital expenditure | (1,303) | (1,134) | (1,148) | (1,622) | (1,405) |
| less Development and financial contributions | (146) | (93) | (85) | (132) | (89) |
| less Revaluation losses/(gains) not included in the FIS | (159) | (143) | (143) | (146) | 75 |
| add Loss on sale not included in the FIS | 16 | - | 94 | 62 | - |
| add Depreciation/amortisation not included in the FIS | 4,158 | 4,058 | 4,245 | 4,086 | 3,757 |
| Surplus/(deficit) of operating funding per the Funding Impact Statement | \$ 2,516 | \$ 2,336 | \$ 2,267 | \$ 2,245 | \$ 2,143 |

This statement is to be read in conjunction with the Statement of Accounting Policies and Notes to the Financial Statements.

Disclosure Statement

for the year ended 30 June 2015

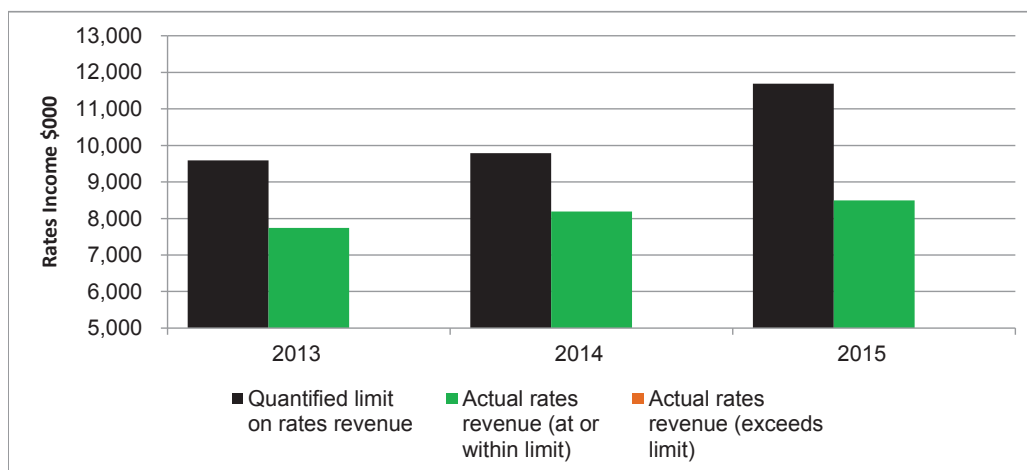
Rates affordability benchmark

Council meets the rates affordability benchmark if:

1. Actual rates revenue is equal to or less than each quantified limit on rates revenue, and
2. Actual rates increases are equal to or less than each quantified limit on rates increases.

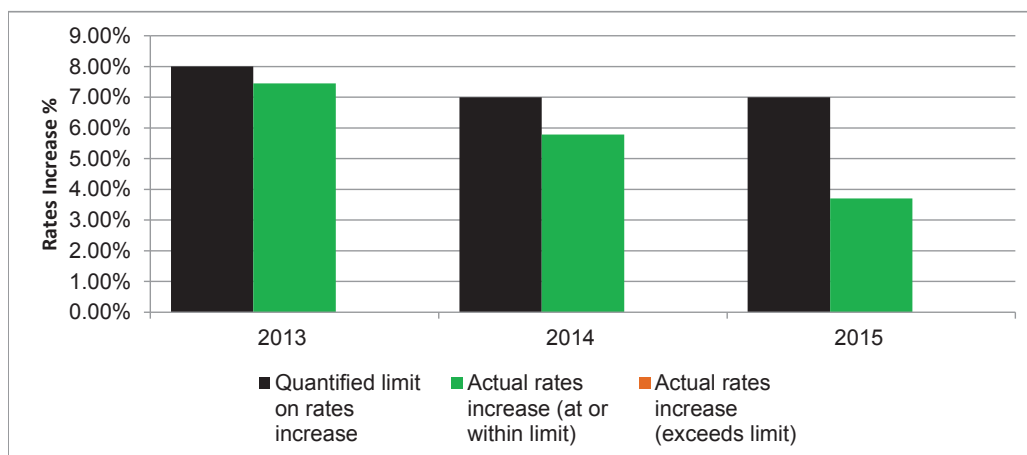
Rates (revenue) affordability

The following graph compares Council's actual rates revenue with the quantified limit on rates revenue contained in the Financial Strategy section within the Long Term Plan.



Rates (increases) affordability

The following graph compares Council's actual rates increases with the quantified limit on rates increases contained in the Financial Strategy section within the Long Term Plan.

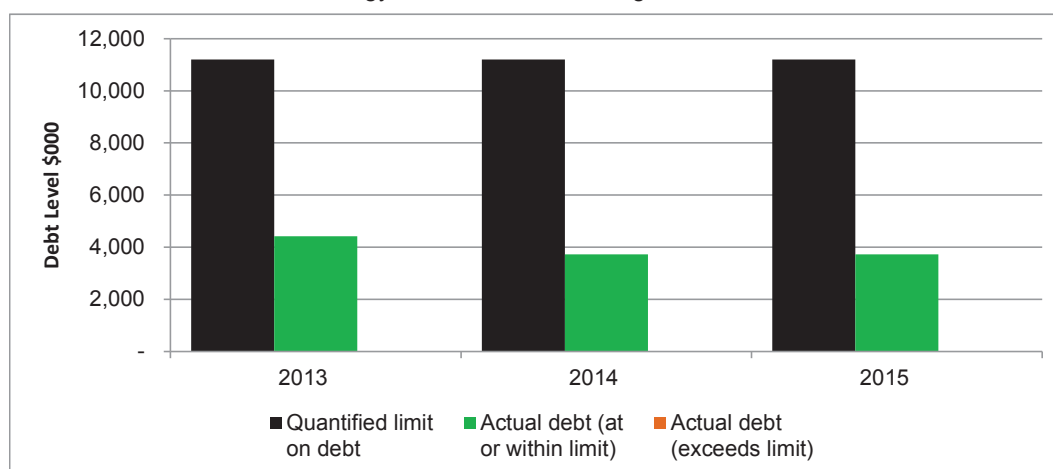


Note that as demonstrated in the above graphs Council has strived and achieved remaining within the total rates requirement as set.

Debt affordability benchmark

Council meets the debt affordability benchmark if actual borrowing is within each quantified limit on borrowing.

The following graph compares Council's actual borrowing with the quantified limit on borrowing contained in the Financial Strategy section within the Long Term Plan.

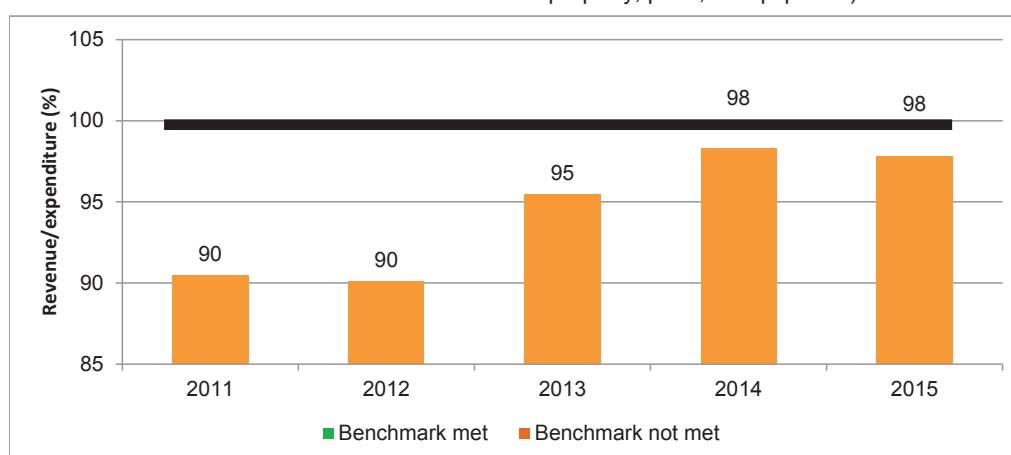


The quantified limit on debt that has been used is the projected Public debt (or Borrowings), both external and internal debt.

Balanced budget benchmark

Council meets the balanced budget benchmark if revenue is equal to or is greater than operating expenses.

The following graph displays Council's actual revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment):



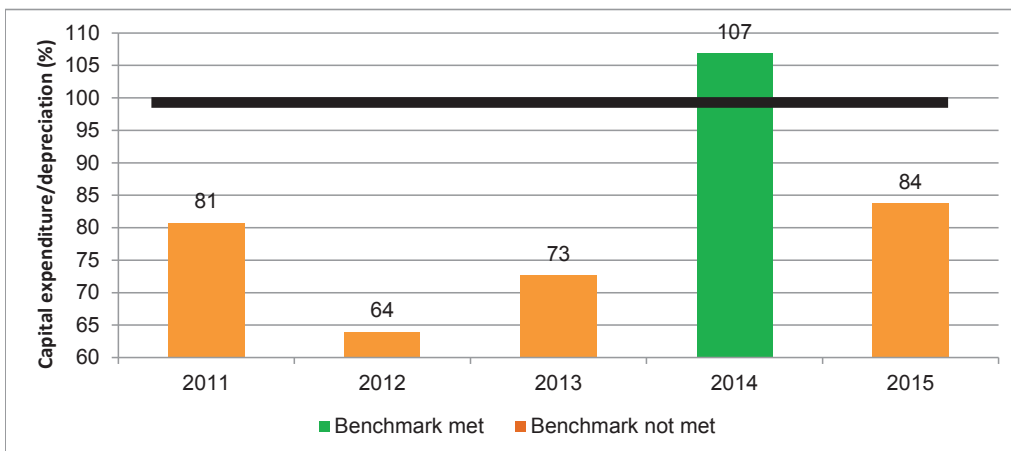
Council has previously decided not to fully fund the depreciation cost of specific assets. This may be for a number of different reasons: that Council has resolved not to replace the asset; that it is unfair to existing ratepayers to pay for a new asset and its replacement; that annual maintenance will maintain the service level; that Council can fundraise or borrow the funds in the future to replace the asset; that Council wishes to smooth the rate impact of revaluations.

The decisions around not fully funding depreciation have the largest impact on the deficit or surplus. There are a number of other items that may have an impact: Grants, Subsidies or donations received for Capital Expenditure; Self funding activities that do not contribute to the rate or receive a rate allocation which may be funded from reserve funds; forestry activity where harvest revenue may be outside the period under review; rate funding for contributions to Reserve Funds for use at a time in the future; operating expenditure and grants funded by Reserve Funds; rates smoothing relative to the nature of the expenditure to spread the funding over more than one year to manage the rating impact.

Essential services benchmark

Council meets the essential services benchmark if capital expenditure on network services (infrastructure related to: water supply; sewerage and treatment and disposal of sewage; stormwater drainage; flood protection and control works; and provision of roads and footpaths) is equal to or is greater than depreciation on those network services.

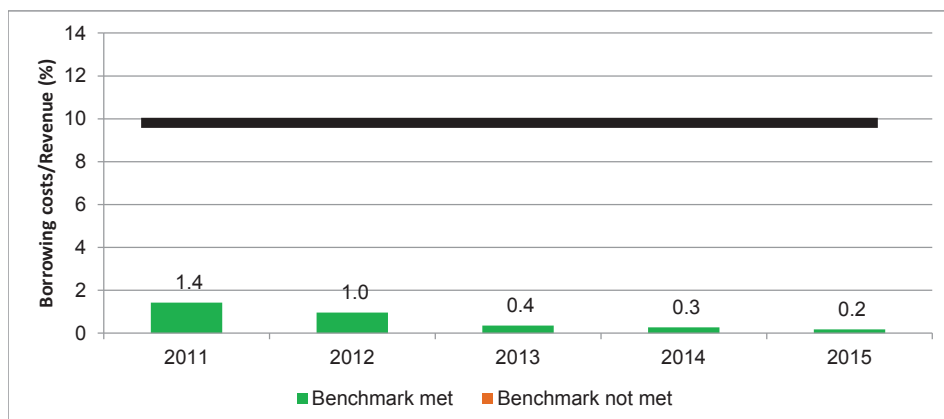
The following graph displays Council's capital expenditure on network services as a proportion of depreciation on those network services:



Debt servicing benchmark

Because Statistics New Zealand projects the district's population will grow more slowly than the national population growth, Council meets the debt servicing benchmark if borrowing costs are equal to or are less than 10% of revenue.

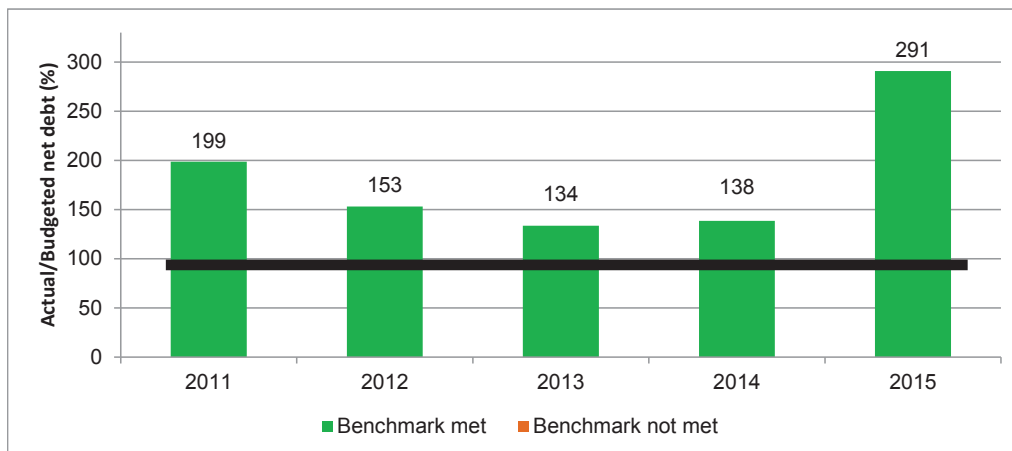
The following graph displays Council's borrowing costs as a proportion of actual revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant, or equipment):



Debt control benchmark

Council meets the debt control benchmark if actual net debt is equal to or is less than planned net debt.

The following graph displays Council's actual net debt as a proportion of planned net debt. **Net debt** means financial liabilities less financial assets (exclusive of trade and other receivables):

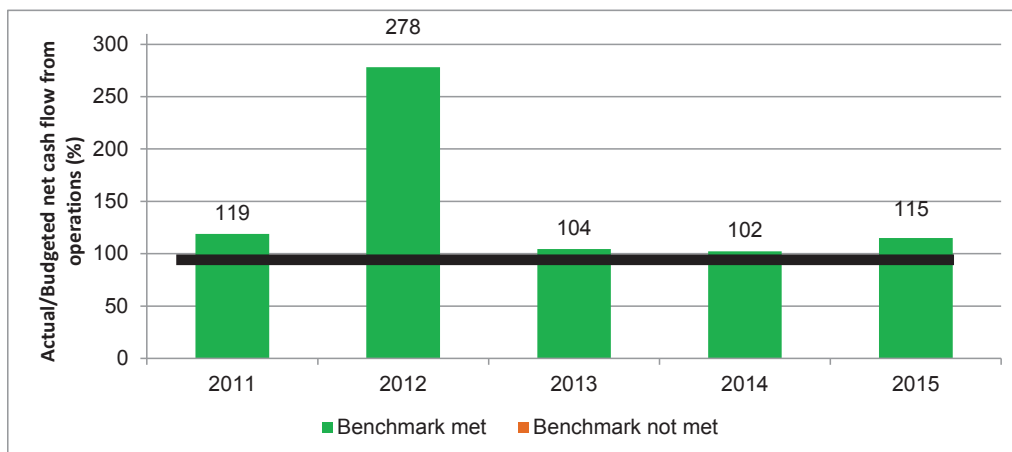


In a situation where Council planned to have net assets, financial assets (excluding trade and other receivables) were planned to exceed financial liabilities, the above graph will show "benchmark met" wherever Council is better off (either less indebted or with greater net assets) than planned. In each of the years in the graph above Council planned to have net assets and has greater net assets than planned.

Operations control benchmark

Council meets the operations control benchmark if actual net cash flow from operations is equal to or is greater than planned net cash flow from operations.

The following graph displays Council's actual net cash flow from operations as a proportion of planned net cash flow from operations.



Activities - Rates vs Other Revenue

| | How operating costs are funded | Rates proportion of total Rates | Rates 2014/15 |
|---|---|--|------------------|
| Water Supply Urban Water - Two secure ground water bores and associated reticulation Rural Water - Six rural water schemes | <div> <div></div> Rates 88% </div> <div> <div></div> Other, including fees and charges 12% </div> | <div> <div></div> 21.0% </div> | \$ 1,911,951 |
| Waste Management Recycling and refuse collection and disposal services for urban and rural areas | <div> <div></div> Rates 86% </div> <div> <div></div> Other, including fees and charges 14% </div> | <div> <div></div> 9.7% </div> | \$ 882,159 |
| Stormwater Drainage Underground pipe system for the removal of surplus surface water in the urban area | <div> <div></div> Rates 80% </div> <div> <div></div> Other, including fees and charges 20% </div> | <div> <div></div> 0.8% </div> | \$ 76,177 |
| Sewerage and Sewage An urban system comprised of gravity sewer mains, gravity lateral connections, manholes A treatment and disposal facility | <div> <div></div> Rates 80% </div> <div> <div></div> Other, including fees and charges 20% </div> | <div> <div></div> 4.9% </div> | \$ 451,198 |
| Roading and Footpaths A district wide network of sealed and unsealed roads, excluding Transit Highways 1 and 82 Bridges, culverts, footpaths, signage, and street lighting | <div> <div></div> Rates 53% </div> <div> <div></div> Other, including fees and charges 47% </div> | <div> <div></div> 23.8% </div> | \$ 2,170,538 |
| Parks and Recreation Camping grounds and cabins Cemeteries management Managing Parks and Reserves Swimming pool in Waimate | <div> <div></div> Rates 55% </div> <div> <div></div> Other, including fees and charges 45% </div> | <div> <div></div> 7.2% </div> | \$ 655,030 |
| Property and Investments Managing a portfolio of forestry Managing Council's share holdings A collection of land and buildings | <div> <div></div> Rates 50% </div> <div> <div></div> Other, including fees and charges 50% </div> | <div> <div></div> 2.4% </div> | \$ 221,177 |
| Organisation and Governance Operational support of the Council's decision-making Strategic Planning and Reporting District wide governance by the Mayor and Councillors | <div> <div></div> Rates 74% </div> <div> <div></div> Other, including fees and charges 26% </div> | <div> <div></div> 15.4% </div> | \$ 1,407,514 |
| Environmental Services Building Control services Resource Management Emergency Management Health Services and Noise Control Dog and Animal Control | <div> <div></div> Rates 59% </div> <div> <div></div> Other, including fees and charges 41% </div> | <div> <div></div> 8.5% </div> | \$ 770,480 |
| Community Services Economic Development and Promotions Administration of grants District Library service | <div> <div></div> Rates 90% </div> <div> <div></div> Other, including fees and charges 10% </div> | <div> <div></div> 6.3% </div> | \$ 569,293 |

Statement of Accounting Policies

Reporting entity

Waimate District Council is a territorial local body governed by the Local Government Act 2002 (LGA 2002) and is domiciled in New Zealand.

The Council consists of the Council, forestry joint ventures (54.43% owned) and Downlands joint venture (14.81% owned). Council is a separate legal entity and does not have any subsidiaries.

The primary objective of the Council is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity for the purposes of PBE IPSAS.

The financial statements of the Council are for the year ended 30 June 2015. The financial statements were authorised for issue by Council on 27 October 2015.

Basis of preparation

Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). These financial statements have been prepared in accordance with Tier 2 Public Benefit Entity (PBE) accounting standards, as Total Expenditure is below the \$30 million threshold. The material adjustments arising on transition to the new PBE accounting standards are explained in note 36. These financial statements are the first to be produced under the new PBE accounting standards.

Measurement base

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets and certain financial instruments (including derivative instruments).

Functional and presentation currency

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

Changes in accounting policies

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

Following approval of a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB), the Council is classified as a Tier 2 reporting entity and will apply a Reduced Disclosure Regime under Public Benefit Entity Accounting Standards (PAS). These standards were been developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. Council has applied these standards in preparing these 30 June 2015 financial statements.

Significant accounting policies

The following accounting policies which materially affect the measurement of results and the financial position have been applied:

Joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations, the Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of revenue that it earns from the joint venture.

The Council has a proportionate share in 5 forestry joint venture agreements. This ranges from 34% to 74% and the Council accounts for its share of revenue and all expenses.

The Council also has a joint venture ownership of 14.81% with Timaru District Council and Mackenzie District Council for the maintenance and operation of the Downlands rural water scheme.

Revenue

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

Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised at the start of the financial year.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

The Council has early adopted the Local Government (Financial Reporting and Prudence) Regulations 2014 requirements for the format of Statement of Comprehensive Revenue and Expense for the year ended 30 June 2015. Therefore, the Annual Plan and Long Term Plan presentation have been updated to include rates other than targeted rates for Water Supply and the targeted rates for Water Supply in the Rates line. Targeted rates for Water Supply are presented in Note 2.

Government grants

Government grants are received from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Vested assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the Waimate District Council are recognised as revenue when control over the asset is obtained.

Sale of goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

Agency arrangements

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. Dividends are recorded net of imputation credits.

Development contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contributions were charged. Otherwise development contributions and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Borrowing Costs

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

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Foreign currency transactions

Foreign currency transactions (including those for which foreign exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the operating surplus/(deficit).

Income tax

Income tax expense is the aggregate of current period movements in relation to both current and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at 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 surplus.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Council expects to recover or settle the carrying amount of its assets and liabilities.

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

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

Current and deferred tax is recognised against the operating surplus/(deficit) for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue or expenditure or directly

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the operating surplus/(deficit) over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within trade and other payables in current liabilities in the Statement of Financial Position.

Trade and other receivables

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

Derivative financial instruments and hedge accounting

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. The associated gains or losses of derivatives that are not hedge accounted are recognised in the operating surplus/(deficit).

Other financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through the operating surplus/(deficit) in which case the transaction costs are recognised in the operating surplus/(deficit).

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

Financial assets are classified into the following categories for the purpose of measurement:

- Fair value through the operating surplus/(deficit)
- Loans and receivables
- Held to maturity investments
- Fair value through other comprehensive revenue and expenditure

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through the operating surplus/(deficit)

Financial assets at fair value through the operating surplus/(deficit) include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking.

Derivatives are also categorised as held for trading.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the operating surplus/(deficit).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the operating surplus/(deficit).

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the operating surplus/(deficit) as a grant.

Council's loans and receivables comprise debtors and other receivables, community and related party loans. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the operating surplus/(deficit).

Council's investments in this category includes bank term deposits.

Available for sale

Financial assets available for sale are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date.

Council includes in this category:

- Investments that it intends to hold long-term but which may be realised before maturity
- Shareholdings that it holds for strategic purposes

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expenditure, except for impairment losses, which are recognised in the operating surplus/(deficit).

On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expenditure is reclassified from equity to the operating surplus/(deficit).

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recorded at cost.

Impairment of financial assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the operating surplus/(deficit).

Loans and other receivables

Impairment is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For trade and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the operating surplus/(deficit). When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government stock, and community loans, are recognised directly against the instruments carrying amount.

Financial assets at fair value through other comprehensive revenue and expenditure

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for the investments at fair value through other comprehensive revenue and expenditure, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the operating surplus/(deficit)) recognised in other comprehensive revenue and expenditure is reclassified from equity to the operating surplus/(deficit).

Equity instrument impairment losses recognised in the operating surplus/(deficit) are not reversed through the operating surplus/(deficit).

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the operating surplus/(deficit).

Inventory

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost, adjusted when applicable, for any loss of service potential. Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the first-in first-out (FIFO) method.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the operating surplus/(deficit) in the period of the write-down.

When land held for development and future resale is transferred from investment property, plant and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant and equipment.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of assets held for sale are recognised in the operating surplus/(deficit).

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

Non-current assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Property, plant and equipment consists of:

Operational assets - These include land, buildings, library books, plant and equipment, and motor vehicles.

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

Infrastructural assets - Infrastructural assets are the fixed utility systems owned by the 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 is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Land and buildings (operational and restricted) and infrastructural assets are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other assets are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant and equipment are accounted for on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expenditure and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expenditure but is recognised in the operating surplus/(deficit). Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the operating surplus/(deficit) will be recognised first in the operating surplus/(deficit) up to the amount previously expensed, and then recognised in other comprehensive revenue and expenditure.

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 the Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

Property, plant and equipment is recognised at cost. Where an asset is acquired at no cost, or for 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 operating surplus/(deficit). When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land (which also includes the landfill and water races), at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

| | | Depreciable life (years) | Depreciable rate (SL%) |
|-------------------------------|------------------------------------|-----------------------------|---------------------------|
| Infrastructural assets | Roading | | |
| | Land | Not depreciable | |
| | Road formation - shoulders | Not depreciable | |
| | Road pavement -sealed and unsealed | 100 | 1.00% |
| | Road surfacing | 10 - 16 | 6.25% - 10.00% |
| | Culverts | 100 | 1.00% |
| | Kerb and channel | 50 | 2.00% |
| | Footpaths | 50 - 70 | 1.42% - 2.00% |
| | Bridges | 80 - 120 | 0.83% - 1.25% |
| | Water | | |
| | Pipe reticulation | 65 - 130 | 0.77% - 1.54% |
| | Pumps | 25 | 4.00% |
| | Reservoir components | 20 - 100 | 1.00% - 5.00% |
| | Wastewater | | |
| | Pipe reticulation | 100 - 120 | 0.83% - 1.00% |
| | Treatment facilities | 20 - 100 | 1.00% - 5.00% |
| | Sanitation | | |
| | Transfer station | 3 - 100 | 1.00% - 33.33% |
| | Stormwater | | |
| | Network | 100 | 1.00% |
| | Elephant Hill drainage | 40 | 5.00% DV |

| Operational assets | Depreciable life (years) | Depreciable rate (SL% or DV%) |
|---------------------------|-------------------------------------|--|
| Buildings | 5 - 67 | 1.50% - 20.00% SL |
| Furniture and fittings | 5 - 20 | 10.00% - 40.00% DV |
| Office equipment | 5 - 10 | 20.00% - 40.00% DV |
| Plant and machinery | 5 - 20 | 10.00% - 40.00% DV |
| Motor vehicles | 10 | 20.00% DV |
| Library books | 20 | 10.00% DV |
| Computer hardware | 10 | 20.00% DV |

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Intangible assets

Emissions Trading Scheme - Carbon credits

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Subsequent staff training costs are recognised in the operating surplus/(deficit) when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Easements

Easements are recognised at cost, being the costs directly attributable in bringing the asset to its intended use. Easements have an indefinite life and are not amortised, but are instead tested for impairment annually.

Amortisation

ETS Carbon credits do not attract amortisation as they have an indefinite life. The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when an asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the operating surplus/(deficit).

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

| | Useful life (years) | Amortisation rate (DV%) |
|-------------------|----------------------------|--------------------------------|
| Computer software | 8 | 20% |

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash flows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against 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 operating surplus/(deficit).

For assets not carried at a revalued amount, the total impairment loss is recognised in the operating surplus/(deficit).

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the operating surplus/(deficit), a reversal of the impairment loss is also recognised in the operating surplus/(deficit).

For assets not carried at a revalued amount (other than goodwill), the reversal of an impairment loss is recognised in the operating surplus/(deficit).

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated cost to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the operating surplus/(deficit).

Forestry maintenance costs are recognised in the operating surplus/(deficit) when incurred.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at cost, including transaction costs.

After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer.

Gains and losses arising from a change in the fair value of investment property are recognised in the operating surplus/(deficit).

Creditors and other payables

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

Borrowings

Borrowings are initially recognised at their fair value net of transactions costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date or if the borrowings are expected to be settled after 12 months of balance date.

Employee entitlements

Short-term employee entitlements

Employee benefits expected 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, long service leave entitlements expected to be settled within twelve months, and sick leave.

A liability for sick leave is recognised to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense is recognised for bonuses where the Council has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Long service leave

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actual entitlement basis at current rates of pay accrued on the number of years service. Entitlements have not been calculated on an actual basis as this would not be significantly different from the method used. 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.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined benefit scheme

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

Insufficient information is available to use defined benefit plan accounting, as it is not possible to determine from the terms of the scheme the extent to which the scheme's surplus or deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on this scheme is disclosed in Note 25 - Contingencies.

Defined contribution scheme

Obligations for contributions KiwiSaver, SuperEasy, and other National Provident Fund schemes are accounted for as defined contribution superannuation schemes and are recognised as an expense in the operating surplus/(deficit) when incurred.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a financial guarantee contract was issued in a standalone arms length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value for the future expenditure.

Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Public equity - accumulated funds
- Asset revaluation reserves
- Restricted reserves
- Fair value through other comprehensive revenue and expenditure reserves

Asset revaluation reserves

These reserves relate to the revaluation of property, plant and equipment to fair value.

Restricted reserves

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

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

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

The Council's objectives, policies and processes for managing capital are described in note 33.

Fair value through other comprehensive revenue and expenditure reserves

This reserve comprises the cumulative net change in the fair value of fair value through other comprehensive revenue and expenditure instruments.

Goods and services tax (GST)

All items in the financial statements are stated exclusive of goods and services tax (GST), except for debtors and other receivables and creditors and other payables, which are stated on a GST inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its Long Term Plan 2012-2022. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Cost allocation

The cost of service for each significant activity of Council has been derived using the cost allocation system outlined below:

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff time surveys, and floor area.

Statement of cash flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Council invests as part of its day-to-day cash management. GST is disclosed net as disclosing gross amounts does not provide any further meaningful information.

Operating activities include cash received from all revenue sources and cash payments made for the supply of goods and services. Agency transactions are recognised as receipts and payments in the Statement of Cash Flows because they flow through the Council's main bank account.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt structure of the Council.

Cost of service statements

The cost of service statements, as provided in the Statements of Service Performance, report the net cost of services for significant activities of the Council, and are represented by the costs of providing the service less all revenue that can be allocated to these activities.

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

Landfill aftercare provision

Note 19 provides information about the estimates and assumptions surrounding the landfill aftercare provision.

Infrastructural assets

Note 15 provides information about the estimates and assumptions applied in determining the fair value of infrastructural assets.

Critical judgments in applying Council's accounting policies

Management has exercised the following critical judgments in applying accounting policies for the year ended 30 June

Classification of property

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

1 Summary of Services

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|-------------------------|-----------------------------|------------------------------|-------------------------|
| Revenue | | | | |
| Property and Investments Group | | | | |
| Forestry | \$ 209 | \$ 186 | \$ 186 | \$ 499 |
| Investments and Finance | 419 | 361 | 373 | 474 |
| Property | 583 | 659 | 729 | 620 |
| Environmental Services Group | | | | |
| Building Control | 476 | 384 | 457 | 489 |
| Resource Management | 223 | 243 | 223 | 269 |
| Emergency Management | 248 | 253 | 245 | 238 |
| Regulatory Services | 114 | 100 | 141 | 121 |
| Dog and Animal Control | 253 | 124 | 214 | 192 |
| Organisation and Governance Group | | | | |
| Community Representation | 876 | 949 | 874 | 910 |
| Strategy | 582 | 617 | 576 | 500 |
| Managing Services | 2,163 | 1,510 | 2,248 | 2,067 |
| Community Services Group | | | | |
| Economic Development and Promotions | 164 | 178 | 170 | 167 |
| Community Support | 132 | 161 | 131 | 124 |
| Library | 335 | 328 | 333 | 319 |
| Parks and Recreation Group | | | | |
| Camping | 337 | 239 | 263 | 293 |
| Cemeteries | 62 | 98 | 54 | 78 |
| Parks and Public Spaces | 658 | 552 | 642 | 638 |
| Swimming | 142 | 150 | 141 | 138 |
| Roading Group | | | | |
| Roading | 4,484 | 4,164 | 4,178 | 4,251 |
| Utilities Group | | | | |
| Sewerage and Sewage | 562 | 494 | 502 | 488 |
| Stormwater Drainage | 96 | 100 | 81 | 92 |
| Waste Management | 1,025 | 1,057 | 999 | 1,043 |
| Water Supply | 2,206 | 2,035 | 2,062 | 2,568 |
| | \$ 16,349 | \$ 14,942 | \$ 15,822 | \$ 16,578 |

Included within the above amounts is Internal revenue as follows:

| | | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| Property and Investments Group | | | | |
| Forestry | \$ 7 | \$ - | \$ - | \$ - |
| Investments and Finance | 186 | 17 | 199 | 199 |
| Property | 256 | 347 | 247 | 256 |
| Environmental Services Group | | | | |
| Resource Management | 11 | 19 | 12 | 10 |
| Emergency Management | 2 | - | - | - |
| Regulatory Services | - | 3 | 1 | 1 |
| Dog and Animal Control | - | 4 | 1 | 1 |
| Organisation and Governance Group | | | | |
| Community Representation | 3 | - | - | - |
| Strategy | 48 | 10 | 43 | 3 |
| Managing Services | 2,087 | 1,499 | 2,225 | 2,016 |
| Community Services Group | | | | |
| Economic Development and Promotions | 3 | - | 2 | 2 |
| Library | 3 | 2 | - | 1 |
| Parks and Recreation Group | | | | |
| Camping | 36 | 5 | 22 | 19 |
| Cemeteries | - | 2 | - | - |
| Parks and Public Spaces | 41 | 24 | 34 | 39 |
| Swimming | 14 | 13 | 12 | 13 |
| Roading Group | | | | |
| Roading | 21 | - | - | 11 |
| Utilities Group | | | | |
| Sewerage and Sewage | 38 | - | 21 | 21 |
| Stormwater Drainage | 10 | - | - | 11 |
| Waste Management | 21 | 8 | 23 | 20 |
| Water Supply | 111 | 45 | 64 | 96 |
| | \$ 2,898 | \$ 1,998 | \$ 2,906 | \$ 2,719 |

1 Summary of Services (continued)

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|-------------------------|-----------------------------|------------------------------|-------------------------|
| Expenditure | | | | |
| Property and Investments Group | | | | |
| Forestry | \$ 121 | \$ 158 | \$ 155 | \$ 474 |
| Investments and Finance | 367 | 327 | 338 | 410 |
| Property | 708 | 731 | 890 | 704 |
| Environmental Services Group | | | | |
| Building Control | 453 | 384 | 450 | 693 |
| Resource Management | 148 | 199 | 187 | 186 |
| Emergency Management | 260 | 253 | 245 | 252 |
| Regulatory Services | 122 | 100 | 141 | 134 |
| Dog and Animal Control | 194 | 124 | 214 | 206 |
| Organisation and Governance Group | | | | |
| Community Representation | 769 | 935 | 841 | 855 |
| Strategy | 623 | 628 | 689 | 412 |
| Managing Services | 2,163 | 1,510 | 2,248 | 2,067 |
| Community Services Group | | | | |
| Economic Development and Promotions | 145 | 178 | 170 | 142 |
| Community Support | 131 | 161 | 131 | 130 |
| Library | 316 | 328 | 333 | 303 |
| Parks and Recreation Group | | | | |
| Camping | 267 | 242 | 280 | 259 |
| Cemeteries | 83 | 98 | 64 | 71 |
| Parks and Public Spaces | 606 | 552 | 644 | 656 |
| Swimming | 154 | 150 | 161 | 140 |
| Roading Group | | | | |
| Roading | 5,031 | 4,524 | 4,628 | 5,181 |
| Utilities Group | | | | |
| Sewerage and Sewage | 474 | 505 | 489 | 414 |
| Stormwater Drainage | 78 | 92 | 83 | 60 |
| Waste Management | 985 | 1,053 | 995 | 1,024 |
| Water Supply | 2,201 | 2,062 | 2,142 | 1,808 |
| | \$ 16,399 | \$ 15,294 | \$ 16,518 | \$ 16,581 |
| Included within the above amounts is Internal expenses as follows: | | | | |
| Property and Investments Group | | | | |
| Forestry | \$ 72 | \$ 81 | \$ 84 | \$ 73 |
| Investments and Finance | 214 | 38 | 154 | 219 |
| Property | 147 | 48 | 131 | 119 |
| Environmental Services Group | | | | |
| Building Control | 185 | 49 | 154 | 194 |
| Resource Management | 57 | 26 | 58 | 61 |
| Emergency Management | 72 | 41 | 71 | 73 |
| Regulatory Services | 68 | 17 | 69 | 75 |
| Dog and Animal Control | 151 | 39 | 153 | 155 |
| Organisation and Governance Group | | | | |
| Community Representation | 434 | 262 | 494 | 478 |
| Strategy | 196 | 128 | 203 | 186 |
| Managing Services | (381) | 90 | (29) | (379) |
| Community Services Group | | | | |
| Economic Development and Promotions | 37 | 32 | 44 | 40 |
| Community Support | 20 | 13 | 22 | 19 |
| Library | 128 | 118 | 131 | 127 |
| Parks and Recreation Group | | | | |
| Camping | 32 | 16 | 16 | 26 |
| Cemeteries | 9 | 6 | 4 | 8 |
| Parks and Public Spaces | 62 | 28 | (176) | 31 |
| Swimming | 10 | 7 | 8 | 10 |
| Roading Group | | | | |
| Roading | 656 | 506 | 589 | 569 |
| Utilities Group | | | | |
| Sewerage and Sewage | 143 | 83 | 134 | 123 |
| Stormwater Drainage | 20 | 18 | 30 | 23 |
| Waste Management | 113 | 91 | 123 | 117 |
| Water Supply | 453 | 261 | 439 | 372 |
| | \$ 2,898 | \$ 1,998 | \$ 2,906 | \$ 2,719 |

2 Rates Revenue

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|-------------------------|-----------------------------|------------------------------|-------------------------|
| General rates | \$ 4,095 | \$ 4,295 | \$ 4,084 | \$ 3,996 |
| Civic Amenities rates | 1,268 | 1,308 | 1,264 | 1,305 |
| Targeted rates attributable to activities: | | | | |
| Water Supply | 1,902 | 1,829 | 1,889 | 1,737 |
| Wastewater | 451 | 451 | 444 | 435 |
| Refuse and sanitation | 665 | 622 | 663 | 605 |
| Waimate Stadium | 70 | 70 | 70 | 71 |
| Community halls | 43 | 53 | 51 | 42 |
| Total rates | \$ 8,494 | \$ 8,628 | \$ 8,465 | \$ 8,191 |
| Rates Remissions | | | | |
| Land used for sport | \$ (1) | \$ - | \$ - | \$ (1) |
| Halls, community centres, and other organisations | (7) | - | - | (7) |
| Land protected for historical or cultural purposes | (3) | - | - | (2) |
| Resulting from Urban Boundary changes | (20) | - | - | (39) |
| Civic Amenities for multiple SUIP rating units | (33) | (75) | (67) | (34) |
| Total remissions (included under other expenses) | \$ (64) | \$ (75) | \$ (67) | \$ (83) |

Rates Remissions

Rates revenue reported has not been reduced by rates remissions. Council's rates remission policy provides for rates to be remitted for:

- Halls and Community Centres – Waimate Urban Ward (50% of General Rate and 50% of the Sewer Charge)
- Halls and Community Centres – Outside of the Waimate Urban Rating Area qualifying for Rates Remissions (50% of General Rate)
- Regent Theatre (all rates excluding that portion leased to a private concern)
- Land upon which the Occupier has voluntarily preserved or enhanced natural historical or cultural features (100% Remission on the area of land involved)
- Deceased Estates (Rates Penalties – in certain circumstances)
- Glenavy Fishing Camp and Pareora River Huts (75% of Civic Amenities Charges)
- Urban Differential – for properties greater than 20ha within the urban area boundary (General Rate Remission as per calculation formula)
- Properties Classified as Urban, that were previously classified as Rural, following the 2011/12 review of the Urban Rating Boundary (General Rate Remission: 25% for the 2012/13 rating year, 16.5% for 2013/14 and 8% 2014/15)
- Community Housing – Waimate District Council (50% of Civic Amenities Charges)
- Rating Units affected by Natural Calamity or Fire
- Rates Penalties – in certain circumstances

3 Contributions, Subsidies and Grants, and Fees and charges

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|-------------------------|-----------------------------|------------------------------|-------------------------|
| Development and Financial contributions | \$ 146 | \$ 93 | \$ 85 | \$ 133 |
| NZ Transport Agency government grants | \$ 2,208 | \$ 1,938 | \$ 1,959 | \$ 2,119 |
| Ministry of Health Drinking Water Standards grants | - | - | - | 591 |
| Other Grants | 44 | 45 | 62 | 49 |
| Subsidies and Grants | \$ 2,252 | \$ 1,983 | \$ 2,021 | \$ 2,759 |
| Building and resource consent charges | \$ 374 | \$ 321 | \$ 382 | \$ 462 |
| Camping fees | 300 | 233 | 241 | 273 |
| Dog registration and animal control fees | 131 | 100 | 92 | 124 |
| Cemetery fees | 45 | 51 | 38 | 44 |
| Swimming pool revenue | 24 | 24 | 24 | 20 |
| Library fees | 11 | 12 | 14 | 12 |
| Refuse collection and disposal | 102 | 73 | 75 | 96 |
| Other | 26 | 25 | 19 | 21 |
| Fees and charges | \$ 1,013 | \$ 839 | \$ 885 | \$ 1,052 |

There are no unfulfilled conditions and other contingencies attached to government grants recognised.

4 Interest Revenue/Finance Costs

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|------------------------------|-------------------------|-----------------------------|------------------------------|-------------------------|
| Interest revenue | | | | |
| Interest on term deposits | \$ 51 | \$ 79 | \$ 16 | \$ 48 |
| Interest on community loans | 30 | 6 | 14 | 18 |
| Total finance revenue | \$ 81 | \$ 85 | \$ 30 | \$ 66 |
| Interest expense | | | | |
| Interest on bank borrowings | \$ 22 | \$ 83 | \$ 29 | \$ 36 |
| Interest on other items | - | - | - | - |
| Total finance costs | \$ 22 | \$ 83 | \$ 29 | \$ 36 |

5 Other Revenue

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|-------------------------|-----------------------------|------------------------------|-------------------------|
| Deemed revenue from vested assets/carbon credits | \$ 28 | \$ - | \$ - | \$ 23 |
| Petrol tax | 92 | 85 | 90 | 92 |
| Dividend revenue | 602 | 578 | 608 | 577 |
| Forestry sales | 14 | 43 | 43 | 331 |
| Sales of Eric Batchelor Place sections | - | 42 | 134 | - |
| Gain on disposal of inventory | - | - | - | 27 |
| Gain on disposal of property, plant and equipment | 9 | - | - | 27 |
| Gain on changes in fair value of forestry assets | 159 | 143 | 143 | 146 |
| Other | 561 | 425 | 412 | 435 |
| Total other revenue | \$ 1,465 | \$ 1,316 | \$ 1,430 | \$ 1,658 |

Other, within Other revenue, includes Rental revenue and other Miscellaneous revenue.

6 Employee Benefit Expenses

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|-------------------------|-----------------------------|------------------------------|-------------------------|
| Salaries and Wages | \$ 3,265 | \$ 3,222 | \$ 3,167 | \$ 3,037 |
| Employer contributions to multi-employer defined benefit plans and defined contribution plans | 170 | 211 | 169 | 164 |
| Other employment benefit expenses | - | - | - | - |
| Increase/(decrease) in employee benefit liabilities | (84) | (134) | (34) | 34 |
| Total employee benefit expenses | \$ 3,351 | \$ 3,299 | \$ 3,302 | \$ 3,235 |

Employer contributions to multi-employer defined benefit plans and defined contribution plans include contributions to KiwiSaver, SuperEasy at work, Supertrust, AXA, National Provident Fund, and Lumpsum.

7 Depreciation and Amortisation by Activity

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|-------------------------|-----------------------------|------------------------------|-------------------------|
| Property | \$ 281 | \$ 222 | \$ 287 | \$ 273 |
| Building Control | 6 | 17 | 14 | 6 |
| Resource Management | - | 1 | - | - |
| Emergency Management | 37 | 29 | 29 | 44 |
| Regulatory Services | - | 1 | - | - |
| Dog and Animal Control | 1 | 4 | 4 | 2 |
| Community Representation | 1 | 3 | 1 | 1 |
| Strategy | 36 | - | 36 | - |
| Managing Services | 121 | 127 | 158 | 117 |
| Library | 48 | 66 | 54 | 48 |
| Camping | 64 | 26 | 70 | 62 |
| Cemeteries | 3 | 10 | 6 | 2 |
| Parks and Public Spaces | 92 | 80 | 97 | 85 |
| Swimming | 25 | 18 | 27 | 25 |
| Roading | 2,599 | 2,402 | 2,493 | 2,535 |
| Sewerage and Sewage | 189 | 221 | 198 | 197 |
| Stormwater Drainage | 33 | 39 | 29 | 28 |
| Waste Management | 46 | 53 | 50 | 50 |
| Water Supply | 576 | 739 | 692 | 611 |
| Total depreciation and amortisation by Activity | \$ 4,158 | \$ 4,058 | \$ 4,245 | \$ 4,086 |

8 Other Expenses

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|-------------------------|-----------------------------|------------------------------|-------------------------|
| Fees to principal auditor: | | | | |
| Audit New Zealand fees for financial statement audit | \$ 85 | \$ 83 | \$ 85 | \$ 84 |
| Audit New Zealand fees for Long Term Plan audit | 67 | 68 | 68 | - |
| Change in provision for doubtful debts/bad debts written off | 2 | - | - | (14) |
| Cost of forestry harvested | 16 | 43 | 43 | 317 |
| Roading emergency reinstatement | 4 | - | - | 425 |
| Roading sealed pavement maintenance | 546 | 412 | 412 | 529 |
| Inventories | 46 | - | - | (47) |
| Minimum lease payments under operating leases | 70 | 70 | 70 | 70 |
| Loss on disposal of property, plant and equipment | 16 | - | 2 | 61 |
| Other operating expenses | 5,118 | 5,180 | 5,356 | 5,080 |
| Total other expenses | \$ 5,970 | \$ 5,856 | \$ 6,036 | \$ 6,505 |

Other operating expenses above includes Computer Support, Grants, Legal fees, Repairs and maintenance, Insurance, Electricity, Roding expenditure (not itemised above), Water schemes related costs, and other Miscellaneous expenses.

9 Taxation expense

| | 2015 Actual \$000 | 2014 Actual \$000 |
|--|-------------------------|-------------------------|
| Taxation expense | | |
| Operating surplus/(deficit) before tax | \$ (50) | \$ (3) |
| Income tax at 28% | (14) | (1) |
| Taxation effect of permanent differences | 239 | 230 |
| Effect of imputation credits | (232) | (225) |
| Deferred tax | (4) | (13) |
| Prior period adjustments | (1) | - |
| Tax effect of losses recognised | 4 | 13 |
| Tax effect of loss movements | 8 | (4) |
| Taxation expense | \$ - | \$ - |

Deferred tax assets/(liabilities)

| | Forestry | Tax losses | Total |
|---|----------------|--------------|-------------|
| Balance at 1 July 2013 | \$ (79) | \$ 79 | \$ - |
| Charged to statement of comprehensive revenue and expenditure | 13 | (13) | - |
| Charge to equity | - | - | - |
| Balance at 30 June 2014 | (66) | 66 | - |
| Charged to statement of comprehensive revenue and expenditure | 4 | (4) | - |
| Charge to equity | - | - | - |
| Balance at 30 June 2015 | \$ (62) | \$ 62 | \$ - |

The Council has unrecognised tax losses of \$822,566 (2014: \$782,473) with a tax effect of \$230,318 (2014: \$219,092) which are available to carry forward. In addition the Council has recognised tax losses of \$222,502 (2014: \$234,875) with a tax effect of \$62,301 (2014: \$65,765) to offset deferred tax liabilities recognised for forestry activities.

10 Cash and Cash Equivalents

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|-------------------------|-----------------------------|------------------------------|-------------------------|
| ANZ Bank cheque account | \$ 68 | \$ 188 | \$ 555 | \$ 60 |
| ANZ Call deposit | 1,822 | 1,620 | - | 1,326 |
| National Bank accounts - Hakataramea | 11 | - | - | 15 |
| BNZ Bank accounts - Downlands | 4 | - | - | 152 |
| Total cash and cash equivalents | \$ 1,905 | \$ 1,808 | \$ 555 | \$ 1,553 |

The carrying value of cash at bank and short term deposits with maturities less than three months approximates their fair value.

Fair Value

The carrying value of short term deposits approximates their fair value.

Cash and cash equivalents include the following for the purposes of the Statement of Cash Flows:

| | | | | |
|---|-----------------|-----------------|---------------|-----------------|
| Cash at bank and on hand | \$ 83 | \$ 188 | \$ 555 | \$ 227 |
| Short term bank deposits (less than 3 months) | 1,822 | 1,620 | - | 1,326 |
| Total cash, cash equivalents and bank overdrafts | \$ 1,905 | \$ 1,808 | \$ 555 | \$ 1,553 |

11 Trade and Other Receivables

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|-------------------------|-----------------------------|------------------------------|-------------------------|
| Rates receivables | \$ 215 | \$ 85 | \$ 82 | \$ 138 |
| Other receivables | 787 | 681 | 690 | 1,131 |
| Related party receivables | 78 | 43 | 40 | 46 |
| Sundry receivables | 226 | 40 | 52 | 78 |
| Prepayments | 37 | 35 | 30 | 35 |
| GST refund due | 110 | 70 | 76 | 88 |
| Less provision for doubtful debts | (6) | (5) | (5) | (5) |
| Total Trade and Other Receivables | \$ 1,447 | \$ 949 | \$ 965 | \$ 1,511 |
| Represented by: | | | | |
| Current | \$ 1,447 | \$ 949 | \$ 965 | \$ 1,512 |
| Non-current | - | - | - | - |
| | \$ 1,447 | \$ 949 | \$ 965 | \$ 1,512 |

Fair Value

Trade and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of trade and other receivables approximates their fair value.

The age of trade and other receivables that are not impaired are as follows:

| | | |
|------------------------|-----------------|-----------------|
| Current | \$ 1,295 | \$ 1,433 |
| 3 to 6 months | 54 | 48 |
| 6 to 9 months | 30 | 18 |
| 9 to 12 months | 38 | 9 |
| Greater than 12 months | 30 | 4 |
| | \$ 1,447 | \$ 1,512 |

Impairment

The Council provided for an impairment on one rate receivable as the debtor had been placed in receivership. The Council does not provide for any other impairment on rates receivables as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place, debts are discounted to the present value of future repayments if the impact of discounting is material.

The aging profile of trade and other receivables at year end is detailed below:

| | 2015 Actual \$000 | | | 2014 Actual \$000 | | |
|------------------------|-------------------------|---------------|-----------------|-------------------------|---------------|-----------------|
| | Gross | Impairment | Net | Gross | Impairment | Net |
| Current | \$ 1,295 | \$ - | \$ 1,295 | \$ 1,433 | \$ - | \$ 1,433 |
| 3 to 6 months | 54 | - | 54 | 48 | - | 48 |
| 6 to 9 months | 30 | - | 30 | 18 | - | 18 |
| 9 to 12 months | 38 | - | 38 | 9 | - | 9 |
| Greater than 12 months | 36 | (6) | 30 | 9 | (5) | 4 |
| | \$ 1,453 | \$ (6) | \$ 1,447 | \$ 1,517 | \$ (5) | \$ 1,512 |

11 Trade and Other Receivables (continued)

The impairment provision has been calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collection history and debt write-offs.

| | 2015 | 2015 | 2015 | 2014 |
|--|-----------------|---------------------|----------------------|-----------------|
| | Actual \$000 | LTP Budget \$000 | Annual Plan \$000 | Actual \$000 |
| Impairment | \$ 6 | \$ - | \$ - | \$ 5 |
| Total provision for impairment | \$ 6 | \$ - | \$ - | \$ 5 |
| Movements in the provision for impairment of trade and other receivables and community loans are as follows: | | | | |
| As at 1 July | \$ 5 | \$ - | \$ - | \$ 20 |
| Additional provisions made during the year | 1 | - | - | (15) |
| Receivables written off during the year | - | - | - | - |
| As at 30 June | \$ 6 | \$ - | \$ - | \$ 5 |

12 Inventories

| | 2015 | 2015 | 2015 | 2014 |
|--|-----------------|---------------------|----------------------|-----------------|
| | Actual \$000 | LTP Budget \$000 | Annual Plan \$000 | Actual \$000 |
| Utilities Department stores | \$ 89 | \$ 67 | \$ 67 | \$ 131 |
| Information Centre souvenirs | 7 | 8 | 8 | 9 |
| Refuse collection bags | 2 | 3 | 4 | 4 |
| Land held for sale - Eric Batchelor sections | 442 | 166 | 166 | 442 |
| | \$ 540 | \$ 244 | \$ 245 | \$ 586 |

The carrying value of inventories held for distribution that are measured at cost (adjusted where applicable for any loss of service potential) as at 30 June 2015 amounted to \$98,000 (2014: \$144,000).

The Council has developed land for future sale and costs capitalised to date are not expected to be recovered until after 30 June 2016 in line with the expected business operating cycle for this activity.

No inventories are pledged as security for liability.

13 Other Financial Assets

Current portion

Investments

Short Term Deposits - Downlands and Hakataramea

Loans and receivables

Loans to community groups

Total current other financial assets

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|-------------------------|-----------------------------|------------------------------|-------------------------|
| | | | | |
| | \$ 586 | \$ 213 | \$ - | \$ 403 |
| | 7 | 8 | 8 | 7 |
| | \$ 593 | \$ 221 | \$ 8 | \$ 410 |
| | | | | |
| | | | | |
| | \$ 18 | \$ 51 | \$ 75 | \$ 29 |
| | | | | |
| Equity investments (at cost) | | | | |
| Combined Rural Traders Ltd (CRT) | 6 | 5 | 6 | 6 |
| NZ Local Government Insurance Company Ltd | 28 | 28 | 28 | 28 |
| MGI Irrigation Company Ltd | 1 | 1 | 1 | 1 |
| Hunter Downs Irrigation Limited | 141 | - | 250 | 31 |
| Equity investments (at fair value) | | | | |
| Alpine Energy Ltd | 26,792 | 9,660 | 12,185 | 12,185 |
| Total Equity Investments | 26,968 | 9,694 | 12,470 | 12,251 |
| | | | | |
| Total non-current other financial assets | \$ 26,986 | \$ 9,745 | \$ 12,545 | \$ 12,280 |

Term deposits

The carrying value of term deposits approximate their fair value.

Unlisted shares - valuation

The fair value of unlisted shares of Alpine Energy Limited have been determined using a valuation technique based on discounted cash flows. The independent valuation was completed by Deloitte, Chartered Accountants, at 31 March

Listed shares - valuation

Listed shares are recognised at fair value. The fair values of listed shares are determined by reference to published current bid price quotations in an active market. The Council currently has no publicly listed shares.

Maturity analysis and effective interest rates

The maturity dates for financial assets, with the exception of equity investments, and advances to subsidiaries and associates, are as follows:

| | 2015 Actual \$000 | Weighted average effective interest rate |
|---|-------------------------|--|
| Investments maturing within the next year | \$ 592 | 4.17% |
| Investments maturing between 1-5 years | 18 | 9.40% |
| Investments maturing after 5 years | - | 0.00% |
| Total current other financial assets | \$ 610 | |

14 Derivative Financial Instruments

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|-------------------------|-----------------------------|------------------------------|-------------------------|
| Current liability portion | | | | |
| Interest rate swaps - fair value hedges | \$ - | \$ - | \$ - | \$ 12 |
| Total current liability | \$ - | \$ - | \$ - | \$ 12 |

Fair value

The fair value of interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market prices.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2015 is Nil (2014: \$500,000). At 30 June 2015 no fixed interest rates of cash flow hedge interest rate swap exist (2014: 6.99%).

15 Property, Plant and Equipment

2015

| | Cost/valuation 1 July 2014 \$000 | Accumulated depreciation and impairment charges 1 July 2014 \$000 | Carrying amount 1 July 2014 \$000 | Current year additions \$000 | Current year disposals at cost/valuation \$000 | Current year depreciation/ impairment \$000 | Accumulated depreciation of disposals \$000 | Revaluation surplus/ (deficit) \$000 | Cost/valuation 30 June 2015 \$000 | Accumulated depreciation and impairment charges 30 June 2015 \$000 | Carrying amount 30 June 2015 \$000 |
|--|--|---|--|------------------------------------|---|--|--|---|---|--|---|
| Operational Assets | | | | | | | | | | | |
| Operating | | | | | | | | | | | |
| Land | \$ 4,307 | \$ - | \$ 4,307 | \$ - | \$ (34) | \$ - | \$ - | \$ 785 | \$ 5,058 | \$ - | \$ 5,058 |
| Buildings | 6,973 | (807) | 6,166 | 40 | - | (413) | - | 660 | 6,454 | (1) | 6,453 |
| Library books | 811 | (404) | 407 | 44 | - | (43) | - | - | 855 | (447) | 408 |
| Plant and Equipment | 1,373 | (601) | 772 | 199 | (55) | (129) | 40 | - | 1,518 | (690) | 828 |
| Motor vehicles | 860 | (467) | 393 | 279 | (91) | (92) | 57 | - | 1,048 | (503) | 545 |
| Work in progress | 32 | - | 32 | 107 | - | - | - | - | 139 | - | 139 |
| Total operating assets | 14,356 | (2,279) | 12,077 | 669 | (180) | (677) | 97 | 1,445 | 15,072 | (1,641) | 13,431 |
| Restricted | | | | | | | | | | | |
| Land | 5,459 | - | 5,459 | 12 | - | - | - | 430 | 5,901 | - | 5,901 |
| Buildings | - | - | - | - | - | - | - | - | - | - | - |
| Total restricted assets | 5,459 | - | 5,459 | 12 | - | - | - | 430 | 5,901 | - | 5,901 |
| Total operational assets | \$ 19,815 | \$ (2,279) | \$ 17,536 | \$ 681 | \$ (180) | \$ (677) | \$ 97 | \$ 1,875 | \$ 20,973 | \$ (1,641) | \$ 19,332 |
| Infrastructural Assets | | | | | | | | | | | |
| Wastewater schemes | \$ 10,476 | \$ (577) | \$ 9,899 | \$ 71 | \$ - | \$ (186) | \$ - | \$ (1,266) | \$ 8,704 | \$ (186) | \$ 8,518 |
| Rural water schemes | 11,577 | (1,012) | 10,565 | 275 | - | (296) | - | (1,211) | 9,796 | (464) | 9,332 |
| Urban water schemes | 4,785 | (656) | 4,129 | 133 | - | (209) | - | 2,338 | 6,600 | (210) | 6,390 |
| Downlands water scheme | 2,707 | (587) | 2,120 | 33 | - | (69) | - | - | 2,740 | (656) | 2,084 |
| Rural drainage schemes | 57 | (44) | 13 | - | - | (2) | - | - | 57 | (46) | 11 |
| Roading network | 316,804 | - | 316,804 | 2,314 | - | (2,599) | - | - | 319,118 | (2,599) | 316,519 |
| Stormwater schemes | 2,286 | (81) | 2,205 | 77 | - | (33) | - | 452 | 2,735 | (34) | 2,701 |
| Sanitation | 502 | (124) | 378 | - | - | (39) | - | 195 | 573 | (39) | 534 |
| Work in progress | 355 | - | 355 | (52) | - | - | - | - | 303 | - | 303 |
| Total infrastructural assets | \$ 349,549 | \$ (3,081) | \$ 346,468 | \$ 2,851 | \$ - | \$ (3,433) | \$ - | \$ 508 | \$ 350,626 | \$ (4,234) | \$ 346,392 |
| Total Property, plant and equipment | \$ 369,364 | \$ (5,360) | \$ 364,004 | \$ 3,532 | \$ (180) | \$ (4,110) | \$ 97 | \$ 2,383 | \$ 371,599 | \$ (5,875) | \$ 365,724 |

15 Property, Plant and Equipment (continued)

| | Accumulated depreciation and impairment charges | | | | Accumulated depreciation and impairment charges | | | | Accumulated depreciation and impairment charges | | | |
|--|---|-------------------|-------------------|-----------------|---|-------------------|---------------|------------------|---|-------------------|--------------|-------------------|
| | Cost/valuation | Impairment | Carrying | Current year | Current year | Current year | Revaluation | Cost/valuation | Impairment | Carrying | Current year | Current year |
| | 1 July 2013 | 1 July 2013 | amount | disposals at | depreciation/ | disposals at | surplus/ | 30 June 2014 | charges | amount | 30 June 2014 | 30 June 2014 |
| | \$000 | \$000 | \$000 | cost/valuation | impairment | cost/valuation | (deficit) | \$000 | \$000 | \$000 | \$000 | \$000 |
| 2014 | | | | | | | | | | | | |
| Operational Assets | | | | | | | | | | | | |
| Operating | | | | | | | | | | | | |
| Land | \$ 4,429 | \$ (67) | \$ 4,362 | \$ - | \$ (122) | \$ (136) | \$ 67 | \$ - | \$ 4,307 | \$ - | \$ - | \$ 4,307 |
| Buildings | 6,987 | (449) | 6,538 | 122 | (136) | (406) | 49 | - | 6,973 | (807) | - | 6,166 |
| Library books | 762 | (362) | 400 | 49 | - | (43) | - | - | 811 | (404) | - | 407 |
| Plant and Equipment | 1,375 | (554) | 821 | 119 | (121) | (119) | 72 | - | 1,373 | (601) | - | 772 |
| Motor vehicles | 721 | (405) | 316 | 180 | (41) | (93) | 31 | - | 860 | (467) | - | 393 |
| Work in progress | 107 | - | 107 | (75) | - | - | - | - | 32 | - | - | 32 |
| Total operating assets | 14,381 | (1,837) | 12,544 | 395 | (420) | (661) | 219 | - | 14,356 | (2,279) | - | 12,077 |
| Restricted | | | | | | | | | | | | |
| Land | 5,451 | - | 5,451 | 9 | (1) | - | - | - | 5,459 | - | - | 5,459 |
| Buildings | - | - | - | - | - | - | - | - | - | - | - | - |
| Total restricted assets | 5,451 | - | 5,451 | 9 | (1) | - | - | - | 5,459 | - | - | 5,459 |
| Total operational assets | \$ 19,832 | \$ (1,837) | \$ 17,995 | \$ 404 | \$ (421) | \$ (661) | \$ 219 | \$ - | \$ 19,815 | \$ (2,279) | \$ - | \$ 17,536 |
| Infrastructural Assets | | | | | | | | | | | | |
| Wastewater schemes | \$ 10,321 | \$ (383) | \$ 9,938 | \$ 155 | \$ - | \$ (194) | \$ - | \$ - | \$ 10,476 | \$ (577) | \$ - | \$ 9,899 |
| Rural water schemes | 9,848 | (691) | 9,157 | 1,729 | - | (321) | - | - | 11,577 | (1,012) | - | 10,565 |
| Urban water schemes | 4,633 | (435) | 4,198 | 152 | - | (222) | - | - | 4,785 | (656) | - | 4,129 |
| Downlands water scheme | 2,559 | (520) | 2,039 | 148 | - | (67) | - | - | 2,707 | (587) | - | 2,120 |
| Rural drainage schemes | 57 | (42) | 15 | - | - | (2) | - | - | 57 | (44) | - | 13 |
| Roading network | 310,744 | (4,626) | 306,118 | 1,864 | - | (2,534) | - | 11,356 | 316,804 | - | - | 316,804 |
| Stormwater schemes | 2,157 | (53) | 2,104 | 129 | - | (28) | - | - | 2,286 | (81) | - | 2,205 |
| Sanitation | 502 | (80) | 422 | - | - | (42) | - | - | 502 | (124) | - | 378 |
| Work in progress | 950 | - | 950 | (596) | - | - | - | - | 355 | - | - | 355 |
| Total infrastructural assets | \$ 341,771 | \$ (6,830) | \$ 334,941 | \$ 3,581 | \$ - | \$ (3,410) | \$ - | \$ 11,356 | \$ 349,549 | \$ (3,081) | \$ - | \$ 346,468 |
| Total Property, plant and equipment | \$ 361,603 | \$ (8,667) | \$ 352,936 | \$ 3,985 | \$ (421) | \$ (4,071) | \$ 219 | \$ 11,356 | \$ 369,364 | \$ (5,360) | \$ - | \$ 364,004 |

15 Property, Plant and Equipment (continued)

| Core Assets additional disclosure | Closing Book Value \$000 | Acquisitions - constructed \$000 | Acquisitions - transferred \$000 | Estimated replacement cost \$000 |
|---|-------------------------------------|---|---|---|
| Water Supply | | | | |
| Treatment plants and facilities | \$ 3,725 | \$ 14 | \$ - | \$ 7,152 |
| Other assets (such as reticulations systems) | 14,081 | 428 | - | 27,031 |
| Total Water Supply | \$ 17,806 | \$ 442 | \$ - | \$ 34,183 |
| Water Supply assets were revalued in July 2014 | | | | |
| Sewerage | | | | |
| Treatment plants and facilities | \$ 971 | \$ - | \$ - | \$ 2,267 |
| Other assets (such as reticulations systems) | 7,547 | 71 | - | 17,616 |
| Total Sewerage | \$ 8,518 | \$ 71 | \$ - | \$ 19,883 |
| Sewerage assets were revalued in July 2014 | | | | |
| Stormwater drainage | \$ 2,701 | \$ 77 | \$ - | \$ 4,146 |
| Stormwater Drainage assets were revalued in July 2014 | | | | |
| Flood protection and control works | \$ - | \$ - | \$ - | \$ - |
| Flood protection is undertaken by ECAN | | | | |
| Roading and footpaths | \$ 316,519 | \$ 2,314 | \$ - | \$ 406,691 |
| Roothing and footpath assets were revalued in June 2014 | | | | |

15 Property, Plant and Equipment (continued)

Valuation - general

Land, buildings (operational and restricted) and infrastructural assets (excluding Downlands Water Scheme and rural drainage at Elephant Hill) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. The Downlands Water Scheme was last revalued at 30 June 2005 and Elephant Hill at 30 June 1993. All other assets are carried at depreciated historical cost.

The Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Valuation - operational assets

Land (operational and restricted)

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value where there is a designation against the land or the use of the land is restricted because of reserve and endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

The most recent valuation was performed by Michelle Laming of Quotable Value and the valuation is effective as at 30 June 2015. Additions are recorded at cost.

Buildings (operational and restricted)

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions

- The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

The most recent valuation was performed by Michelle Laming of Quotable Value and the valuation is effective as at 30 June 2015. Additions are recorded at cost.

Plant and equipment

Plant and equipment consists of furniture, plant and equipment and office equipment. This was valued by Gerald Norton (ANZIV SNZPI FREINZ) of Morton and Company Ltd and the valuation is effective as at 30 June 2009. From this date additions are recorded at cost and no further valuations will be undertaken.

Motor vehicles

Motor vehicles are recorded at cost.

Library books

Library books were valued internally as at 30 June 2006 by the Council's librarian and Corporate Services Manager using the fair value basis recommended by the National Asset Managers Standards (NAMS). These valuations were not independently reviewed. From this date Library books additions are recorded cost.

15 Property, Plant and Equipment (continued)

Valuation - infrastructural assets

Infrastructural asset classes are: wastewater, urban and rural water, Downlands water scheme, rural drainage, roading, stormwater and sanitation.

Infrastructural asset classes (except Downlands water scheme and rural drainage) are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over-or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expenditure. To minimise this risk, infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

Wastewater assets were valued by Council and peer reviewed by Roger Khoo of Beca Projects NZ Limited using optimised depreciated replacement cost and the valuation is effective as at 1 July 2014.

Urban and rural water assets were valued by Council and peer reviewed by Roger Khoo of Beca Projects NZ Limited using optimised depreciated replacement cost and the valuation is effective as at 1 July 2014.

Downlands water scheme assets were valued by Graeme Hughson (BE, CEng, MIPENZ, MNZIM) of Maunsell & Co using depreciated replacement cost and the valuation is effective at 1 July 2005. Downlands water scheme assets are now valued at deemed cost.

Rural drainage assets (Elephant Hill) were valued by Environment Canterbury using replacement cost and the valuation is effective as at 30 June 1993. Rural drainage assets are now valued at deemed cost.

Roading assets were valued by Mel England of Opus International Consultants Limited using optimised depreciated replacement cost and the valuation is effective as at 30 June 2014. Land under roads is valued at cost or the value determined from the 2011 revaluation.

Stormwater assets were valued by Council and peer reviewed by Roger Khoo of Beca Projects NZ Limited using optimised depreciated replacement cost and the valuation is effective as at 1 July 2014.

Sanitation assets (transfer station and recycling building) were valued by Debbie Weeds, and John Vessey of Opus International Consultants Limited using optimised depreciated replacement cost and the valuation is effective as at 1 July 2014.

All additions are recorded at cost.

| | |
|---|-------------|
| Land and Buildings - 30 June 2015 - Michelle Laming of Quotable Value | 17,357,137 |
| Furniture, plant & machinery and office equipment - 30 June 2009 - Gerald Morton of Morton & Company Ltd | 385,620 |
| Roading - 30 June 2014 - Mel England of Opus International Consultants | 316,804,000 |
| Wastewater, urban and rural water, and stormwater - 1 July 2014 - valued by Council and peer reviewed by Roger Khoo of Beca Projects NZ Limited | 26,800,812 |
| Sanitation - 1 July 2014 - Debbie Weeds and John Vessey of Opus International Consultants | 597,714 |

Impairment

The value of impairment gains/losses was \$nil (2014, \$63,480).

Work in progress

The total amount of property, plant and equipment in the course of construction is \$442,000 (2014 \$387,000). Work in progress is disclosed above.

Leasing

The net carrying amount of plant and equipment held under finance leases is \$nil (2014 \$nil).

16 Forestry Assets

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|-------------------------|-----------------------------|------------------------------|-------------------------|
| Opening balance | \$ 1,569 | \$ 1,613 | \$ 1,308 | \$ 1,714 |
| Gains/(losses) arising from changes in fair value less estimated point of sale costs | 159 | 143 | 143 | 146 |
| Capital works | 37 | - | - | 27 |
| Decreases due to harvest | (16) | (43) | (43) | (318) |
| Closing balance | \$ 1,749 | \$ 1,713 | \$ 1,408 | \$ 1,569 |

Represented by (R M Consulting Ltd yearly valuation dated 1 July 2015):

| | | | | |
|------------------------|-----------------|-----------------|-----------------|-----------------|
| Joint venture | \$ 616 | \$ 516 | \$ 508 | \$ 552 |
| Reserves | 384 | 595 | 300 | 352 |
| Waihao Forest | 749 | 602 | 600 | 665 |
| Closing balance | \$ 1,749 | \$ 1,713 | \$ 1,408 | \$ 1,569 |

Valuation Method

The 2015 valuation uses the Hybrid method. Council's interest in each of the forest stands it either fully owns or has under joint venture or stumpage agreements. The total value of the forestry estate is the sum of each of these values. The valuation was performed by Mike Marren (B.For.Sc(Hons)) of R M Consulting Ltd.

The "Hybrid" method uses the following procedure:

- For stands under 6 years old, cost compounding is applied to current efficient operations costs.
- For stands over 15 years old the value has been determined by discounting estimated future costs and returns.
- For stands between 6 years and 14 years old a transition of 10% per annum is applied to cost compound and discounting. For a 6 year old stand the value is 90% cost compounded and discounted by 10%, whereas a 13 year old stand is 20% cost compounded and discounted by 80%.
- Each stand value is added to give an overall value. Separate values are shown for the three management units used by the Council.

The New Zealand Institute of Forestry Forest Valuation Standards adopt the convention that trees change age at 11.30pm on 30 June each year. This valuation is assumed to have been conducted after midnight on 30 June 2015, so that trees planted in 2007, for example, are aged eight years in terms of this convention.

Date to Maturity

Council monitors its forests for harvest in general once they reach 28-30 years of age.

The following table shows Council's current age class distributions, by forest, at 30 June 2015:

| Area by Age (years) by Class (ha) | | | | | | | | |
|-----------------------------------|-------------|------------|----------|--------------|-------------|-------------|-------------|--------------|
| | 0-5 | 5-10 | 10-15 | 15-20 | 20-25 | 25-30 | 30+ | Total |
| Forest | | | | | | | | |
| Joint Venture | - | - | - | - | - | 46.7 | 8.6 | 55.3 |
| Reserves | 22.0 | 3.5 | - | 6.0 | 17.4 | 3.8 | 5.0 | 57.7 |
| Waihao Forest | - | - | - | 103.3 | - | - | - | 103.3 |
| Total | 22.0 | 3.5 | - | 109.3 | 17.4 | 50.5 | 13.6 | 216.3 |
| Percentage | 10.2% | 1.6% | - | 50.5% | 8.0% | 23.4% | 6.3% | 100.0% |

17 Intangible Assets

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|-------------------------|-----------------------------|------------------------------|-------------------------|
| ETS Carbon Credits | | | | |
| Cost | | | | |
| Balance at 1 July | \$ 41 | \$ - | \$ - | \$ 18 |
| Additions | 28 | - | - | 23 |
| Balance at 30 June | \$ 69 | \$ - | \$ - | \$ 41 |
| Software | | | | |
| Cost | | | | |
| Balance at 1 July | \$ 158 | \$ 50 | \$ 73 | \$ 123 |
| Additions | 5 | - | 35 | 35 |
| Balance at 30 June | \$ 163 | \$ 50 | \$ 108 | \$ 158 |
| Accumulated amortisation and impairment losses | | | | |
| Balance at 1 July | \$ (63) | \$ 31 | \$ 55 | \$ (49) |
| Amortisation charge for the year | (48) | (31) | (55) | (15) |
| Balance at 30 June | \$ (111) | \$ - | \$ - | \$ (64) |
| Software carrying value at 30 June | \$ 52 | \$ 50 | \$ 108 | \$ 94 |
| Total Intangible assets carrying value at 30 June | \$ 121 | \$ 50 | \$ 108 | \$ 135 |

Following registration with the Emissions Trading Scheme, Council has applied for carbon credits for the pre-1990 forests it operates. A total number of 2,460 credits has been received so far, and if sold these would have a value of \$16,974 on the tradable carbon credit market as at 30 June 2015. Council has also registered 99.8ha of post-1989 forest and was able to claim 7,577 credits for carbon sequestered between 1 Jan 2008 and 31 Dec 2012. As at 30 June 2015 these have a value of \$52,281.30 on the tradable carbon credit market. No Voluntary Emissions Return was lodged in 2014 or 2015.

The cost of the remaining intangibles is amortised over the estimated useful life. There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

Easements

Easements are non cash generating in nature as they give the Council the right to access private property where infrastructural assets are located. These easements have not been valued as the Council believes that this amount would be immaterial. As a result, no value for easements has been included as intangible assets.

18 Trade and Other Payables

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---------------------------------------|-------------------------|-----------------------------|------------------------------|-------------------------|
| Sundry payables | \$ 1,414 | \$ 696 | \$ 688 | \$ 1,193 |
| Revenue received in advance | 329 | 185 | 180 | 263 |
| Related party payables | 23 | 43 | 40 | 47 |
| Other | 33 | 50 | 50 | 118 |
| Total Trade and other payables | \$ 1,799 | \$ 974 | \$ 958 | \$ 1,621 |

Fair value

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

19 Provisions

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|-------------------------|-----------------------------|------------------------------|-------------------------|
| Current liability portion | | | | |
| Landfill aftercare | \$ 5 | \$ - | \$ 6 | \$ 6 |
| Total Current liability portion | \$ 5 | \$ - | \$ 6 | \$ 6 |
| Non-current liability portion | | | | |
| Landfill aftercare | \$ 66 | \$ 205 | \$ 53 | \$ 68 |
| Total Non-current liability portion | \$ 66 | \$ 205 | \$ 53 | \$ 68 |
| Total Provisions | \$ 71 | \$ 205 | \$ 59 | \$ 74 |

The 2014 valuation prepared by Waimate District Council is on the same basis as the 2012 valuation. The 2012 valuation was peer reviewed by MWH New Zealand Limited on 6 August 2012.

Landfill aftercare (post-closure) costs

As operator of the Waimate District landfills, the Council has a legal obligation under the resource consent to provide on-going maintenance and monitoring services at the landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements, and know improvements in technology. The provision includes all other costs associated with landfills post-closure.

Post-closure care is required on seven closed rural landfills through to and including the year commencing 1 July 2033. Care for the Waimate landfill is required for one further year. This assumes that care is not required beyond the term of current resource consents.

The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to Council.

20 Employee Benefit Liabilities

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|-------------------------|-----------------------------|------------------------------|-------------------------|
| Accrued salaries and wages | \$ 26 | \$ 33 | \$ 120 | \$ 138 |
| Annual leave | 292 | 218 | 246 | 264 |
| Long service leave | 14 | 11 | 16 | 14 |
| Retirement gratuities | 28 | 20 | 28 | 28 |
| Total employee benefit liabilities | \$ 360 | \$ 282 | \$ 410 | \$ 444 |
| Represented by: | | | | |
| Current liabilities | 360 | 282 | 410 | 444 |
| Non-current liabilities | - | - | - | - |
| | \$ 360 | \$ 282 | \$ 410 | \$ 444 |

21 Public Debt

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|-------------------------|-----------------------------|------------------------------|-------------------------|
| Current liability portion | | | | |
| Secured loans | \$ 500 | \$ 37 | \$ 500 | \$ 500 |
| Total Current liability portion | \$ 500 | \$ 37 | \$ 500 | \$ 500 |
| Non-current liability portion | | | | |
| Secured loans | \$ - | \$ 1,137 | \$ - | \$ - |
| Total Non-current liability portion | \$ - | \$ 1,137 | \$ - | \$ - |
| Total Public Debt | \$ 500 | \$ 1,174 | \$ 500 | \$ 500 |

The range of interest rates applying to the above loans is 3.91% with a weighted average of 4.44% (2014: 4.29%).

Fixed-rate debt

The Council's secured debt of \$500,000 (2014: \$500,000) is issued at fixed rates of interest.

Security

The overdraft is unsecured. The maximum amount that can be drawn down against the overdraft facility is \$200,000 (2014: \$200,000). There are no restrictions on the use of this facility.

Council loans are secured over either separate or general rates of the District.

Refinancing

Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy. These have been adopted as part of the Council Long Term Plan.

Maturity analysis and effective interest rates

The following is a maturity analysis of Council borrowings. There are no early repayment options.

| | 2015 \$000 | 2014 \$000 |
|--|---------------|---------------|
| Less than one year | | |
| Overdraft | \$ - | \$ - |
| Weighted average effective interest rate | 10.40% | 10.15% |
| Secured loans | \$ 500 | \$ 500 |
| Weighted average effective interest rate | 6.76% | 7.52% |
| Between one and five years | | |
| Secured loans | \$ - | \$ - |
| Weighted average effective interest rate | - | - |

Fair values of non-current borrowings

The carrying amounts of borrowings repayable approximate their fair value, as the effect of discounting is not significant.

The carrying amounts and the fair values of borrowings are as follows:

| | 2015 \$000 | 2014 \$000 |
|------------------------|---------------|---------------|
| Carrying amount | | |
| Secured loans | \$ 500 | \$ 500 |
| Fair Value | | |
| Secured loans | \$ 500 | \$ 500 |

22 Equity

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|-------------------------|-----------------------------|------------------------------|-------------------------|
| Public Equity - Retained earnings | | | | |
| As at 1 July | \$ 83,272 | \$ 82,834 | \$ 83,367 | \$ 83,520 |
| Transfers from/(to) special separate and trust funds | (454) | (559) | - | (245) |
| Transfers from/(to) asset revaluation reserves | - | - | - | - |
| Surplus/(deficit) for the year | (50) | (352) | (696) | (3) |
| Total Public Equity as at 30 June | \$ 82,768 | \$ 81,923 | \$ 82,671 | \$ 83,272 |
| Asset revaluation reserve | | | | |
| As at 1 July | \$ 291,466 | \$ 317,893 | \$ 319,499 | \$ 280,173 |
| Transfers from/(to) public equity | - | - | - | - |
| Revaluation gains/(losses) | 2,383 | 1,293 | 1,072 | 11,356 |
| Impairment of revalued asset/reversal | - | - | - | (63) |
| Total Asset revaluation reserve as at 30 June | \$ 293,849 | \$ 319,186 | \$ 320,571 | \$ 291,466 |
| Special separate and trust funds (restricted reserves) | | | | |
| As at 1 July | \$ 1,387 | \$ 167 | \$ 1,139 | \$ 1,139 |
| Transfers from/(to) public equity | 454 | 559 | - | 245 |
| Transfers from comprehensive revenue and expenditure | (3) | - | - | 3 |
| Total Special separate and trust funds as at 30 June | \$ 1,838 | \$ 726 | \$ 1,139 | \$ 1,387 |
| Fair value through comprehensive revenue and expenditure reserve (shares) | | | | |
| As at 1 July | \$ 3,273 | \$ 748 | \$ 3,273 | \$ 3,273 |
| Revaluation gains/(losses) | 14,607 | - | - | - |
| Total Fair value through comprehensive revenue and expenditure reserve as at 30 June | \$ 17,880 | \$ 748 | \$ 3,273 | \$ 3,273 |
| Asset revaluation reserves consist of: | | | | |
| Operational assets | | | | |
| Land - freehold | \$ 4,463 | \$ 4,093 | \$ 4,075 | \$ 3,677 |
| Buildings | 5,519 | 4,807 | 5,070 | 4,859 |
| Plant and equipment | - | 103 | 103 | - |
| Restricted assets | | | | |
| Land - restricted | 4,219 | 4,177 | 4,212 | 3,789 |
| Infrastructural assets | | | | |
| Wastewater schemes | 5,600 | 8,446 | 8,446 | 6,866 |
| Rural water schemes | 5,167 | 7,803 | 7,803 | 6,379 |
| Urban water scheme | 4,900 | 3,129 | 3,129 | 2,562 |
| Roading network | 261,289 | 284,152 | 285,257 | 261,288 |
| Stormwater schemes | 2,333 | 2,275 | 2,275 | 1,881 |
| Sanitation | 359 | 201 | 201 | 165 |
| | \$ 293,849 | \$ 319,186 | \$ 320,571 | \$ 291,466 |
| Special separate and trust funds (restricted reserves) consist of: | | | | |
| Discretionary reserves | \$ 640 | \$ 410 | \$ 498 | \$ 607 |
| Restricted reserves | 495 | 264 | 467 | 429 |
| Trusts | 185 | 143 | 158 | 178 |
| Special Reserves | 476 | 529 | (115) | 123 |
| Depreciation Reserves | 2,865 | 2,632 | 3,040 | 2,869 |
| Non-Cash Reserves | 408 | 364 | 408 | 407 |
| Internal Loan Reserves | (3,231) | (3,616) | (3,317) | (3,227) |
| | \$ 1,838 | \$ 726 | \$ 1,139 | \$ 1,386 |

Restricted reserves relate to funds that are subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Also included in restricted reserves are reserves restricted by Council decision and Council may alter these reserves without reference to the Courts or a third party.

22 Equity (continued)

Financial reserves

Council has Restricted Reserves, several types of Council created Reserves, and a Fair value through other comprehensive revenue and expenditure reserve (for movements in share investments value).

The Council created reserves, which are maintained by the council for a specific purpose, are categorised as follows:

- General Reserves
- Civic Amenities Rate Reserves
- Targeted Rate Reserves
- Internal Loan Reserves
- Asset Renewal Reserves

Separate Accounts are maintained for each activity to ensure that the funds are held and used for the specific purpose intended.

| | Opening balance 1 July 2014 \$000 | Deposits \$000 | Withdrawals \$000 | Closing balance 30 June 2015 \$000 |
|--|--|-------------------|----------------------|---|
| Restricted Reserves | | | | |
| Discretionary | | | | |
| Perpetual Graves | \$ 75 | \$ 5 | \$ - | \$ 80 |
| Esplanade | 54 | 3 | (12) | 45 |
| Subdivision Contribution | 404 | 27 | - | 431 |
| Waste Minimisation | 72 | 24 | (14) | 82 |
| Mayors Welfare Relief Fund | 3 | - | - | 3 |
| Restricted | | | | |
| Endowment Land | 183 | 11 | - | 194 |
| Te Aka Road Grant - Rock fall Protection | 56 | 3 | - | 59 |
| Te Aka Road Grant - Recreational | 67 | 4 | - | 71 |
| Waimate District Community Complex | 116 | 77 | (31) | 162 |
| Heritage Fund Reserve | 6 | - | - | 6 |
| Community Grant Reserve | - | 2 | - | 2 |
| Trusts | | | | |
| Friends of Knottingley Park | 4 | - | (3) | 1 |
| Library Bequests | 174 | 10 | - | 184 |
| Non-cash | | | | |
| Downlands Asset Replacement | 393 | - | - | 393 |
| Downlands Capital Contributions | 15 | - | - | 15 |
| Total Restricted Reserves | \$ 1,622 | \$ 166 | \$ (60) | \$ 1,728 |
| General Reserves | | | | |
| General Reserves | \$ (732) | \$ 428 | \$ (205) | \$ (509) |
| Property Reserve | (146) | - | (60) | (206) |
| Community Housing | (116) | - | (40) | (156) |
| Forestry Reserve | (327) | - | (84) | (411) |
| Camping | 451 | 77 | (7) | 521 |
| Rates Smoothing Reserve | 200 | 61 | - | 261 |
| Total General Reserves | \$ (670) | \$ 566 | \$ (396) | \$ (500) |
| Civic Amenities Rate Reserve | | | | |
| Civic Amenities Rate Reserve | \$ 1,009 | \$ 96 | \$ (37) | \$ 1,068 |
| Total Civic Amenities Rate Reserve | \$ 1,009 | \$ 96 | \$ (37) | \$ 1,068 |
| Targeted Rate Reserves | | | | |
| Urban Water Scheme | \$ (279) | \$ - | \$ (50) | \$ (329) |
| Sewerage | (37) | 91 | (3) | 50 |
| Waste Management - Collection | 77 | 30 | - | 107 |
| Rural Water Scheme Operating Reserves | | | | |
| Cannington/Motukaika | 50 | - | (10) | 41 |
| Cattle Creek | (13) | - | (1) | (13) |
| Hook/Waituna | (87) | 11 | - | (76) |
| Lower Waihao | 61 | 23 | - | 83 |
| Otaio/Makikihi | 107 | 5 | - | 112 |
| Waihaorunga | (45) | - | (6) | (51) |
| Waikakahi | (50) | 34 | - | (16) |
| Total Targeted Rate Reserves | \$ (216) | \$ 194 | \$ (70) | \$ (92) |

22 Equity (continued)

Financial reserves

For each reserve the below specifies the purpose of that Reserve/Fund, and the Council Activity to which it relates.

| Restricted Reserves | Purpose | Council Activity |
|--|--|-------------------------|
| Discretionary | | |
| Perpetual Graves | Future development of cemeteries in the District | Cemeteries |
| Esplanade | To purchase/develop esplanade strips or reserves | Parks and Public Spaces |
| Subdivision | Development of recreational reserves in the Waimate district | Parks and Public Spaces |
| Waste Minimisation | Waste Levy revenue received to fund waste minimisation initiatives | Waste Management |
| Restricted | | |
| Endowment Land | Purchase of endowment land | Property |
| Te Aka Road Grant - Rock fall Protection | Rock fall protection at Te Akatarawa Road | Roading |
| Te Aka Road Grant - Recreational | Development of public recreational areas adjoining Te Akatarawa Road | Camping |
| Waimate District Community Complex | Investigation and/or refurbishment of the Waimate District Community Complex | Property |
| Heritage Fund Reserve | | |
| Ministry of Youth Development Grant | Youth development in the community | Community Support |
| Trusts | | |
| Friends of Knottingley Park | Beautification of Knottingley Park | Parks and Public Spaces |
| Library Bequests | Purchase of Library Books | Library |
| Non-cash | | |
| Downlands Asset Replacement | Asset Replacement for Downlands Water Scheme | Water Supply |
| Downlands Capital Contributions | Capital Contributions for Downlands Water Scheme | Water Supply |

General Reserves

| | | |
|-------------------------|--|--|
| General Reserves | General funds accumulated/borrowed over time | Investments and Finance, Building Control, Emergency Management, Regulatory Services, Dog and Animal Control, Community Representation, Strategy, Managing Services, Economic Development and Promotions, Community Support, Roading, and Stormwater |
| Property Reserve | Funds accumulated over time for Council property, including Rental Property, Local Government Centre, Waimate Airport, Waimate District Community Complex and Queen Street Subdivision | Property |
| Community Housing | Funds accumulated/borrowed over time for Community Housing | Property |
| Forestry Reserve | Funds accumulated/borrowed over time for Forestry | Forestry |
| Camping | Funds accumulated over time for Camping facilities at Waitaki Lakes, Victoria Camp, Knottingley Park Camp and St Andrews Recreational Reserve Camp | Camping |
| Rates Smoothing Reserve | To spread the funding of specific expenditure items over a number of years to smooth the rates impact, e.g. District Plan revenue and expenditure | Resource Management |

Civic Amenities Rate Reserve

| | | |
|------------------------------|--|--|
| Civic Amenities Rate Reserve | Civic Amenities rates accumulated funds over time for activities subject to the Civic Amenities Rate | Property, Library, Cemeteries, Parks and Public Spaces, Swimming, and Waste Management |
|------------------------------|--|--|

Targeted Rate Reserves

| | | |
|--|--|---------------------|
| Urban Water Scheme | General funds accumulated/borrowed for operation of the Waimate Urban Water Supply | Water Supply |
| Sewerage | General funds accumulated/borrowed for operation of the Waimate Urban Sewerage Network | Sewerage and Sewage |
| Waste Management - Collection | General funds accumulated for the operation of Waste Management | Waste Management |
| Rural Water Scheme Operating Reserves | | |
| Cannington/Motukaika | Funds accumulated for operation of the water supply scheme | Water Supply |
| Cattle Creek | Funds accumulated for operation of the water supply scheme | Water Supply |
| Hook/Waituna | Funds accumulated for operation of the water supply scheme | Water Supply |
| Lower Waihao | Funds accumulated for operation of the water supply scheme | Water Supply |
| Otaio/Makikihi | Funds accumulated for operation of the water supply scheme | Water Supply |
| Waihaorunga | Funds accumulated for operation of the water supply scheme | Water Supply |
| Waikakahi | Funds accumulated for operation of the water supply scheme | Water Supply |

22 Equity (continued)

| | Opening balance 1 July 2014 \$000 | Deposits \$000 | Withdrawals \$000 | Closing balance 30 June 2015 \$000 |
|---|--|-------------------|----------------------|---|
| Internal Loan Reserves | | | | |
| Urban Water Scheme | \$ (1,426) | \$ 41 | \$ - | \$ (1,385) |
| Sewerage | (1,141) | 33 | - | (1,108) |
| Waste Management - Disposal | (660) | 22 | - | (638) |
| Waimate District Community Complex | - | - | (100) | (100) |
| Total Internal Loan Reserves | \$ (3,227) | \$ 96 | \$ (100) | \$ (3,231) |
| Asset Renewal Reserves | | | | |
| General Asset Renewal Reserves | | | | |
| General Reserves | \$ 711 | \$ 104 | \$ (204) | \$ 611 |
| Property Reserve | 159 | 168 | - | 327 |
| Community Housing | 273 | 61 | - | 334 |
| Forestry Reserve | (47) | - | (37) | (84) |
| Camping | (51) | 44 | (6) | (13) |
| Stormwater | 112 | - | (44) | 68 |
| Civic Amenities Rate Asset Renewal Reserve | | | | |
| Civic Amenities Rate Asset Renewal Reserve | 125 | 52 | (53) | 124 |
| Targeted Rate Asset Renewal Reserves | | | | |
| Sewerage | 488 | 69 | - | 557 |
| Waste Management - Collection | 89 | 28 | - | 117 |
| Roading Reserve | 372 | - | (270) | 102 |
| Urban Water Scheme | 515 | - | (5) | 510 |
| Rural Water Schemes | | | | |
| Cannington/Motukaika | 94 | 9 | - | 103 |
| Cattle Creek | 3 | 1 | - | 4 |
| Hook/Waituna | 96 | 62 | - | 158 |
| Lower Waihao | (58) | - | (27) | (85) |
| Otaio/Makikihi | (236) | 3 | - | (233) |
| Waihaorunga | 50 | 2 | - | 52 |
| Waikakahi | 174 | 39 | - | 213 |
| Total Asset Renewal Reserves | \$ 2,869 | \$ 642 | \$ (646) | \$ 2,865 |
| Fair Value through other Comprehensive Revenue and Expenditure Reserve | | | | |
| Fair Value through other Comprehensive Revenue and Expenditure | \$ 3,273 | \$ 14,608 | \$ - | \$ 17,880 |
| Total Fair Value through other Comprehensive Revenue and Expenditure Reserve | \$ 3,273 | \$ 14,608 | \$ - | \$ 17,880 |
| Total Reserves | \$ 4,660 | \$ 16,368 | \$ (1,309) | \$ 19,718 |

22 Equity (continued)

Internal Loan Reserves

| | | |
|------------------------------------|--|---------------------|
| Urban Water Scheme | Internally borrowed funds for future repayment by the users of the | Water Supply |
| Sewerage | Internally borrowed funds for future repayment by the users of the | Sewerage and Sewage |
| Waste Management - Disposal | Internally borrowed funds for future repayment by the users of the service | Waste Management |
| Waimate District Community Complex | Internally borrowed funds for future repayment by the users of the service | Property |

Asset Renewal Reserves

General Asset Renewal Reserves

| | | |
|-------------------|---|--|
| General Reserves | Funds accumulated for future asset replacement | Investments and Finance, Building Control, Resource Management, Emergency Management, Regulatory Services, Dog and Animal Control, Community Representation, Strategy, Managing Services, Economic Development and Promotions, and Community Support |
| Property Reserve | Funds accumulated for future asset replacement | Property |
| Community Housing | Funds accumulated for future asset replacement | Property |
| Forestry Reserve | Funds accumulated for future asset replacement | Forestry |
| Camping | Funds accumulated for future asset replacement for Camping facilities at Waitaki Lakes, Victoria Camp, Knottingley Park Camp and St Andrews Recreational Reserve Camp | Camping |
| Stormwater | Funds accumulated for future asset replacement | Stormwater Drainage |

Civic Amenities Rate Asset Renewal Reserve

| | | |
|--|---|--|
| Civic Amenities Rate Asset Renewal Reserve | Funds accumulated for future asset replacement for activities subject to the Civic Amenities Rate | Property, Library, Cemeteries, Parks and Public Spaces, Swimming, and Waste Management |
|--|---|--|

Targeted Rate Asset Renewal Reserves

| | | |
|-------------------------------|--|---------------------|
| Sewerage | Funds accumulated for future asset replacement | Sewerage and Sewage |
| Waste Management - Collection | Funds accumulated for future asset replacement | Waste Management |
| Roading Reserve | Funds accumulated for future asset replacement | Roading |
| Urban Water Scheme | Funds accumulated for future asset replacement | Water Supply |

Rural Water Schemes

| | | |
|----------------------|---|--------------|
| Cannington/Motukaika | Funds accumulated for future asset replacement of the Cannington/Motukaika water supply | Water Supply |
| Cattle Creek | Funds accumulated for future asset replacement of the Cattle Creek water supply | Water Supply |
| Hook/Waituna | Funds accumulated for future asset replacement of the Hook/Waituna water supply | Water Supply |
| Lower Waihao | Funds accumulated for future asset replacement of the Lower Waihao water supply | Water Supply |
| Otaio/Makikihi | Funds accumulated for future asset replacement of the Otaio/Makikihi water supply | Water Supply |
| Waihaorunga | Funds accumulated for future asset replacement of the Waihaorunga water supply | Water Supply |
| Waikakahi | Funds accumulated for future asset replacement of the Waikakahi water supply | Water Supply |

Fair Value through other Comprehensive Revenue and Expenditure Reserve

| | | |
|--|---|-------------------------|
| Fair Value through other Comprehensive Revenue and Expenditure | Financial assets revaluation gains/(losses), at fair value, through Other Comprehensive Revenue and Expenditure | Investments and Finance |
|--|---|-------------------------|

23 Reconciliation of Net Surplus/(Deficit) to Net Cash Flow from Operating Activities

| | 2015 Actual \$000 | 2014 Actual \$000 |
|---|-------------------------|-------------------------|
| Surplus/(deficit) after tax | \$ (50) | \$ (3) |
| Add/(less) non cash items | | |
| Depreciation | 4,110 | 4,071 |
| Amortisation | 48 | 15 |
| Revenue from vested assets/carbon credits | (28) | (23) |
| Cost of forestry harvested | 16 | 317 |
| | 4,146 | 4,380 |
| Add/(less) items classified as investing or financing activities | | |
| Losses/(gains) on sale of forestry assets | (14) | (331) |
| Losses/(gains) in fair value of forestry assets | (159) | (146) |
| Losses/(gains) on disposal of property, plant and equipment | 16 | 34 |
| Increase/(decrease) in derivative financial instruments | (12) | (43) |
| Decrease/(increase) in capital creditors | (70) | - |
| | (239) | (486) |
| Add/(less) movements in working capital items | | |
| Decrease/(increase) in inventories | 46 | (47) |
| Decrease/(increase) in trade and other receivables | 65 | (174) |
| Increase/(decrease) in trade and other payables | 178 | (110) |
| Increase/(decrease) in employee benefit liabilities | (84) | 34 |
| Increase/(decrease) in provisions | (3) | (2) |
| | 202 | (299) |
| Net Cash Flows from operating activities | \$ 4,059 | \$ 3,592 |

24 Capital Commitments and Operating Leases

There are capital commitments in relation to two projects from Council's capital programme (2014: One).

Contracts reviewed on an annual basis have been accepted for:

Roading - In May 2012 Council signed a new three year contract commencing 1 July 2012. This contract was extended to expire on 30 November 2015. At 30 June 2015 a new Reseal contract has been let for a term of two years.

Refuse Collection - the contract was entered into with Metallic Sweeping (1998) Limited on 1 October 2009. This five year contract has consolidated all refuse and recycling collection and processing. The contract has been extended for a further two years and has provision for a further two year extension.

| | 2015 Actual \$000 | 2014 Actual \$000 |
|--|-------------------------|-------------------------|
| Capital Commitments | | |
| Capital expenditure contracted for at balance date not yet incurred for property, plant and equipment: | | |
| Buildings | \$ 3,700 | \$ - |
| Rural Water Schemes | 222 | 229 |

Operating leases as lessee

Council leases property, plant and equipment in the normal course of business. The majority of these leases have non-cancellable terms between 36 to 60 months. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

| | 2015 Actual \$000 | 2014 Actual \$000 |
|---|-------------------------|-------------------------|
| Non-cancellable operating leases as lessee | | |
| Not later than one year | \$ 100 | \$ 95 |
| Later than one year, not later than five years | 60 | 57 |
| Later than five years | - | - |
| | \$ 160 | \$ 152 |

Operating leases as lessor

Council leases its vacant and leased land and property under operating leases. The majority of these leases have non-cancellable terms between 36 to 60 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

| | 2015 Actual \$000 | 2014 Actual \$000 |
|---|-------------------------|-------------------------|
| Non-cancellable operating leases as lessor | | |
| Not later than one year | \$ 100 | \$ 109 |
| Later than one year, not later than five years | 153 | 244 |
| Later than five years | 12 | 14 |
| | \$ 265 | \$ 367 |

No contingent rents have been recognised in the Statement of Comprehensive Revenue and Expenditure during the

25 Contingencies

Contingent Assets

There are no Contingent Assets as at 30 June 2015 (30 June 2014: nil).

Contingent Liabilities

Council has a potential liability under the Emissions Trading Scheme if forests harvested in the last two years are not replanted.

Council has a potential liability, pending the outcome of an appeal to the High Court, for additional costs relating to the court case that has been defended during the year. This contingent liability is unquantified.

Council is a participating employer in the DBP Contributions Scheme (the scheme), which is a multi-employer defined benefit scheme. If the other participating employers cease to participate in the scheme, Council could be responsible for any deficit of the scheme. Similarly, if a number of employers cease to participate in the scheme, Council could be responsible for an increased share of any deficit.

As at 31 March 2015, the scheme had a past service surplus of \$20.943 million (exclusive of Employer Superannuation Contribution Tax), (Net assets of \$205.127 million, Past service liabilities \$184.184 million, at a funding level of 111.4%). This surplus was calculated using a discounted rate equal to the expected return on net assets.

The Actuary of the scheme has recommended that the employer contribution continue to be suspended from 1 April 2015. This recommendation was accepted and endorsed by the Board.

Council is not aware of any other contingent assets or contingent liabilities at 30 June 2015 (2014: \$nil). There are no unfulfilled conditions and other contingencies attached to New Zealand Transport Agency subsidies recognised.

26 Related Party Transactions and Key Management personnel

The following groups have been identified as related parties, through their relationship as subsidiaries, associates and joint ventures.

Joint Ventures

Joint venture forestry blocks

Timaru District Council - Downlands rural water scheme

| | 2015 Actual \$000 | 2014 Actual \$000 |
|--|-------------------------|-------------------------|
| Related party transactions and balances (Inter group transactions and balances) | | |
| Timaru District Council - Downlands rural water scheme | | |
| Services provided by Council | \$ 185 | \$ 167 |
| Accounts payable to Council | (185) | (167) |
| | \$ - | \$ - |

Waimate District Council collects rates on behalf of the Downlands Water Scheme and distributes them exactly to Timaru District Council.

| | 2015 Actual \$000 | 2014 Actual \$000 |
|---|-------------------------|-------------------------|
| Key Management personnel | | |
| Salaries and other short term employee benefits | \$ 781 | \$ 923 |
| Post employment benefits | - | - |
| Termination benefits | - | 126 |
| Councillors | 206 | 198 |
| | \$ 987 | \$ 1,247 |

Key management personnel includes the Mayor, Councillors, Chief Executive and other senior management personnel.

27 Remuneration

Chief Executive (current from 4 August 2014)
Chief Executive (previous up to 1 August 2014)

Additional benefits

Employer Superannuation contribution
 Motor Vehicle
 Communication expenses

Total Chief Executive

| 2015 Actual \$000 | 2014 Actual \$000 |
|-------------------------|-------------------------|
| \$ 150 | \$ - |
| 48 | 150 |
| 12 | 11 |
| 7 | 7 |
| - | - |
| \$ 217 | \$ 168 |

Council Representatives

Craig Rowley (Mayor from October 2013)
 Sharyn Cain (Deputy Mayor from October 2013)
 David Anderson
 Peter Collins
 Arthur Gavegan
 Peter McIlraith (Deputy Mayor to October 2013)
 Miriam Morton
 Tom O'Connor
 Sheila Paul
 Stuart Thomson

John Coles (Mayor to October 2013)
 Jim Anderson
 Mike Balchin
 Peter Foley
 Matt Henderson

Total Council representatives

| | |
|---------------|---------------|
| \$ 62 | \$ 47 |
| 23 | 21 |
| 4 | - |
| 17 | 12 |
| 17 | 12 |
| 22 | 23 |
| 17 | 12 |
| 17 | 12 |
| 17 | 12 |
| 10 | 12 |
| - | 18 |
| - | 5 |
| - | 4 |
| - | 4 |
| - | 4 |
| \$ 206 | \$ 198 |

Note that the above amounts for Council Representatives are inclusive of reimbursement of expenses claimed.

28 Employee Staffing Levels and Remuneration

Total full time equivalent number of employees

Represented by:

Full time employees
 Full time equivalent of all other employees

(Full time employees have employment contracts that are expressed as either 40 hours per week or 37.5 hours per week. An employee working either of these hours per week is classified as a "full time employee". For other employees their full time equivalent value is expressed as a ratio of either 40 hours per week or 37.5 hours per week depending on the employment contract they are a party to).

| 2015 Actual \$000 | 2014 Actual \$000 |
|-------------------------|-------------------------|
| 45.32 | 42.66 |
| 41.00 | 38.00 |
| 4.32 | 4.66 |

Numbers of employees, who are employed at 30 June, where annual remuneration is within the following bands:

\$0 - \$60,000
 \$60,000 - \$80,000
 \$80,000 - \$100,000 (2014, \$80,000 - \$120,000)
 \$100,000 - \$140,000 (2014, \$120,000 - \$180,000)
 \$180,000 - \$200,000

| | |
|--------------|--------------|
| 28.00 | 29.00 |
| 14.00 | 15.00 |
| 6.00 | 6.00 |
| 5.00 | 2.00 |
| 1.00 | - |
| 54.00 | 52.00 |

For 2015, the number of employees in the \$100,000 - \$120,000 band was 5 or fewer and has been combined with the \$120,000 - \$140,000 band for a combined band of \$100,000 - \$140,000 (there were no employees in the \$140,000 - \$180,000 band).

(For 2014, the number of employees in the \$80,000 - \$100,000 band was 5 or fewer and has been combined with the \$100,000 - \$120,000 band for a combined band of \$80,000 - \$120,000. Similarly the number of employees in the \$120,000 - \$140,000 band was 5 or fewer and has been combined with the \$160,000 - \$180,000 band for a combined band of \$120,000 - \$180,000 (there were no employees in the \$140,000 - \$160,000 band)).

29 Severance Payments

For the year ended 30 June 2015 there was one (2014: one) severance payment made to an employee for \$7,000 (2014: \$126,000).

30 Financial Instrument Categories

Financial Assets

Loans and receivables

| | | |
|---|----------|----------|
| Cash and cash equivalents | \$ 1,905 | \$ 1,553 |
| Trade and other receivables (excluding Prepayments) | 1,410 | 1,476 |
| Term deposits | 586 | 403 |
| Community loans | 25 | 36 |
| Loans to related parties | - | - |

| 2015 Actual \$000 | 2014 Actual \$000 |
|-------------------------|-------------------------|
| \$ 1,905 | \$ 1,553 |
| 1,410 | 1,476 |
| 586 | 403 |
| 25 | 36 |
| - | - |
| \$ 3,926 | \$ 3,468 |

Available for sale:

Equity investments (at cost)

| | | |
|---|------|------|
| Combined Rural Traders Ltd (CRT) | \$ 6 | \$ 6 |
| NZ Local Government Insurance Company Ltd | 28 | 28 |
| MGI Irrigation Company Ltd | 1 | 1 |
| Hunter Downs Irrigation Limited | 141 | 31 |

Equity investments (at fair value)

| | | |
|-------------------|--------|--------|
| Alpine Energy Ltd | 26,792 | 12,185 |
|-------------------|--------|--------|

| | |
|------------------|------------------|
| \$ 6 | \$ 6 |
| 28 | 28 |
| 1 | 1 |
| 141 | 31 |
| 26,792 | 12,185 |
| \$ 26,968 | \$ 12,251 |

Total financial assets

| | |
|------------------|------------------|
| \$ 30,894 | \$ 15,719 |
|------------------|------------------|

Financial Liabilities

Fair value through comprehensive revenue and expenditure

| | | |
|---|------|-------|
| Derivative financial instrument liabilities | \$ - | \$ 12 |
|---|------|-------|

Financial liabilities at amortised cost

| | | |
|--------------------------|----------|----------|
| Trade and other payables | \$ 1,799 | \$ 1,621 |
| Borrowings | 500 | 500 |

| | |
|-----------------|-----------------|
| \$ 2,299 | \$ 2,121 |
|-----------------|-----------------|

Total financial liabilities

| | |
|-----------------|-----------------|
| \$ 2,299 | \$ 2,133 |
|-----------------|-----------------|

31 Financial Instrument Fair Value Hierarchy Disclosures

For those instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following valuation techniques and hierarchy:

- Quoted market value (level 1) - financial instruments with quoted prices for identical instruments in active markets.
- Observable inputs (level 2) - financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where one or more significant inputs are observable.
- Significant non-observable inputs (level 3) - financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the Statement of Financial Position:

| | | Valuation technique: | | |
|-------------------------|--------|----------------------|--------------|-------------|
| | | Total | Quoted | Significant |
| | | \$000 | market price | non- |
| | | | \$000 | observable |
| | | | inputs | inputs |
| | | | \$000 | \$000 |
| 2015 | | | | |
| Financial assets | | | | |
| Shares | 26,792 | - | - | 26,792 |
| 2014 | | | | |
| Financial assets | | | | |
| Shares | 12,185 | - | - | 12,185 |

There were no transfers between the different levels of the fair value hierarchy.

Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

| | 2015 Actual \$000 | 2014 Actual \$000 |
|--|-------------------------|-------------------------|
| Balance at 1 July | \$ 12,185 | \$ 12,185 |
| Gains/(losses) recognised in the operating surplus/(deficit) | - | - |
| Gains/(losses) recognised in other comprehensive revenue and expenditure | 14,607 | - |
| Purchases | - | - |
| Sales | - | - |
| Transfers into level 3 | - | - |
| Transfers out of level 3 | - | - |
| Balance at 30 June | \$ 26,792 | \$ 12,185 |

Changing a valuation assumption to a reasonably possible alternative assumption would not significantly change the fair value.

32 Financial Instrument Risks

The Council has a series of policies to manage the risks associated with financial instruments and is risk adverse and seeks to minimise exposure from its treasury activities. The Council has established an investment policy specifying what transactions can be entered into. The policy does not allow any transactions that are speculative in nature to be entered into.

Market Risk

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Equity securities price risk arises on listed share investments, which are classified as financial assets held at fair value through other comprehensive revenue and expenditure. This price risk arises due to market movements in listed shares. Price risk is managed by diversification of Council's investment portfolio in accordance with the limits set out in Council's investment policy.

Equity securities price risk is not managed as the Council does not hold any quoted share investments.

Currency risk

Currency risk is the risk that the value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Council has no exposure to currency risk.

Interest rate risk

The interest rates on the Council's investments are disclosed in note 13 (Other Financial Assets) and on the Council's borrowings in note 21 (Public Debt).

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. Borrowings and investments issued at fixed rates of interest expose the Council to fair value interest rate risk. Council's investment policy outlines the level of borrowing that is to be secured using fixed rate instruments.

Investments were made only with those counter-parties specified in the investment policy.

Cash flow interest rate risk

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

Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Council, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits which gives rise to credit risk.

The maximum amount of credit risk for each class is the carrying amount in the statement of financial position. Council has minimal credit risk in its holdings of various financial instruments. These financial instruments include bank balances, stock and receivables.

Council invests funds only with registered banks. It limits the amount of credit exposure to any one institution or organisation. Accordingly, the Council does not require any collateral or security to support the financial instruments with organisations it deals with.

The Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Maximum exposure to credit risk

Council's maximum credit exposure for each class of financial instrument is as follows:

| | 2015 Actual \$000 | 2014 Actual \$000 |
|--------------------------------------|----------------------------------|----------------------------------|
| Cash at bank and term deposits | \$ 1,905 | \$ 1,553 |
| Trade and other receivables | 1,410 | 1,476 |
| Community and related party loans | 25 | 36 |
| Other financial instruments | 586 | 403 |
| Loans to related parties | - | - |
| Derivate financial instrument assets | - | - |
| Financial guarantees | - | - |
| | \$ 3,926 | \$ 3,468 |

32 Financial Instrument Risks (continued)

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

| | 2015 Actual \$000 | 2014 Actual \$000 |
|--|-------------------------|-------------------------|
| Counterparties with Credit Ratings | | |
| Cash at bank and term deposits | | |
| AA- | \$ 1,905 | \$ 1,553 |
| Total cash at bank and term deposits | \$ 1,905 | \$ 1,553 |
| Counterparties without Credit Ratings | | |
| Cash at bank and term deposits | | |
| Existing counterparty with no defaults in the past | \$ - | \$ - |
| Existing counterparty with defaults in the past | - | - |
| Total cash at bank and term deposits | \$ - | \$ - |
| Community and related party loans | | |
| Existing counterparty with no defaults in the past | \$ - | \$ - |
| Existing counterparty with defaults in the past | 9 | 11 |
| Total community and related party loans | \$ 9 | \$ 11 |

Debtors and other receivables mainly arise from the Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity Risk

Management of liquidity risk

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

In meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages its borrowings in accordance with its funding and financial policies, which include an investment policy document. This policy has been adopted as part of the Council's Long Term Plan.

The maturity profiles of the Council's interest bearing investments and borrowings are disclosed in notes 13 and 21 respectively.

32 Financial Instrument Risks (continued)

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses the Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted principal amount of the financial liabilities.

| | Carrying amount \$000 | Contractual cash flows \$000 | Less than 1 year \$000 | 1-2 years \$000 | 2-5 years \$000 | More than 5 years \$000 |
|------------------------------------|-----------------------------|------------------------------------|------------------------------|--------------------|--------------------|-------------------------------|
| 2015 | | | | | | |
| Trade and other payables | \$ 1,799 | \$ 1,799 | \$ 1,799 | \$ - | \$ - | \$ - |
| Net settled derivative liabilities | - | - | - | - | - | - |
| Secured loans | 500 | 500 | 500 | - | - | - |
| Financial guarantees | - | - | - | - | - | - |
| Total | \$ 2,299 | \$ 2,299 | \$ 2,299 | \$ - | \$ - | \$ - |
| 2014 | | | | | | |
| Trade and other payables | \$ 1,621 | \$ 1,621 | \$ 1,621 | \$ - | \$ - | \$ - |
| Net settled derivative liabilities | 12 | 12 | 12 | - | - | - |
| Secured loans | 500 | 500 | 500 | - | - | - |
| Financial guarantees | - | - | - | - | - | - |
| Total | \$ 2,133 | \$ 2,133 | \$ 2,133 | \$ - | \$ - | \$ - |

Contractual maturity analysis of derivative financial liabilities

The Council does not hold any derivative financial instrument liabilities.

Contractual maturity analysis of financial assets

The table below analyses the Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

| | Carrying amount \$000 | Less than 1 year \$000 | 1-2 years \$000 | 2-5 years \$000 | More than 5 years \$000 |
|-------------------------------|-----------------------------|------------------------------|--------------------|--------------------|-------------------------------|
| 2015 | | | | | |
| Cash and cash equivalents | \$ 1,905 | \$ 1,905 | \$ - | \$ - | \$ - |
| Trade and other receivables | 1,410 | 1,410 | - | - | - |
| Net settled derivative assets | - | - | - | - | - |
| Community loans | 25 | 7 | 7 | 11 | - |
| Other financial instruments | 586 | 586 | - | - | - |
| Total | \$ 3,926 | \$ 3,908 | \$ 7 | \$ 11 | \$ - |
| 2014 | | | | | |
| Cash and cash equivalents | \$ 1,553 | \$ 1,553 | \$ - | \$ - | \$ - |
| Trade and other receivables | 1,476 | 1,476 | - | - | - |
| Net settled derivative assets | - | - | - | - | - |
| Community loans | 36 | 7 | 7 | 22 | - |
| Other financial instruments | 403 | 403 | - | - | - |
| Total | \$ 3,468 | \$ 3,439 | \$ 7 | \$ 22 | \$ - |

32 Financial Instrument Risks (continued)

Sensitivity analysis

The table below illustrates the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposures at balance date.

| | - 1% | | + 1% | |
|--|-----------------|-----------------------|-----------------|-----------------------|
| | Profit \$000 | Other Equity \$000 | Profit \$000 | Other Equity \$000 |
| 2015 | | | | |
| Interest rate risk | | | | |
| Financial assets | | | | |
| Cash and cash equivalents | \$ (19) | \$ - | \$ 19 | \$ - |
| Trade and other receivables | - | - | - | - |
| Net settled derivative assets | - | - | - | - |
| Community loans | - | - | - | - |
| Other financial instruments | - | - | - | - |
| Financial liabilities | | | | |
| Trade and other payables | - | - | - | - |
| Net settled derivative liabilities | - | - | - | - |
| Secured loans | 5 | - | (5) | - |
| Financial guarantees | - | - | - | - |
| Total sensitivity to interest rate risk | \$ (14) | \$ - | \$ 14 | \$ - |
| Equity price risk | | | | |
| Financial assets | | | | |
| Quoted share investments | \$ - | \$ (268) | \$ - | \$ 268 |
| Total sensitivity to equity price risk | \$ - | \$ (268) | \$ - | \$ 268 |
| 2014 | | | | |
| Interest rate risk | | | | |
| Financial assets | | | | |
| Cash and cash equivalents | \$ (16) | \$ - | \$ 16 | \$ - |
| Trade and other receivables | - | - | - | - |
| Net settled derivative assets | - | - | - | - |
| Community loans | - | - | - | - |
| Other financial instruments | - | - | - | - |
| Financial liabilities | | | | |
| Trade and other payables | - | - | - | - |
| Net settled derivative liabilities | - | - | - | - |
| Secured loans | 5 | - | (5) | - |
| Financial guarantees | - | - | - | - |
| Total sensitivity to interest rate risk | \$ (11) | \$ - | \$ 11 | \$ - |
| Equity price risk | | | | |
| Financial assets | | | | |
| Quoted share investments | \$ - | \$ (122) | \$ - | \$ 122 |
| Total sensitivity to equity price risk | \$ - | \$ (122) | \$ - | \$ 122 |

32 Financial Instrument Risks (continued)

Explanation of sensitivity analysis

Cash and cash equivalents

Cash and cash equivalents include deposits at call totalling \$1,905,000 (2014: \$1,553,000) which are at floating rates. A movement in market interest rates of plus or minus 1% has an effect on interest revenue of \$21,000 (2014: \$16,000).

Other financial instruments and community loans

Other financial instruments and community loans are at fixed rates at balance date and therefore a movement in market interest rates does not have any impact on fixed term deposits and community loans.

Net settled derivative liabilities

Net settled derivative liabilities held for trading include interest rate swaps with a fair value total Nil (2014: \$12,000). The interest rate swaps are at fixed rates and therefore a movement in market interest rates does not have any impact.

Secured loans

Secured loans include loans totalling \$500,000 (2014: \$500,000) which are at floating rates. A movement in market interest rates of plus or minus 1% has an effect on interest expense of \$5,000 (2014: \$5,000).

Quoted share investments

Quoted share investments include shares in Alpine Energy Ltd totalling \$26,792,000 (2014: \$12,185,000). A movement in share price of plus or minus 1% has an effect on other equity of \$268,000 (2014: \$122,000). The Council does not hold any listed shares.

33 Capital Management

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

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

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

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities.

The source and levels of funding are set out in the funding and financial policies in the Council's LTP.

Council has the following Council created reserves:

- reserves for different areas of benefit;
- self-insurance reserves; and
- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

34 Insurance Disclosure

Insurance cover for all New Zealanders has become a prominent issue following the 2010/11 Canterbury earthquakes, and this includes Local Government. International reinsurance companies have reassessed their view of disaster events in New Zealand and a return to pre 2010 price levels is nowhere in sight.

During the 2014/15 year Council had cover in place for its below ground infrastructure assets, provided by the Local Authority Protection Programme Disaster Fund (LAPP). In the event of a claim during this year Council would have had to fund 5 times its annual contribution before the LAPP Fund would pay 40% of the reinstatement costs of the loss, with Central Government meeting the remaining 60%.

The impact on insurance costs for the past four years is shown below:

| | 2015 Actual \$000 | 2014 Actual \$000 | 2013 Actual \$000 | 2012 Actual \$000 |
|-----------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Insurance costs | \$ 219 | \$ 218 | \$ 270 | \$ 251 |

Insurance on Assets

The Council has insurance policies covering water network; property, plant and equipment; motor vehicles and moving plant; and forestry assets. There is currently no council insurance on roading assets or any other self-insurance funds maintained by council.

Water Network Assets

The Council insures 40% of its value of underground water network assets with LAPP (Local Authority Protection Programme) with the remaining 60% being funded by Central Government. The total asset value for insurance purposes is \$49,910,991. Total group cover across 27 member councils in any one event is to a maximum of \$50 million less a \$10 million excess.

Property, Plant and Equipment

The combined sum insured of all Council Property, Plant and Equipment is \$32,901,249.

Vehicles and Moving plant

The total asset value for insurance purposes is \$1,116,045. All vehicles are insured for replacement value.

Forestry

The maximum insurance cover is \$1,469,242 for fire events and \$734,621 for windstorm.

Roading and Footpath Assets

The total asset value is \$316,519,000. However In the event of a loss, Council would receive a minimum of 51% subsidy from the NZTA, with the remaining portion of the loss to be funded internally. The NZTA financial assistance rate is currently under review and may change.

35 Explanation of Major Variances against Budget

Council reports an actual deficit of \$50,000 against a reported LTP Budget deficit of \$352,000. The major variances are explained in the following table:

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2015 Var to LTP \$000 |
|---------------------------------------|----------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| NZ Transport Agency government grants | \$ 2,208 | \$ 1,938 | \$ 1,959 | \$ 270 |
| Building and resource consent charges | 374 | 321 | 382 | 53 |
| Camping fees | 300 | 233 | 241 | 67 |
| Finance costs | (22) | (83) | (29) | 61 |
| Legal expenses | (90) | (28) | (37) | (62) |
| Sub-total Major Variances | 2,770 | 2,381 | 2,516 | 389 |
| All other revenues and expenditure | (2,820) | (2,733) | (3,212) | (87) |
| Total Surplus/(deficit) | \$ (50) | \$ (352) | \$ (696) | \$ 302 |

NZ Transport Agency government grants are higher than LTP Budget and Annual Plan following the additional renewal and maintenance programme works increases.

Building and resource consent charges is above LTP Budget with continued work being undertaken to address historical code compliance issues and an increased level of consent fees generally.

Camping fees are above LTP Budget and Annual Plan with each camping area performing at or above expected levels and greater patronage, particularly at the Waitaki Lakes.

Finance costs are below LTP Budget as the budget includes the cost of derivatives interest, however this has already been provided for in prior years as part of the derivative liability. Additionally cash reserves are better than expected and term debt was repaid late in the 2014 financial year, ahead of expectations.

Legal expenses are above LTP Budget and Annual Plan principally relating to the defence of a court case.

36 Adjustments to the comparative year financial statements

Council has adjusted its comparative year financial statements for the year ending 30 June 2014 due to reclassification adjustments, and transition to the new Public Benefit Entity (PBE) accounting standards. The adjustments are shown in the following table:

| | Before adjustments \$000 | Reclass- ification adjustments \$000 | PBE transition adjustments \$000 | After adjustments \$000 |
|--|--------------------------------|---|---|-------------------------------|
| Revenue | | | | |
| Rates | \$ - | \$ 8,191 | \$ - | \$ 8,191 |
| Rates other than targeted rates for Water Supply | 6,412 | (6,412) | - | - |
| Targeted rates for Water Supply | 1,737 | (1,737) | - | - |
| Fees and Charges | - | 1,052 | - | 1,052 |
| Interest revenue | - | 66 | - | 66 |
| Other revenue | 2,603 | (945) | - | 1,658 |
| Other gains | 173 | (173) | - | - |
| Expenses | | | | |
| Other expenses | 6,402 | 103 | - | 6,505 |
| Other losses | 61 | (61) | - | - |

Explanations

Reclassification adjustments

Rates, Rates other than targeted rates for Water Supply, and Targeted rates for Water Supply

Both Rates other than targeted rates for Water Supply, and Targeted rates for Water Supply have been reclassified to Rates. Also recognises Community Hall Rates previously netted off to expenditure.

Fees and charges, and Interest revenue

Both Fees and charges, and Interest revenue have been reclassified and removed from Other revenue to their own reporting line.

Other revenue, and Other gains

Other gains have been reclassified into Other revenue and both Fees and charges, and Interest revenue have been reclassified from Other revenue to their own reporting line.

Other expenses, and Other losses

Other losses have been reclassified into Other expenses.

37 Events After Balance Date

There are no significant events after balance date.

Cost of Service Variances for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|-------------------------------------|-------------------------|-----------------------------|------------------------------|-------------------------|
| Forestry | \$ 88 | \$ 28 | \$ 31 | \$ 25 |
| Investments and Finance | 52 | 34 | 35 | 64 |
| Property | (125) | (72) | (161) | (84) |
| Building Control | 23 | - | 7 | (204) |
| Resource Management | 75 | 44 | 36 | 83 |
| Emergency Management | (12) | - | - | (14) |
| Regulatory Services | (8) | - | - | (13) |
| Dog and Animal Control | 59 | - | - | (14) |
| Community Representation | 107 | 14 | 33 | 55 |
| Strategy | (41) | (11) | (113) | 88 |
| Managing Services | - | - | - | - |
| Economic Development and Promotions | 19 | - | - | 25 |
| Community Support | 1 | - | - | (6) |
| Library | 19 | - | - | 16 |
| Camping | 70 | (3) | (17) | 34 |
| Cemeteries | (21) | - | (10) | 7 |
| Parks and Public Spaces | 52 | - | (2) | (18) |
| Swimming | (12) | - | (20) | (2) |
| Roading | (547) | (360) | (450) | (930) |
| Sewerage and Sewage | 88 | (11) | 13 | 74 |
| Stormwater Drainage | 18 | 8 | (2) | 32 |
| Waste Management | 40 | 4 | 4 | 19 |
| Water Supply | 5 | (27) | (80) | 760 |
| Total Surplus/(deficit) | \$ (50) | \$ (352) | \$ (696) | \$ (3) |

Employee benefit expenses allocations will vary from the Long Term Plan and Annual Plan as the basis for the overhead allocation was subsequently reviewed and updated to better reflect expected distribution, utilisation and allocation of resources.

**Capital Expenditure
for the year ended 30 June 2015**

| | Key | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|-----|-------------------------|-----------------------------|------------------------------|-------------------------|
| Forestry | | | | | |
| Planting costs - various sites/blocks | REP | \$ - | \$ - | \$ 44 | \$ 27 |
| | | \$ - | \$ - | \$ 44 | \$ 27 |
| Property | | | | | |
| Local Government Centre - Floor coverings | REP | \$ - | \$ 22 | \$ - | \$ - |
| Local Government Centre - Air conditioning unit | REP | - | - | - | 24 |
| Local Government Centre - Office Upgrade | REP | 1 | - | - | 66 |
| Waimate District Community Complex - Refurbishment | LOS | 100 | - | - | - |
| Local Government Centre - sundry | REP | - | 3 | 3 | - |
| Community Housing - furniture and fittings | REP | 1 | - | - | - |
| | | \$ 102 | \$ 25 | \$ 3 | \$ 90 |
| Building Control | | | | | |
| Building Control officers motor vehicle | REP | \$ 62 | \$ - | \$ 40 | \$ - |
| Building Control - Inspection Hardware/Software | LOS | - | - | 52 | - |
| Building Control - Sundry | REP | - | - | 1 | - |
| Building Control - Measuring Instrument - Eurotec | REP | - | - | - | 1 |
| | | \$ 62 | \$ - | \$ 93 | \$ 1 |
| Emergency Management | | | | | |
| Rural Fire - fire tanker (Waihaorunga) | LOS | \$ - | \$ - | \$ - | \$ 55 |
| Rural Fire - plant | REP | 7 | 6 | 3 | 6 |
| Rural Fire - fire tanker (Glenavy) | REP | - | - | - | (1) |
| Civil Defence - Mobile technology Hardware | REP | - | - | 1 | - |
| | | \$ 7 | \$ 6 | \$ 4 | \$ 60 |
| Dog and Animal Control | | | | | |
| Dog and Animal Control - Motor Vehicle replacement | REP | \$ - | \$ - | \$ 10 | \$ - |
| Dog Pound - Concrete Run Yard | REP | 5 | - | - | - |
| | | \$ 5 | \$ - | \$ 10 | \$ - |
| Community Representation | | | | | |
| Community Representation - Mayors Motor Vehicle | REP | \$ 30 | \$ 32 | \$ - | \$ - |
| | | \$ 30 | \$ 32 | \$ - | \$ - |
| Strategy | | | | | |
| Website Redevelopment | LOS | \$ - | \$ - | \$ - | \$ 35 |
| | | \$ - | \$ - | \$ - | \$ 35 |
| Managing Services | | | | | |
| Hardware | REP | \$ 36 | \$ 73 | \$ 81 | \$ 19 |
| Motor vehicles | REP | 187 | 43 | 147 | - |
| Furniture | REP | 6 | - | - | - |
| Software | REP | 6 | 53 | - | - |
| | | \$ 235 | \$ 169 | \$ 228 | \$ 19 |

Capital Expenditure (continued)
for the year ended 30 June 2015

| | Key | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|-----|-------------------------|-----------------------------|------------------------------|-------------------------|
| Library | | | | | |
| Library books | REP | \$ 44 | \$ 64 | \$ 60 | \$ 49 |
| Shelving | REP | 3 | 4 | 4 | - |
| | | \$ 47 | \$ 68 | \$ 64 | \$ 49 |
| Camping | | | | | |
| Waitaki Lakes - provide powered camping sites | LOS | \$ - | \$ 53 | \$ - | \$ - |
| Waitaki Lakes - Compactor | LOS | - | - | 40 | - |
| Waitaki - Caretakers Motel | REP | - | - | - | (2) |
| Hakataramea Mower replacement | REP | 6 | - | - | - |
| Knottingley camp - provide powered camping sites | LOS | 19 | - | - | - |
| Victoria Park - Upgrade Cabins | LOS | 4 | 33 | 33 | - |
| Victoria Park - Double Ensuite | REP | - | - | - | (3) |
| Victoria Park - Appliances | REP | 3 | - | 5 | 3 |
| Pump station at Aviemore Lakes | REP | - | - | - | 12 |
| | | \$ 32 | \$ 86 | \$ 78 | \$ 10 |
| Cemeteries | | | | | |
| Cemetery extension | AD | \$ - | \$ - | \$ 10 | \$ - |
| Cemetery Mower replacement | REP | 27 | 32 | 32 | - |
| | | \$ 27 | \$ 32 | \$ 42 | \$ - |
| Parks and Public Spaces | | | | | |
| Morven Reserve - Plant and machinery | LOS | \$ 34 | \$ - | \$ - | \$ 4 |
| Victoria park - mower replacement | REP | 35 | 32 | 32 | 58 |
| Victoria park - parks officer motor vehicle | REP | - | - | 18 | - |
| Victoria park - parks sundry plant | REP | - | 6 | 6 | 4 |
| Victoria park - playground extension | AD | 1 | - | - | 28 |
| Victoria park - glasshouse upgrade (roof and walls) | REP | 16 | - | - | 3 |
| Knottingley park - driveway upgrade | LOS | 12 | - | 20 | - |
| Rural Reserves - Wainono Lagoon - Restricted Land | AD | - | - | - | 8 |
| Wainono Lagoon Fencing | REP | 11 | - | - | - |
| | | \$ 109 | \$ 38 | \$ 76 | \$ 105 |
| Swimming | | | | | |
| Swimming Pool ladder | REP | \$ 5 | \$ - | \$ - | \$ - |
| Pump and Sundry Plant Renewal | REP | - | - | - | 4 |
| | | \$ 5 | \$ - | \$ - | \$ 4 |
| Roading Group | | | | | |
| Roads - minor improvements | LOS | \$ 282 | \$ 173 | \$ 196 | \$ 165 |
| Roads - seal widening | LOS | 105 | 86 | 87 | 49 |
| Roads - resealing | REP | 1,010 | 880 | 881 | 1,026 |
| Drainage construction | REP | 97 | 53 | 53 | 62 |
| Concrete ford culverts | REP | 40 | 48 | 48 | 25 |
| Culvert replacements | REP | 86 | 95 | 94 | 66 |
| Kerb and channel renewal | REP | 77 | 133 | 133 | 115 |
| Pavement rehabilitation | REP | 383 | 261 | 257 | 78 |
| Structures component replacement | REP | 35 | 141 | 141 | 72 |
| Sign renewal | REP | 72 | 54 | 54 | 60 |
| Lighting renewal | REP | - | 6 | 6 | - |
| Footpath renewal | REP | 112 | 85 | 83 | 142 |
| Roading development | REP | - | 16 | - | - |
| Roads - minor improvements (not subsidised) | REP | 11 | 11 | 10 | 3 |
| Dust Suppression | LOS | 3 | - | - | - |
| Traffic Counter | REP | - | - | - | 4 |
| | | \$ 2,313 | \$ 2,042 | \$ 2,043 | \$ 1,867 |

**Capital Expenditure (continued)
for the year ended 30 June 2015**

| | | Key | 2015 | 2015 | 2015 | 2014 |
|--|-----|-----|-----------------|---------------------|----------------------|-----------------|
| | | | Actual \$000 | LTP Budget \$000 | Annual Plan \$000 | Actual \$000 |
| Sewerage and Sewage Group | | | | | | |
| Wastewater (John St) | REP | \$ | 71 | \$ - | \$ - | \$ - |
| Wastewater (High St between Shearman - Queen St) | REP | | - | - | - | 137 |
| Wastewater (King St connection) | AD | | - | - | - | 6 |
| Motorhome Dump Station | AD | | - | - | - | 2 |
| Waimate Urban - SCADA Upgrades | REP | | 3 | - | 1 | 2 |
| Wastewater - renewals/upgrades | REP | | 6 | - | - | - |
| Mill Road Sewer Extension | AD | | 7 | - | - | - |
| | | \$ | 87 | \$ - | \$ 1 | \$ 147 |
| Stormwater Drainage Group | | | | | | |
| High Street/Manse Street Stormwater Upgrade | LOS | \$ | 77 | \$ - | \$ - | \$ 52 |
| Harris Street Stormwater Upgrade | REP | | - | - | - | 17 |
| | | \$ | 77 | \$ - | \$ - | \$ 69 |
| Waste Management Group | | | | | | |
| Wheelie Bin Replacements | REP | \$ | 3 | \$ - | \$ - | \$ - |
| | | \$ | 3 | \$ - | \$ - | \$ - |
| Water Supply Group (Rural and Urban) | | | | | | |
| Hook/Waituna - drinking water standards | LOS | \$ | 1 | \$ - | \$ - | \$ 519 |
| Hook/Waituna - renewals | REP | | 5 | - | - | 15 |
| Lower Waihao - drinking water standards | LOS | | - | - | - | 6 |
| Lower Waihao - Pipe Renewal (Ferry Road) | REP | | 29 | - | - | - |
| Lower Waihao - renewals | REP | | 53 | 65 | 65 | 3 |
| Otaio/Makikihi - drinking water standards | LOS | | 4 | - | - | 711 |
| Otaio/Makikihi - renewals | REP | | 54 | - | - | - |
| Waihaorunga - drinking water standards | LOS | | - | 17 | 57 | 1 |
| Waihaorunga - renewals | REP | | 4 | 10 | 5 | 2 |
| Waihaorunga - Pump Renewal | REP | | 8 | - | - | - |
| Waikakahi - temporary bore source | LOS | | - | - | 60 | 7 |
| Waikakahi - renewals | REP | | 29 | 22 | 28 | 35 |
| Cannington/Motukaika - drinking water standards | LOS | | - | 16 | 98 | - |
| Cannington/Motukaika - renewals | REP | | 6 | 6 | 5 | 6 |
| Urban Supply - water/utility motor vehicle | REP | | - | 103 | - | 40 |
| Urban Supply - rising main renewals | REP | | 141 | 115 | 115 | 69 |
| Urban Supply - cast iron main renewals | REP | | 12 | 54 | 106 | 27 |
| Urban Supply - VSD for bore pump | REP | | - | - | - | 27 |
| Urban Supply - utilities/sundry plant | REP | | 12 | 6 | 6 | 15 |
| SCADA upgrades | REP | | 7 | - | 4 | 2 |
| Downlands | REP | | - | 114 | 580 | - |
| Waitaki Bridges - Ducts | REP | | - | - | - | 33 |
| | | \$ | 365 | \$ 528 | \$ 1,129 | \$ 1,518 |
| Total Capital Expenditure | | | | | | |
| | | \$ | 3,506 | \$ 3,026 | \$ 3,815 | \$ 4,001 |
| Represented by: | | | | | | |
| Infrastructural assets | | \$ | 2,845 | \$ 2,571 | \$ 3,173 | \$ 3,601 |
| Operational assets | | | 661 | 457 | 642 | 400 |
| | | \$ | 3,506 | \$ 3,028 | \$ 3,815 | \$ 4,001 |
| Categories | | | | | | |
| Meets additional demand | AD | \$ | 8 | \$ - | \$ 10 | \$ 44 |
| Improve level of performance/service | LOS | | 641 | 378 | 643 | 1,604 |
| Replace existing assets | REP | | 2,857 | 2,650 | 3,162 | 2,353 |
| | | \$ | 3,506 | \$ 3,028 | \$ 3,815 | \$ 4,001 |

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

| Group | Activities Within Group |
|-----------------------------|--|
| Water Supply | Urban, Rural |
| Waste Management | Waste Management |
| Stormwater Drainage | Stormwater Drainage |
| Sewerage and Sewage | Sewerage and Sewage |
| Roading and Footpaths | Roading and Footpaths |
| Property and Investments | Forestry, Investments and Finance, Property |
| Parks and Recreation | Camping, Cemeteries, Parks and Public Spaces and Swimming |
| Organisation and Governance | Community Representation, Strategy and Managing Services |
| Environmental Services | Building Control, Resource Management, Emergency Management, Regulatory Services, Dog and Animal Control |
| Community Services | Economic Development and Promotions, Community Support and Library |

Water Supply Group

What is Water Supply and Why Do We Deliver It?

Council's Water Supply services provide the essentials of life for our community.

The Water Supply Group includes the following activities:

| | |
|-----------------------------|--|
| Water Supply - Urban | The provision of a clean safe supply of water for drinking and fire fighting purposes |
| Water Supply - Rural | The provision of a clean safe supply of water for drinking, stock, irrigation and fire fighting purposes |

Community Outcomes to which this group of activities primarily contributes

| | |
|---------------------|-------------------------|
| Water Supply | Safe and Healthy People |
|---------------------|-------------------------|



Funding Impact Statement - Water Supply Group (Rural and Urban)
for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 LTP Budget \$000 |
|--|----------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| Sources of operating funding | | | | |
| General rates, UAGC and rates penalties | \$ 10 | \$ 11 | \$ 10 | \$ 11 |
| Targeted rates | 1,902 | 1,829 | 1,889 | 1,738 |
| Subsidies and grants for operating purposes | - | - | - | - |
| Fees and charges | 25 | 25 | 18 | 25 |
| Internal charges and overheads recovered | 111 | 46 | 70 | 41 |
| Local authority fuel tax, fines, infringement fees other | 93 | 90 | 56 | 88 |
| Total sources of operating funding | 2,141 | 2,001 | 2,043 | 1,903 |
| Applications of operating funding | | | | |
| Payments to staff and suppliers | 1,172 | 1,062 | 1,089 | 1,020 |
| Finance costs | - | - | 10 | - |
| Internal charges and overheads applied | 453 | 261 | 329 | 246 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding | 1,625 | 1,323 | 1,428 | 1,266 |
| Surplus/(deficit) of operating funding | 516 | 678 | 615 | 637 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | - | - | - | 305 |
| Development and financial contributions | 66 | 33 | 25 | 32 |
| Increase/(decrease) in debt | - | - | - | - |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding | 66 | 33 | 25 | 337 |
| Applications of capital funding | | | | |
| Capital expenditure - to meet additional demand | - | - | - | - |
| Capital expenditure - to improve level of service | 6 | 33 | 215 | 570 |
| Capital expenditure - to replace existing assets | 359 | 495 | 914 | 484 |
| Increase/(decrease) in reserves | 217 | 183 | (489) | (80) |
| Increase/(decrease) in investments | - | - | - | - |
| Total applications of capital funding | 582 | 711 | 640 | 974 |
| Surplus/(deficit) of capital funding | (516) | (678) | (615) | (637) |
| Funding balance | \$ - | \$ - | \$ - | \$ - |
| Internal interest and debt activity: | | | | |
| Included within Internal charges and overheads recovered is Internal Interest Revenue of: | \$ 67 | \$ 38 | \$ 16 | \$ 34 |
| Included within Internal charges and overheads applied is Internal Interest Expense of: | 125 | 133 | 115 | 123 |
| Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves)) | 2,189 | 2,027 | 2,057 | 1,921 |
| Increases in Internal Borrowings for the year | 84 | 255 | 569 | 185 |
| Decreases in Internal Borrowings for the year | (88) | (149) | (433) | (38) |

Urban Water Supply

What Do We Do Now?

Council provides a regular supply of potable water to the designated urban area and the fringe rural areas of Waimate (population 3,000 approx.) to serve drinking, commercial and fire protection uses. Two secure ground water bores at Timaru Road and Manchester Road supply the urban network via a reservoir at Mill Road. Council monitors water quality, and plans for future water supply needs.

Why Do We Do It?

Council is required by statute to provide potable water to the residents of Waimate (i.e. Health Act 1956, Local Government Act 2002).

The supply of a reliable and cost-effective water service contributes to the health of the community as well as serving a fire-fighting capability. Council must meet rising demand from residential and industrial growth.

Rural Water Supply

What Do We Do Now?

Council operates six rural water schemes (Cannington/Motukaika, Lower Waihao, Otaio/Makikihi, Waihaorunga, Waikakahi, Hook/Waituna) and in addition, incorporated societies run Hakataramea and Cattle Creek (Upper Waihao), with Downlands being supplied and administered by Timaru District Council, with a share holding by Waimate District Council. Some schemes do not currently comply with New Zealand Drinking Water Standards 2005 (revised 2008).

Council's Finance Department provide quarterly management reports and financial reports for the schemes Council operates.

Why Do We Do It?

The Local Government Act places responsibility with the Council to supply a safe, regular and efficient potable supply of water to the consumers within the District.

How We Measure The Service Provided Water Supply Group (Rural and Urban)

| Customer | | | |
|------------------------------------|---|---|--|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Council will provide potable water | No complaints for taste and odour Target: Nil complaints | 1 justified urban complaint received (AF8151), 1 unjustified urban and 3 unjustified rural complaints received. | Not achieved (2014:Not achieved - 5 complaints) |
| | Council provides water that complies with NZ Drinking Water Standards 2005 (revised 2008) by conducting regular testing of Waimate Urban Supply for contamination by bacteria Target: Nil failed samples | Council provides urban water that complies with NZ Drinking Water Standards. | Achieved (2014:Achieved) |
| | Maintain current high level of health water grade - Waimate urban Target: Ab grade | Council has Ab grade water to Waimate Urban as assessed in 2010. | Achieved (2014:Achieved) |

| Customer | | | |
|---|--|--|---|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Council manages the water schemes wisely | 85% of satisfied or very satisfied residents with the overall performance of the Water service Target: 85%, 2012/13 thereafter biennially | 88% of users (74% of residents) were very or fairly satisfied with the overall performance of the Water service. | Achieved (2014:Not measured) |
| Council maintain adequate pressure within the water supply | Less than 11 complaints per year on inadequate pressure Target: Less than 11 complaints | 2 complaints received both complaints unjustified. | Achieved (2014:Achieved) |
| Council will minimise disruptions to the supply | The number of unplanned interruptions to service per year Target: Urban - less than 5 interruptions Target: Rural - less than 50 interruptions | Not measured. | Not measured (2014:Achieved) |
| Council provides a restricted supply of water to customers from its rural water schemes | Less than 6 complaints per year on restricted rate of flow to tanks on rural water schemes sufficient to deliver not less than the contracted water litreage per day (this excludes complaints relating to actions of parties external to Council) Target: Less than 6 complaints | 40 rural low pressure/ no water complaints (21 justified complaints) | Not achieved (2014:Not achieved - 50 complaints) |
| Water is used efficiently and in a sustainable manner. | Leak detection programme on urban water supplies is carried out 3 yearly. Target: 2012/13, 2015/16, 2018/19 | Leak detection programme carried out bridging the 2014/15-2015/16 financial year. | Achieved (2014:Not measured) |

Points of Significance

Stage three of the urban water main renewal is completed and has reached a location whereby interim pressure management has become feasible.

The Manchester Road urban bore site was subject to significant fire damage in December 2014 with subsequent investigations attributing the cause to the particularly hot weather observed.

The SCADA system was further upgraded to ensure continuity through extended power outages.

Continued improvements in both asset knowledge and asset management processes.

**Service Performance Statement - Water Supply Group (Rural and Urban)
for the year ended 30 June 2015**

| | | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|------------|-------------------------|-----------------------------|------------------------------|-------------------------|
| Revenue | | | | | |
| General rates | | \$ 10 | \$ 11 | \$ 10 | \$ 9 |
| Targeted rates | | 1,902 | 1,829 | 1,889 | 1,737 |
| Revenue from activities | | 225 | 157 | 147 | 774 |
| Other revenue | | 69 | 38 | 16 | 48 |
| Total revenue | | 2,206 | 2,035 | 2,062 | 2,568 |
| Expenditure | | | | | |
| Employee benefit expenses | | - | 377 | - | - |
| Depreciation and amortisation | | 576 | 739 | 692 | 611 |
| Finance expenses | | 125 | 133 | 125 | 97 |
| Other expenses | | 1,500 | 813 | 1,325 | 1,100 |
| Total expenditure | | 2,201 | 2,062 | 2,142 | 1,808 |
| Operating Surplus/(deficit) | | \$ 5 | \$ (27) | \$ (80) | \$ 760 |
| Capital Expenditure | | | | | |
| | Key | | | | |
| Hook/Waituna - drinking water standards | LOS | \$ 1 | \$ - | \$ - | \$ 519 |
| Hook/Waituna - renewals | REP | 5 | - | - | 15 |
| Lower Waihao - drinking water standards | LOS | - | - | - | 6 |
| Lower Waihao - Pipe Renewal (Ferry Road) | REP | 29 | - | - | - |
| Lower Waihao - renewals | REP | 53 | 65 | 65 | 3 |
| Otaio/Makikihi - drinking water standards | LOS | 4 | - | - | 711 |
| Otaio/Makikihi - renewals | REP | 54 | - | - | - |
| Waihaorunga - drinking water standards | LOS | - | 17 | 57 | 1 |
| Waihaorunga - renewals | REP | 4 | 10 | 5 | 2 |
| Waihaorunga - Pump Renewal | REP | 8 | - | - | - |
| Waikakahi - temporary bore source | LOS | - | - | 60 | 7 |
| Waikakahi - renewals | REP | 29 | 22 | 28 | 35 |
| Cannington/Motukaika - drinking water standards | LOS | - | 16 | 98 | - |
| Cannington/Motukaika - renewals | REP | 6 | 6 | 5 | 6 |
| Urban Supply - water/utility motor vehicle | REP | - | 103 | - | 40 |
| Urban Supply - rising main renewals | REP | 141 | 115 | 115 | 69 |
| Urban Supply - cast iron main renewals | REP | 12 | 54 | 106 | 27 |
| Urban Supply - VSD for bore pump | REP | - | - | - | 27 |
| Urban Supply - utilities/sundry plant | REP | 12 | 6 | 6 | 15 |
| SCADA upgrades | REP | 7 | - | 4 | 2 |
| Downlands | REP | - | 114 | 580 | - |
| Waitaki Bridges - Ducts | REP | - | - | - | 33 |
| Total Capital Expenditure | | \$ 365 | \$ 528 | \$ 1,129 | \$ 1,518 |
| Categories | | | | | |
| Meets additional demand | AD | \$ - | \$ - | \$ - | \$ - |
| Improve level of performance/service | LOS | 5 | 33 | 215 | 1,244 |
| Replace existing assets | REP | 360 | 495 | 914 | 274 |
| | | \$ 365 | \$ 528 | \$ 1,129 | \$ 1,518 |

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

The increase in targeted rates from the 2014 financial year result from funding additional expenditures following the New Zealand Drinking Water Standards upgrade works and some of the Water Schemes working towards healthier reserves for future renewals.

Revenue from activities is favourable compared to budget predominately due to capital contributions exceeding budget by \$68,000. Revenue from activities was higher in the 2014 financial year due to grants for previously delayed New Zealand Drinking Water Standards upgrade works.

Other revenue is higher than budget due to internal interest on reserves generating higher revenue than anticipated.

Employee benefit expenses are nil which has resulted from a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources, where the cost is now reflected in Other expenses. The LTP Budget was prepared prior to this change.

Significant variations from Long Term Plan 2012 - 2022 (continued)

Depreciation and amortisation is below the LTP Budget following the delays to the New Zealand Drinking Water Standards upgrade works, and the actual spend for the Otaio- Makikihi upgrades being less than expected.

Other expenses are above budget and the 2014 financial year predominately due to higher electricity costs than anticipated with an undercharge from the 2014 financial year being incurred in the 2015 financial year. The variance to the LTP Budget is the result of an increase in overhead allocations due to a change in allocation methodology to better reflect distribution, utilisation and allocation of resources and staff resources, offset in part by reductions to the LAPP insurance.

Capital expenditure is significantly reduced from the 2014 financial year as the various Drinking Water Standards projects, had predominantly been completed in 2014.

Waste Management Group

What is Waste Management and Why Do We Deliver It?

Council's Waste Management services provide a solid waste collection, processing and disposal system that encourages recycling and waste reduction.

The Waste Management Group includes one activity:

Waste Management

Community Outcomes to which this group of activities primarily contributes

Waste Management

Safe and Healthy People

Sustainable District and Environment



Funding Impact Statement - Waste Management Group

for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 LTP Budget \$000 |
|--|-------------------------|-----------------------------|------------------------------|-----------------------------|
| Sources of operating funding | | | | |
| General rates, UAGC and rates penalties | \$ 217 | \$ 330 | \$ 216 | \$ 329 |
| Targeted rates | 665 | 622 | 663 | 603 |
| Subsidies and grants for operating purposes | 20 | 24 | 22 | 24 |
| Fees and charges | - | - | - | - |
| Internal charges and overheads recovered | 21 | 8 | 24 | 6 |
| Local authority fuel tax, fines, infringement fees other | 102 | 73 | 75 | 71 |
| Total sources of operating funding | 1,025 | 1,057 | 1,000 | 1,033 |
| Applications of operating funding | | | | |
| Payments to staff and suppliers | 826 | 909 | 845 | 868 |
| Finance costs | - | - | - | - |
| Internal charges and overheads applied | 113 | 91 | 100 | 91 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding | 939 | 1,000 | 945 | 959 |
| Surplus/(deficit) of operating funding | 86 | 57 | 55 | 74 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | - | - | - | - |
| Increase/(decrease) in debt | - | - | - | - |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding | - | - | - | - |
| Applications of capital funding | | | | |
| Capital expenditure - to meet additional demand | - | - | - | - |
| Capital expenditure - to improve level of service | - | - | - | - |
| Capital expenditure - to replace existing assets | 3 | - | - | - |
| Increase/(decrease) in reserves | 83 | 57 | 55 | 74 |
| Increase/(decrease) in investments | - | - | - | - |
| Total applications of capital funding | 86 | 57 | 55 | 74 |
| Surplus/(deficit) of capital funding | (86) | (57) | (55) | (74) |
| Funding balance | \$ - | \$ - | \$ - | \$ - |
| Internal interest and debt activity: | | | | |
| Included within Internal charges and overheads recovered is Internal Interest Revenue of: | \$ 21 | \$ 8 | \$ 23 | \$ 6 |
| Included within Internal charges and overheads applied is Internal Interest Expense of: | 38 | 50 | 41 | 53 |
| Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves)) | 638 | 754 | 681 | 777 |
| Increases in Internal Borrowings for the year | - | - | - | - |
| Decreases in Internal Borrowings for the year | (22) | (22) | (96) | (21) |

Waste Management

What Do We Do Now?

Provide a range of refuse collection and disposal services for urban and rural areas of the Waimate District for homes and businesses. Provide a range of recycling services for urban and rural areas of the Waimate District for homes and businesses. Operate a Resource Recovery Park to process and sell recyclable materials and to transfer residual waste to landfill in Timaru District. Provide education regarding recycling and waste reduction.

Why Do We Do It?

Solid Waste Management is necessary for the health and wellbeing of the community and environment. It supports business activity and should encourage waste minimisation across all sectors ensuring compliance with the provisions and directions of the Waste Minimisation Act 2008. Council has a statutory requirement to ensure adequate solid waste services are provided.

The Council also aims to eliminate all uncontrolled disposal of waste and the storage of potentially harmful substances where no longer required for immediate use.

How We Measure The Service Provided

| Customer | | | |
|---|---|--|--|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Convenient and accessible waste management services are provided to the community | Council provides access to kerbside refuse collection service for a minimum of 67% of our District's properties Target: 67% of District properties | Council provides access to kerbside refuse collection service for 72% of our District's properties. | Achieved (2014:72% Achieved) |
| | Council provides access to kerbside recycling collection services for a minimum of 50% of our District properties Target: 50% of District properties | Council provides access to kerbside recycling collection services for 43.2% of our District's properties. | Not achieved (2014:Not achieved - 43.2%) |
| | Council provides a minimum of 6 rural recycling drop-off points Target: At least 6 drop-off points | Council provides 8 drop-off points for rural recycling. | Achieved (2014:Achieved - 8 drop-off points) |
| Council manages the waste management services wisely | 80% of satisfied or very satisfied residents with the overall performance of the waste management service Target: 80%, 2012/13 thereafter biennially | 82% of users (70% of residents) were very or fairly satisfied with the waste management services. | Achieved (2014:Not measured) |
| | Provide waste minimisation information and education programmes to households and schools to encourage the reduction in quantity of waste sent to landfill Target: 2 programmes annually | Council provided information (Pamphlets) on request, to noncompliers, new bin allocations, school education programme. (3/11/14, main site visit to the RRP, 3 sessions) | Not achieved (2014:Not achieved) |
| | Reduce waste tonnage to landfill Target: 5% reduction annually | Tonnage to landfill for the 12 month period has decreased by 0.96% from the last 12 month report period. | Not achieved (2014:Not achieved - increase by 7.8%) |

Points of Significance

Continued improvements to the operation of the Resource Recovery Park and Rural Drop-Off facilities.

Installation of EFTPOS facilities at the Resource Recovery Park.

Service Performance Statement - Waste Management Group for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--------------------------------------|-------------------------|-----------------------------|------------------------------|-------------------------|
| Revenue | | | | |
| Civic Amenities rates | \$ 217 | \$ 330 | \$ 216 | \$ 293 |
| Targeted rates | 665 | 622 | 663 | 605 |
| Revenue from activities | 122 | 98 | 97 | 125 |
| Other revenue | 21 | 7 | 23 | 20 |
| Total revenue | 1,025 | 1,057 | 999 | 1,043 |
| Expenditure | | | | |
| Employee benefit expenses | - | 47 | - | - |
| Depreciation and amortisation | 46 | 53 | 50 | 50 |
| Finance expenses | 38 | 50 | 41 | 41 |
| Other expenses | 901 | 903 | 904 | 933 |
| Total expenditure | 985 | 1,053 | 995 | 1,024 |
| Operating Surplus/(deficit) | \$ 40 | \$ 4 | \$ 4 | \$ 19 |
| Capital Expenditure | | | | |
| Wheelie Bin Replacements | \$ 3 | \$ - | \$ - | \$ - |
| Total Capital Expenditure | \$ 3 | \$ - | \$ - | \$ - |
| Categories | | | | |
| Meets additional demand | \$ - | \$ - | \$ - | \$ - |
| Improve level of performance/service | - | - | - | - |
| Replace existing assets | 3 | - | - | - |
| | \$ 3 | \$ - | \$ - | \$ - |

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

Revenue from activities is comparable to the 2014 financial year, however is above both LTP and the 2015 Annual Plan budgets due to additional revenue generated at the landfill.

Employee benefit expenses are nil which has resulted from a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources, where the cost is now reflected in Other expenses. The LTP Budget was prepared prior to this change.

Other expenses are slightly lower than 2014 predominately due to higher contractor fees in the 2014 year.

Stormwater Drainage Group

What is Stormwater Drainage and Why Do We Deliver It?

Council provides stormwater drainage systems for the removal of surface water following rainfall events for the safety and well being of the public.

The Stormwater Drainage Group includes one activity:

Stormwater Drainage

Community Outcomes to which this group of activities primarily contributes

Stormwater Drainage Safe and Healthy People
Wealthy Community



Funding Impact Statement - Stormwater Drainage Group
for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 LTP Budget \$000 |
|--|-------------------------|-----------------------------|------------------------------|-----------------------------|
| Sources of operating funding | | | | |
| General rates, UAGC and rates penalties | \$ 76 | \$ 100 | \$ 76 | \$ 84 |
| Targeted rates | - | - | - | - |
| Subsidies and grants for operating purposes | - | - | - | - |
| Fees and charges | - | - | - | - |
| Internal charges and overheads recovered | 10 | - | 1 | - |
| Local authority fuel tax, fines, infringement fees other | 5 | - | - | - |
| Total sources of operating funding | 91 | 100 | 77 | 84 |
| Applications of operating funding | | | | |
| Payments to staff and suppliers | 24 | 35 | 42 | 31 |
| Finance costs | - | - | - | - |
| Internal charges and overheads applied | 20 | 18 | 11 | 7 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding | 44 | 53 | 53 | 38 |
| Surplus/(deficit) of operating funding | 47 | 47 | 24 | 46 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | 4 | - | 4 | - |
| Increase/(decrease) in debt | - | - | - | - |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding | 4 | - | 4 | - |
| Applications of capital funding | | | | |
| Capital expenditure - to meet additional demand | - | - | - | - |
| Capital expenditure - to improve level of service | 77 | - | - | - |
| Capital expenditure - to replace existing assets | - | - | - | 199 |
| Increase/(decrease) in reserves | (26) | 47 | 28 | (153) |
| Increase/(decrease) in investments | - | - | - | - |
| Total applications of capital funding | 51 | 47 | 28 | 46 |
| Surplus/(deficit) of capital funding | (47) | (47) | (24) | (46) |
| Funding balance | \$ - | \$ - | \$ - | \$ - |
| Internal interest and debt activity: | | | | |
| Included within Internal charges and overheads recovered is Internal Interest Revenue of: | \$ 10 | \$ - | \$ - | \$ - |
| Included within Internal charges and overheads applied is Internal Interest Expense of: | - | 14 | 6 | 3 |
| Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves)) | - | 369 | - | 380 |
| Increases in Internal Borrowings for the year | - | - | - | - |
| Decreases in Internal Borrowings for the year | - | (11) | (380) | (11) |

Stormwater Drainage

What Do We Do Now?

Council provide for the removal of surplus surface water resulting from heavy rainfall. The removal of surface water in urban catchments is by a piped stormwater drainage system and existing kerb and channel networks.

The stormwater drainage system comprises of 4km of gravity stormwater pipes.

Why Do We Do It?

The stormwater collection and disposal enables the roading network to function in rain events and protects people and property and minimises the effects on the environment. There is a community expectation that high environmental standards will be met.

How We Measure The Service Provided

| Customer | | | |
|--|---|--|-------------------------------------|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Council manages stormwater scheme wisely | 80% of satisfied or very satisfied residents with the overall performance of the stormwater service Target: 80%, 2012/13 thereafter biennially | 82% of users (51% of residents) were very or fairly satisfied with the stormwater service. | Achieved (2014:Not measured) |
| Flood protection for the community | No habitable floors are flooded in a rainfall event with a severity expected to occur once every 25 years Target: Nil habitable floors flooded | No habitable floors were flooded in a rain event. | Achieved (2014:Not achieved) |
| A reliable stormwater collection system is provided for Waimate town | Continuous access to the service is provided with no blockages to the pipework measured by complaints Target: Nil complaints | 3 blockages to the pipework complaints. | Not achieved (2014:Not achieved) |

Points of Significance

John Street reticulation was upgraded, along with kerb and channel replacement and associated road drainage works.

Continued improvements in both asset knowledge and asset management processes.

**Service Performance Statement - Stormwater Drainage Group
for the year ended 30 June 2015**

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|-------------------------|-----------------------------|------------------------------|-------------------------|
| Revenue | | | | |
| General rates | \$ 76 | \$ 100 | \$ 76 | \$ 71 |
| Revenue from activities | 9 | - | 5 | 10 |
| Other revenue | 11 | - | - | 11 |
| Total revenue | 96 | 100 | 81 | 92 |
| Expenditure | | | | |
| Employee benefit expenses | - | 8 | - | - |
| Depreciation and amortisation | 33 | 39 | 29 | 28 |
| Finance expenses | - | 14 | 6 | - |
| Other expenses | 45 | 31 | 48 | 32 |
| Total expenditure | 78 | 92 | 83 | 60 |
| Operating Surplus/(deficit) | \$ 18 | \$ 8 | \$ (2) | \$ 32 |
| Capital Expenditure | | | | |
| High Street/Manse Street Stormwater Upgrade | \$ 77 | \$ - | \$ - | \$ 52 |
| Harris Street Stormwater Upgrade | - | - | - | 17 |
| Total Capital Expenditure | \$ 77 | \$ - | \$ - | \$ 69 |
| Categories | | | | |
| Meets additional demand | \$ - | \$ - | \$ - | \$ - |
| Improve level of performance/service | 77 | - | - | 52 |
| Replace existing assets | - | - | - | 17 |
| | \$ 77 | \$ - | \$ - | \$ 69 |

Key

LOS
REP

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

General rates are down on both LTP Budget with reduced costs and additional recovery revenue expected.

Other revenue reflects internal interest revenue resulting from reserves balances being in a positive position that was not anticipated.

Employee benefit expenses are nil which has resulted from a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources, where the cost is now reflected in Other expenses. The LTP Budget was prepared prior to this change.

Finance expenses show as nil resulting from reserves balances being in a positive position when they were expected to be negative.

Sewerage and Sewage Group

What is Sewerage and Sewage and Why Do We Deliver It?

Council's Sewerage and Sewage service provides a piped sewer collection system, a sewage treatment plant and disposal system that safely removes sewage from urban homes in Waimate.

The Sewerage and Sewage Group includes one activity:

Sewerage and Sewage

Community Outcomes to which this group of activities primarily contributes

Sewerage and Sewage Safe and Healthy People

Wealthy Community



Funding Impact Statement - Sewerage and Sewage Group for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 LTP Budget \$000 |
|--|-------------------------|-----------------------------|------------------------------|-----------------------------|
| Sources of operating funding | | | | |
| General rates, UAGC and rates penalties | \$ - | \$ - | \$ - | \$ - |
| Targeted rates | 451 | 451 | 444 | 435 |
| Subsidies and grants for operating purposes | - | - | - | - |
| Fees and charges | 1 | - | 1 | - |
| Internal charges and overheads recovered | 38 | - | 22 | - |
| Local authority fuel tax, fines, infringement fees other | 10 | 5 | 2 | 5 |
| Total sources of operating funding | 500 | 456 | 469 | 440 |
| Applications of operating funding | | | | |
| Payments to staff and suppliers | 142 | 201 | 189 | 179 |
| Finance costs | - | - | - | - |
| Internal charges and overheads applied | 143 | 83 | 96 | 90 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding | 285 | 284 | 285 | 269 |
| Surplus/(deficit) of operating funding | 215 | 172 | 184 | 171 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | 62 | 38 | 35 | 37 |
| Increase/(decrease) in debt | - | - | - | - |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding | 62 | 38 | 35 | 37 |
| Applications of capital funding | | | | |
| Capital expenditure - to meet additional demand | 7 | - | - | - |
| Capital expenditure - to improve level of service | - | - | - | - |
| Capital expenditure - to replace existing assets | 80 | - | 2 | 84 |
| Increase/(decrease) in reserves | 190 | 210 | 217 | 124 |
| Increase/(decrease) in investments | - | - | - | - |
| Total applications of capital funding | 277 | 210 | 219 | 208 |
| Surplus/(deficit) of capital funding | (215) | (172) | (184) | (171) |
| Funding balance | \$ - | \$ - | \$ - | \$ - |
| Internal interest and debt activity: | | | | |
| Included within Internal charges and overheads recovered is Internal Interest Revenue of: | \$ 38 | \$ - | \$ 20 | \$ - |
| Included within Internal charges and overheads applied is Internal Interest Expense of: | 77 | 63 | 70 | 72 |
| Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves)) | 1,224 | 1,133 | 1,411 | 1,166 |
| Increases in Internal Borrowings for the year | - | - | 245 | - |
| Decreases in Internal Borrowings for the year | (123) | (33) | - | (31) |

Sewerage and Sewage

What Do We Do Now?

Council operates a wastewater collection and treatment system for the majority of the Waimate township. Some outlying areas of the Waimate township and the smaller towns of St Andrews, Makikihi, Studholme, Morven and Glenavy are not serviced. The treatment plant was upgraded in 2002/03 to include screen, oxidation and maturation ponds with the treated effluent going to a land disposal area before entering the general environment. The Waimate Sewerage system comprises:

- 28km of gravity sewer mains
- 15km of gravity lateral connections
- 223 manholes or inspection eyes
- One treatment and disposal facility

It is Council policy to implement programmes for the relocation of wastewater disposal areas from riverbeds, wetlands or the margins of rivers, lakes and the coast, and to implement programmes to reduce, and eventually cease, the discharge of waste from Council's sewage reticulation and treatment systems into natural waters.

Why Do We Do It?

Council is required by statute i.e. the Health Act 1956 and the Local Government Act 2002 to protect the health of the community and the environment by collecting, treating and appropriately disposing of treated wastewater.

This assists expansion and development of the township by enabling smaller lot sizes and averages the cost of treating and disposing of the treated effluent across the broader community.

How We Measure The Service Provided

| Customer | | | |
|--|--|---|---|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Council manages Sewerage and Sewage schemes wisely | 80% of satisfied or very satisfied residents with the overall performance of the Sewerage and Sewage service Target: 80%, 2012/13 thereafter biennially | 99% of users (53% of residents) were very or fairly satisfied with the sewerage and sewage service. | Achieved (2014:Not measured) |
| A reliable Sewage collection system is provided for Waimate town | Continuous access to the service is provided with no blockages to the network Target: nil blockages | Two blockages of the motorhome effluent station were recorded during the reporting period but were attributed to mechanical / operational failure of the(property) asset rather than a blockage of the network. | Achieved (2014:Not achieved - 2 blockages) |
| Sewerage connections are available upon request within the rateable area of the sewerage network | Sewerage connections for 100% of applicants are completed within the rateable area of the sewerage network Target: 100% connection | 100% of applied sewerage connections were completed within the rateable area of the sewerage network. | Achieved (2014:Achieved) |
| Council will manage community infrastructure in a strategic manner | Improve the sustainability of the Waimate sewerage scheme by conducting pipe investigation programme Target: 2012/13, 2015/16, 2016/17, 2018/19 and 2020/21 | Sustainability of the Waimate sewerage scheme continued by conducting pipe investigation through on-going CCTV studies. | Achieved (2014:Achieved) |

Points of Significance

Replacement of a section of the John Street sewer main which was identified as being in very poor condition and had been problematic in recent years.

Ongoing CCTV inspections to better inform the renewal programme.

Continued improvements in both asset knowledge and asset management processes.

Service Performance Statement - Sewerage and Sewage Group for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|-------------------------|-----------------------------|------------------------------|-------------------------|
| Revenue | | | | |
| Targeted rates | \$ 451 | \$ 451 | \$ 444 | \$ 436 |
| Revenue from activities | 71 | 43 | 38 | 29 |
| Other revenue | 40 | - | 20 | 23 |
| Total revenue | 562 | 494 | 502 | 488 |
| Expenditure | | | | |
| Employee benefit expenses | - | 72 | - | - |
| Depreciation and amortisation | 189 | 221 | 198 | 197 |
| Finance expenses | 77 | 63 | 70 | 70 |
| Other expenses | 208 | 149 | 221 | 147 |
| Total expenditure | 474 | 505 | 489 | 414 |
| Operating Surplus/(deficit) | \$ 88 | \$ (11) | \$ 13 | \$ 74 |
| Capital Expenditure | | | | |
| Wastewater (John St) | REP \$ 71 | \$ - | \$ - | \$ - |
| Wastewater (High St between Shearman - Queen St) | REP - | - | - | 137 |
| Wastewater (King St connection) | AD - | - | - | 6 |
| Motorhome Dump Station | AD - | - | - | 2 |
| Waimate Urban - SCADA Upgrades | REP 3 | - | 1 | 2 |
| Wastewater - renewals/upgrades | REP 6 | - | - | - |
| Mill Road Sewer Extension | AD 7 | - | - | - |
| Total Capital Expenditure | \$ 87 | \$ - | \$ 1 | \$ 147 |
| Categories | | | | |
| Meets additional demand | AD \$ 7 | \$ - | \$ - | \$ 8 |
| Improve level of performance/service | LOS - | - | - | - |
| Replace existing assets | REP 80 | - | 1 | 139 |
| | \$ 87 | \$ - | \$ 1 | \$ 147 |

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

Revenue from activities has exceeded budget and the 2014 financial year predominately due to increased capital contributions of \$27,000 compared to budget.

Other revenue has exceeded budget and the 2014 financial year due to increased internal interest revenue resulting from the reserves balances being in a greater positive position than was anticipated.

Employee benefit expenses are nil which has resulted from a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources, where the cost is now reflected in Other expenses. The LTP Budget was prepared prior to this change.

Other expenses have increased compared to both the LTP Budget and the 2014 financial year. This is predominately due to increased costs with rates, Asset Management Plans, electricity and internal allocation of resources.

Capital expenditure has reduced relative to the 2014 financial year with a significant project having been completed and smaller projects being undertaken.

Roading and Footpaths Group

What is Roothing and Footpaths and Why Do We Deliver It?

Council exists principally to supply core services that meet the needs of the community. The road network forms a backbone of Waimate's infrastructure, and is vital for the economic viability, and for potential development in the District. Roothing and Footpaths includes not only roads but many associated aspects such as bridges, culverts, footpaths, signage, and street lighting

The Roothing and Footpath Group includes one activity:

Roothing and Footpaths

Community Outcomes to which this group of activities primarily contributes

Roothing and Footpaths

Safe and Healthy People

Wealthy Community



Funding Impact Statement - Roding Group

for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 LTP Budget \$000 |
|--|-------------------------|-----------------------------|------------------------------|-----------------------------|
| Sources of operating funding | | | | |
| General rates, UAGC and rates penalties | \$ 2,171 | \$ 2,173 | \$ 2,165 | \$ 2,096 |
| Targeted rates | - | - | - | - |
| Subsidies and grants for operating purposes | 905 | 804 | 811 | 756 |
| Fees and charges | - | - | - | - |
| Internal charges and overheads recovered | 21 | - | 76 | - |
| Local authority fuel tax, fines, infringement fees other | 84 | 53 | 54 | 52 |
| Total sources of operating funding | 3,181 | 3,030 | 3,106 | 2,904 |
| Applications of operating funding | | | | |
| Payments to staff and suppliers | 1,776 | 1,617 | 1,459 | 1,514 |
| Finance costs | - | - | - | - |
| Internal charges and overheads applied | 656 | 505 | 739 | 494 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding | 2,432 | 2,122 | 2,198 | 2,008 |
| Surplus/(deficit) of operating funding | 749 | 908 | 908 | 896 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | 1,303 | 1,134 | 1,148 | 1,100 |
| Development and financial contributions | - | - | - | - |
| Increase/(decrease) in debt | - | - | - | - |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding | 1,303 | 1,134 | 1,148 | 1,100 |
| Applications of capital funding | | | | |
| Capital expenditure - to meet additional demand | - | - | - | - |
| Capital expenditure - to improve level of service | 391 | 260 | 283 | 251 |
| Capital expenditure - to replace existing assets | 1,922 | 1,782 | 1,760 | 1,745 |
| Increase/(decrease) in reserves | (261) | - | 13 | - |
| Increase/(decrease) in investments | - | - | - | - |
| Total applications of capital funding | 2,052 | 2,042 | 2,056 | 1,996 |
| Surplus/(deficit) of capital funding | (749) | (908) | (908) | (896) |
| Funding balance | \$ - | \$ - | \$ - | \$ - |
| Internal interest and debt activity: | | | | |
| Included within Internal charges and overheads recovered is Internal Interest Revenue of: | \$ 21 | \$ - | \$ - | \$ - |
| Included within Internal charges and overheads applied is Internal Interest Expense of: | 26 | 11 | 8 | 11 |
| Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves)) | 444 | 157 | 194 | 157 |
| Increases in Internal Borrowings for the year | - | - | 37 | - |
| Decreases in Internal Borrowings for the year | (10) | - | - | - |

Roading and Footpaths

What Do We Do Now?

Council is responsible for the day-to-day operation, maintenance, renewal and improvement of Waimate District's local roading network excluding State Highways No 1 and 82 which are managed by the New Zealand Transport Agency. Council also provides other assets such as footpaths and street lights.

The New Zealand Transport Agency is responsible for State Highways 1 and 82 which service the District. They are an important part of the overall roading network of the District. Council works with the New Zealand Transport Agency and the Regional Transport Committee to meet its obligations with regard to roading and to be consistent with the Regional Land Transport Strategy.

Regular tasks:

- Sealed Roads: Pavement maintenance reseals and seal widening
- Unsealed Roads: Grading and metalling
- Drainage: Maintenance and renewal of surface drains and culverts
- Bridges: Maintenance and renewal of the District's 183 bridges
- Footpaths: Maintenance, cleaning and renewal of footpaths
- Traffic Services: Maintenance and renewal of lighting, signs and pavement marking
- Environmental Maintenance: Routine care and attention of the road corridor includes snow and ice control, vegetation control, removal of slips, litter and spillages
- Network and Asset Management: Management and control of the road network and road assets. Includes bridge structural inspections and Road Assessment and Maintenance Management System (RAMM)

Why Do We Do It?

Council is defined under the Land Transport Management Act 2003 as the "Road Controlling Authority" for the District's roads. As such it is required by law to control activities on roads, although it may choose the service level at which it will maintain a road and whether or not to maintain or form a road with limited public benefit.

The purpose of road assets is to provide a sustainable, safe, convenient, comfortable and cost effective road network for the movement of people, goods and vehicles throughout the Waimate District.

How We Measure The Service Provided

| Customer | | | |
|--|--|---|---------------------------------|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Respond to customer complaints and requests in a timely manner | Faults that affect safety will be responded to within 2 days Target: Safety fault complaints responded to within 2 days | Council received 3 complaints which were responded to within 2 days. | Achieved (2014:Achieved) |
| | Customer complaints and service requests are responded to within 10 working days Target: Complaints responded to within 10 working days | 240 customer complaints were received and all were responded to within 10 days. | Achieved (2014:Not achieved) |
| Council manages the roading network wisely | Maintenance costs compare favourably to similar Councils Target: Costs comparable with peer group 2009/10 \$3,250/km | Maintenance costs for 2014/15 were \$2,901 per km. This is less than peer group Councils. | Achieved (2014:Achieved) |

| Customer | | | |
|---|--|--|---|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Provide a safe transport environment | Number of accidents attributed to road factors are declining Target: Declining trend | In 2014/15 there were 1 accident (2013/14: 5 on our District roads, excluding State Highways. Declining trend. | Achieved (2014:Not achieved) |
| Provide quality roads and footpaths | Percentage of customers satisfied with roads and footpaths Target: Roads 75% Footpaths 60% 2012/13 thereafter biennially | Residents very or fairly satisfied with roads (58%) and footpaths (61%). | Achieved (Footpaths) Not achieved (Roads) (2014:Not measured) |
| Asset monitoring and works programmes are completed | Percentage of sealed network resurfaced Target: 4.5% to 6.5% | 5.9% of sealed network resurfaced. | Achieved (2014:Achieved - 5.9% resurfaced) |
| | Resealing programme is completed Target: 100% completed | Resealing programme 100% completed by 1 April 2015. | Achieved (2014:Achieved) |

Points of Significance

Financial Assistance Rates Increase - The New Zealand Transport Agency (NZTA) have conducted a major review of how they will assist Councils in funding local roads. The NZTA review has resulted in changes across the country to all Council Financial Assistance Rates (FARs). The FAR represents the amount of money the NZTA will contribute towards local road works. The review has resulted in the rate for Waimate District increasing from 51% 2014/15 to 54% 2015/16 and increasing 1% each year to a maximum of 60%.

Collaboration Agreement - Waimate District along with Ashburton, Timaru and Mackenzie districts has formed the Mid-South Canterbury Rooding Collaboration. This group aims to provide opportunities to share resources, ideas and approaches, with the aim of ultimately achieving better value for money and improving levels of service for the respective district's ratepayers.

The group has produced a standard maintenance contract to be used by the four Districts Road Network Operations and Maintenance from December 2015.

Council has also agreed to enter into a joint Resurfacing contract with Timaru and Mackenzie districts for a two year period.

Completion of 2012-2015 National Land Transport Programme - The Districts 2012-2015 Maintenance Operations, Renewals and Minor improvements programmes has been 100% completed, 2014/15 was the final year of this three year programme. The total programme expenditure was \$10,357,096 including NZTA share of \$6,010,616.

One Network Road Classification - The Waimate District Rooding Network has been categorised using the One Network Road Classification (ONRC) system. The ONRC has been jointly developed by the NZTA and Local Movement New Zealand as a tool for ensuring that there is a consistent level of service experienced by road users throughout the country. Historically, Waimate District Council has used its own road classification system to categorise road lengths. A transition plan has been produced to detail the full implementation of the ONRC in the Waimate District.

Pavement Reconstruction - Ikawai Middle Road 900m, Craigmore Valley Road 164m, Morven Road 173m.

Seal Widening - Ikawai Middle Road 1940m, Esk Valley Road 314m.

Resealing - 40.7km completed 5.9% of the sealed network area.

**Service Performance Statement - Roothing Group
for the year ended 30 June 2015**

| | | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|------------|----------------------------------|--------------------------------------|---------------------------------------|----------------------------------|
| Revenue | | | | | |
| General rates | | \$ 2,171 | \$ 2,173 | \$ 2,165 | \$ 2,106 |
| New Zealand Transport Agency Subsidy | | 2,208 | 1,938 | 1,959 | 2,119 |
| Revenue from activities | | 84 | 53 | 54 | 15 |
| Other revenue | | 21 | - | - | 11 |
| Total revenue | | 4,484 | 4,164 | 4,178 | 4,251 |
| Expenditure | | | | | |
| Employee benefit expenses | | - | 41 | - | - |
| Roothing expenses | | 2,147 | 1,894 | 1,842 | 2,393 |
| Depreciation and amortisation | | 2,599 | 2,402 | 2,493 | 2,535 |
| Finance expenses | | 26 | 11 | 8 | - |
| Other expenses | | 259 | 176 | 285 | 253 |
| Total expenditure | | 5,031 | 4,524 | 4,628 | 5,181 |
| Operating Surplus/(deficit) | | \$ (547) | \$ (360) | \$ (450) | \$ (930) |
| Capital Expenditure | | | | | |
| | Key | | | | |
| Roads - minor improvements | LOS | \$ 282 | \$ 173 | \$ 196 | \$ 165 |
| Roads - seal widening | LOS | 105 | 86 | 87 | 49 |
| Roads - resealing | REP | 1,010 | 880 | 881 | 1,026 |
| Drainage construction | REP | 97 | 53 | 53 | 62 |
| Concrete ford culverts | REP | 40 | 48 | 48 | 25 |
| Culvert replacements | REP | 86 | 95 | 94 | 66 |
| Kerb and channel renewal | REP | 77 | 133 | 133 | 115 |
| Pavement rehabilitation | REP | 383 | 261 | 257 | 78 |
| Structures component replacement | REP | 35 | 141 | 141 | 72 |
| Sign renewal | REP | 72 | 54 | 54 | 60 |
| Lighting renewal | REP | - | 6 | 6 | - |
| Footpath renewal | REP | 112 | 85 | 83 | 142 |
| Roothing development | REP | - | 16 | - | - |
| Roads - minor improvements (not subsidised) | REP | 11 | 11 | 10 | 3 |
| Dust Suppression | LOS | 3 | - | - | - |
| Traffic Counter | REP | - | - | - | 4 |
| Total Capital Expenditure | | \$ 2,313 | \$ 2,042 | \$ 2,043 | \$ 1,867 |
| Categories | | | | | |
| Meets additional demand | AD | \$ - | \$ - | \$ - | \$ - |
| Improve level of performance/service | LOS | 390 | 259 | 283 | 214 |
| Replace existing assets | REP | 1,923 | 1,783 | 1,760 | 1,653 |
| | | \$ 2,313 | \$ 2,042 | \$ 2,043 | \$ 1,867 |

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

The general rate requirement for the 2015 financial year has increased compared to the 2014 financial year mainly due to the additional expenditure programme.

The New Zealand Transport Agency subsidy is above both LTP Budget and the 2014 financial year due to the additional renewal and maintenance programme works increases.

Revenue from activities exceeded the LTP Budget and the 2014 financial year due to increased recoveries from ford renewals.

Other revenue is above LTP Budget with internal interest revenue being generated that was not expected when the LTP Budget was prepared.

Employee benefit expenses are nil which has resulted from a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources, where the cost is now reflected in Other expenses. The LTP Budget was prepared prior to this change.

Significant variations from Long Term Plan 2012 - 2022 (continued)

Roading expenses exceeded the budget predominately due to increased expenditure on sealed pavement maintenance of \$134,000, unsealed pavement maintenance of \$40,000, and drainage maintenance of \$28,000. The increased expenditure during the 2014 financial year was related to additional emergency reinstatement works following severe flooding and windstorms during that year.

Depreciation expenses are above both the LTP Budget and the 2014 financial year due to increased renewal works.

Other expenses are above the LTP Budget and the 2014 financial year from a change in overhead allocations methodology which better reflects distribution, utilisation and allocation of resources, and internal overhead allocations being higher than expected or in previous years.

Capital expenditure is above the LTP Budget predominantly due to the resealing programme. The increase above the 2014 financial year primarily relates to the additional pavement rehabilitation expenditure incurred.

Property and Investments Group

What is Property and Investments and Why Do We Deliver It?

This group of activities encompasses Council's investment portfolio and Council owned property used largely for running its operation and to provide community facilities.

The Property and Investments Group includes the following activities:

| | |
|--------------------------------|---|
| Forestry | A portfolio of forestry blocks |
| Investments and Finance | Management of Council's share holdings and Council's internal and external cash flows |
| Property | A collection of land and buildings owned by Council |

Community Outcomes to which this group of activities primarily contributes

| | |
|---------------------------------|-------------------------|
| Property and Investments | Safe and Healthy People |
| | Wealthy Community |



Funding Impact Statement - Property and Investments Group

for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 LTP Budget \$000 |
|--|-------------------------|-----------------------------|------------------------------|-----------------------------|
| Sources of operating funding | | | | |
| General rates, UAGC and rates penalties | \$ (450) | \$ (379) | \$ (476) | \$ (322) |
| Targeted rates | 113 | 121 | 121 | 70 |
| Subsidies and grants for operating purposes | 28 | - | 20 | - |
| Fees and charges | - | - | - | - |
| Internal charges and overheads recovered | 449 | 369 | 446 | 340 |
| Local authority fuel tax, fines, infringement fees other | 912 | 1,050 | 1,034 | 1,017 |
| Total sources of operating funding | 1,052 | 1,161 | 1,145 | 1,105 |
| Applications of operating funding | | | | |
| Payments to staff and suppliers | 448 | 837 | 709 | 788 |
| Finance costs | 22 | 83 | 19 | 83 |
| Internal charges and overheads applied | 433 | 165 | 369 | 154 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding | 903 | 1,085 | 1,097 | 1,025 |
| Surplus/(deficit) of operating funding | 149 | 76 | 48 | 80 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | - | - | - | - |
| Increase/(decrease) in debt | - | (35) | - | (35) |
| Gross proceeds from sale of assets | - | 25 | 25 | 25 |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding | - | (10) | 25 | (10) |
| Applications of capital funding | | | | |
| Capital expenditure - to meet additional demand | - | - | - | - |
| Capital expenditure - to improve level of service | 100 | - | - | - |
| Capital expenditure - to replace existing assets | 2 | 24 | 47 | 24 |
| Increase/(decrease) in reserves | (245) | 42 | (224) | 46 |
| Increase/(decrease) in investments | 292 | - | 250 | - |
| Total applications of capital funding | 149 | 66 | 73 | 70 |
| Surplus/(deficit) of capital funding | (149) | (76) | (48) | (80) |
| Funding balance | \$ - | \$ - | \$ - | \$ - |
| Internal interest and debt activity: | | | | |
| Included within Internal charges and overheads recovered is Internal Interest Revenue of: | \$ 225 | \$ 114 | \$ 217 | \$ 91 |
| Included within Internal charges and overheads applied is Internal Interest Expense of: | 220 | 60 | 151 | 51 |
| Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves)) | 1,507 | 1,704 | 1,249 | 1,589 |
| Increases in Internal Borrowings for the year | 228 | 115 | 323 | 98 |
| Decreases in Internal Borrowings for the year | - | - | (663) | - |

**Service Performance Statement - Property and Investments Group
for the year ended 30 June 2015**

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 | |
|--|-------------------------|-----------------------------|------------------------------|-------------------------|--------|
| Revenue | | | | | |
| General rates | \$ (592) | \$ (466) | \$ (591) | \$ (460) | |
| Civic Amenities rates | 79 | 50 | 79 | 61 | |
| Targeted rates | 113 | 121 | 121 | 113 | |
| Revenue from activities | 1,175 | 1,206 | 1,327 | 1,484 | |
| Other revenue | 436 | 295 | 352 | 395 | |
| Total revenue | 1,211 | 1,206 | 1,288 | 1,593 | |
| Expenditure | | | | | |
| Employee benefit expenses | 2 | 127 | - | 5 | |
| Depreciation and amortisation | 281 | 222 | 287 | 273 | |
| Finance expenses | 243 | 144 | 170 | 257 | |
| Other expenses | 670 | 723 | 926 | 1,053 | |
| Total expenditure | 1,196 | 1,216 | 1,383 | 1,588 | |
| Operating Surplus/(deficit) | \$ 15 | \$ (10) | \$ (95) | \$ 5 | |
| Capital Expenditure | | | | | |
| | Key | | | | |
| Planting costs - various sites/blocks | REP | \$ - | \$ - | \$ 44 | \$ 27 |
| Local Government Centre - Floor coverings | REP | - | 22 | - | - |
| Local Government Centre - Air conditioning unit | REP | - | - | - | 24 |
| Local Government Centre - Office Upgrade | REP | 1 | - | - | 66 |
| Waimate District Community Complex - Refurbishment | LOS | 100 | - | - | - |
| Local Government Centre - sundry | REP | - | 3 | 3 | - |
| Community Housing - furniture and fittings | REP | 1 | - | - | - |
| | | \$ 102 | \$ 25 | \$ 47 | \$ 117 |
| Categories | | | | | |
| Meets additional demand | AD | \$ - | \$ - | \$ - | \$ - |
| Improve level of performance/service | LOS | 100 | - | - | - |
| Replace existing assets | REP | 2 | - | 47 | 117 |
| | | \$ 102 | \$ - | \$ 47 | \$ 117 |

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

Refer to the attached Service Performance Statements for Forestry, Investments and Finance, and Property for explanation of variances.

Forestry

What Do We Do Now?

Waimate District Council has a unique mix of forestry assets.

The three distinct forest entities are:

1. Joint Venture Forests where the Waimate District Council owns a varying share of the tree crop.
2. Waihao Forest where land and trees are owned.
3. Reserve forests which are scattered throughout the District where the District trees are owned and the land either owned or occupied.

The forest area as at 1 July 2014:

| Forest | Stocked Area (ha) | Awaiting Replant | Total |
|--------------------|-------------------|------------------|--------------|
| Reserves | 47.0 | 8.6 | 55.6 |
| Joint Venture | 55.3 | | 55.3 |
| Waihao | 103.3 | | 103.3 |
| All Forests | 205.6 | 8.6 | 214.2 |

Why Do We Do It?

Forestry is a form of investment capable of adding dollar value to Council via way of harvested sales and gain on growth.

The forestry investment is confined to within the Waimate District and contributes to providing employment.

How We Measure The Service Provided

| Customer | | | |
|--|--|---|---------------------------------|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| The community receives up to date information about Council's forestry investments | Council commissions and receives an independent forestry valuation at 30 June each year to support the forestry value communicated to the public in Council's Annual Report and to be used for monitoring against the longer term Forestry Asset Management Plan Target: Annual Forestry Valuation at 30 June | The forestry valuation from RM Consulting Ltd was received at the end of July 2015 and the values will be used in preparation of the Annual Report for the year ended 30 June 2015. | Achieved (2014:Achieved) |

Points of Significance

With another year of growth recorded an additional \$159,000 of value to the forest was recognised.

**Service Performance Statement - Forestry
for the year ended 30 June 2015**

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---------------------------------------|----------------------------------|--------------------------------------|---------------------------------------|----------------------------------|
| Revenue | | | | |
| Revenue from activities | \$ 202 | \$ 186 | \$ 186 | \$ 499 |
| Other revenue | 7 | - | - | - |
| Total revenue | 209 | 186 | 186 | 499 |
| Expenditure | | | | |
| Employee benefit expenses | - | 12 | - | - |
| Finance expenses | 26 | 50 | 36 | 30 |
| Other expenses | 95 | 96 | 119 | 444 |
| Total expenditure | 121 | 158 | 155 | 474 |
| Operating Surplus/(deficit) | \$ 88 | \$ 28 | \$ 31 | \$ 25 |
| Capital Expenditure | | | | |
| Planting costs - various sites/blocks | \$ - | \$ - | \$ 44 | \$ 27 |
| Total Capital Expenditure | \$ - | \$ - | \$ 44 | \$ 27 |

Key
REP

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

Revenue from activities includes proceeds from the harvest of two blocks of \$14,000 compared to harvest revenue and insurance proceeds following the 2013 windstorm of \$330,000 in the 2014 financial year. The forests have been revalued and a total gain on revaluation for the Waihao Forest, Reserve blocks, and Joint Venture Forests of \$159,000 has been recognised, compared to budgeted gains of \$143,000.

Other revenue of \$7,000 relates to internal interest received due to the reserves balances being in a better position than anticipated.

Employee benefit expenses are nil which has resulted from a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources, where the cost is now reflected in Other expenses. The LTP Budget was prepared prior to this change.

Other expenses are comparable to the LTP Budget and have decreased from the 2014 financial year. This was due to higher costs in 2014 to harvest the destroyed blocks following the windstorm event in September 2013.

Investments and Finance

What Do We Do Now?

Council's Investments and Finance function serves three major objectives:

1. Managing Council's annual Cashflow cycle, in order to ensure there are always adequate current account bank funds to meet monthly commitments, whilst also maximising opportunities to invest surplus monies on call to gain interest earnings.
2. Managing Council's relationship with Council's principal bankers to ensure that when Council needs to borrow funds that adequate funds are available.
3. Managing Council's other financial assets, principally Council's share holding in Alpine Energy Ltd.

Why Do We Do It?

To ensure the smooth functioning of receipt of Council revenues and paying Council expenses and to maximise interest earned on current account throughout the annual Cashflow cycle.

To provide for longer term Council borrowing which may be necessary for long term projects and capital expenditures.

How We Measure The Service Provided

| Customer | | | |
|---|--|--|---------------------------------|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Council ensures that Alpine Energy Ltd hears the voice of the Waimate community | Council meet with their representative on Alpine Energy Ltd board and attend the AGM each year to advocate for Waimate's advantage on any new proposals Target: AGM and 1 meeting to be attended annually | The Alpine Energy Annual Meeting (24 July 2014) was attended by the Mayor, Councillor Thomson and the CFO. The Mayor and CFO met with the Alpine Energy Chair in Dunedin on 2 October 2014. The Alpine Energy shareholders meetings (27 November 2014 and 30 April 2015) were attended by the Mayor, CE and CFO. | Achieved (2014:Achieved) |
| Share holding in Alpine Energy provides positive returns | Dividend return on Alpine Energy shareholding does not drop below 16 cents per share Target: Dividend return not below 16 cents per share | Dividends received or receivable for the year are at the same level as last year being approximately 18.3 cents per share. | Achieved (2014:Achieved) |

Points of Significance

Due to having strong cash reserves the total external debt remains at \$500,000, and short term deposits increased to \$1,822,000.

**Service Performance Statement - Investments and Finance
for the year ended 30 June 2015**

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|------------------------------------|----------------------------------|--------------------------------------|---------------------------------------|----------------------------------|
| Revenue | | | | |
| General rates | \$ (621) | \$ (466) | \$ (620) | \$ (523) |
| Targeted rates | 43 | 51 | 51 | 42 |
| Revenue from activities | 601 | 578 | 608 | 578 |
| Other revenue | 396 | 198 | 334 | 377 |
| Total revenue | 419 | 361 | 373 | 474 |
| Expenditure | | | | |
| Employee benefit expenses | - | 21 | - | - |
| Finance expenses | 196 | 94 | 131 | 217 |
| Other expenses | 171 | 212 | 207 | 193 |
| Total expenditure | 367 | 327 | 338 | 410 |
| Operating Surplus/(deficit) | \$ 52 | \$ 34 | \$ 35 | \$ 64 |

Significant variations from Long Term Plan 2012 - 2022

General Rates for Investments and Finance are intended to equate Revenue (exclusive of Rates Penalties) and Expenses initially from a budget perspective. With a larger revenue than expenditure this generally results in a negative rates calculation. The 2015 financial year requirement is different to the 2014 financial year requirement predominately due to an increase in dividend revenue and a reduction in internal and external interest expense.

Revenue from activities has increased from the 2014 financial year and LTP Budget predominately due to increased dividend

Other Revenue has increased from the 2015 LTP budget mainly due internal interest revenue received. Other Revenue exceeded the 2015 budget due to increased penalties of \$27,000 and external interest revenue exceeding budget by \$46,000.

Employee benefit expenses are nil which has resulted from a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources, where the cost is now reflected in Other expenses. The LTP Budget was prepared prior to this change.

Finance expenses have increased against the LTP Budget following the separate recognition of interest revenue charged on internal loans referred to above that was previously offset against the interest charge. This is partly offset by a reduction to the interest charged on bank loans and associated derivatives.

Other expenses have decreased against the LTP Budget and the 2015 budget principally because of a reduction of Bank Fees and less Rates remissions than expected. Other expenses have decreased from the 2014 financial year due to reduced Rates remissions, predominantly from the Urban boundary changes.

Property

What Do We Do Now?

Council manages a variety of properties for community use - mainly community venues, public toilets, Council administration buildings and community housing. Property consists of land and buildings as follows:

- 27 community houses provide affordable aged housing
- One residential property which is tenanted
- Leased land where suitable is used for pastoral grazing
- Land restricted, comprises of many small and separate parcels of land. Some are legally restricted reserves because of recreational and strategic uses, while some are owned by the Government departments
- Waimate Stadium provides a large sporting and community facility
- Aerodrome provides a facility for recreational users and for emergency services and civil defence
- Local Government building provides Council's administrative service centre, partially occupied by the District's Library
- Utilities Store is a former commercial building now occupied by utilities staff, filing, rural fire, civil defence and vehicles
- Vacant land is held for future development of community assets
- Public Toilets are provided at Queen Street, Victoria Park, Glenavy and Waihao Box
- Regent Theatre is managed by a community group named Regent Theatre Trust
- Vacant Land may be unsuitable for leasing, such as gravel pits and solid waste sites
- Eric Batchelor subdivision provided 22 sections developed and marketed for sale to residents to build new houses

Why Do We Do It?

Council provides community venues because they offer an environment for a diverse range of social, cultural and community based activities, including sports, arts and theatre. Council provides public toilets to safe guard public health and ensure they are physically accessible, cleaned and maintained to an appropriate standard. We provide community housing to cater for low income aged residents on the basis of zero cost to rate payers.

How We Measure The Service Provided

| Customer | | | |
|--|--|---|---|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Council provides community housing at a cost to tenants which is equal to or less than market rental | Each year Council will obtain a written report from a qualified Waimate real estate agent identifying market rental value of housing stock equivalent to Council's community housing configuration Target: Rental charge is equal to or less than market rental | The rental charge is equal to or less than market rental. | Achieved (2014:Achieved) |
| Council maintains toilets throughout the District to a high standard | 80% of residents are satisfied or very satisfied with the standard of toilet facilities in our District Target: 80%, 2012/13 thereafter biennially | 54% of residents (80% of users) were very or fairly satisfied with the standard of toilet facilities in our District. | Not achieved (2014:Not measured) |
| Council maintains community and corporate buildings at a safe standard | The following properties owned by Council will be subject to monthly internal control checks and will achieve their building warrant of fitness to ensure health and safety of users: Waimate Local Government Centre building (including library), Waimate Regent Theatre and Waimate Sports Stadium Target: Building warrants of fitness in place | Monthly internal control checks completed and WOF issued on Councils specified buildings. | Achieved (2014:Achieved) |

Points of Significance

This financial year saw Council achieving the green light to proceed with this very exciting project. Following public consultation February–May 2014, Council entered into a project partnership with a local businessman for the provision of an extended facility. Because of the partnership arrangement the community will benefit from a facility which has been greatly extended and enhanced from the original single court facility which was consulted on, at no additional cost. Construction is expected to begin September 2015, with completion in mid-2016. At the time of writing this message the Waimate District Charitable Foundation and Fundraising Committee report that they have achieved the target of attracting external funding of 25% of Council's contribution of \$3.8m towards the project.

The first Property Asset Management Plan (AMP) has been compiled and will provide a platform for the development of future strategies.

Service Performance Statement - Property for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|-------------------------|-----------------------------|------------------------------|-------------------------|
| Revenue | | | | |
| General rates | \$ 29 | \$ - | \$ 29 | \$ 63 |
| Civic Amenities rates | 79 | 50 | 79 | 61 |
| Targeted rates | 70 | 70 | 70 | 71 |
| Revenue from activities | 372 | 442 | 533 | 407 |
| Other revenue | 33 | 97 | 18 | 18 |
| Total revenue | 583 | 659 | 729 | 620 |
| Expenditure | | | | |
| Employee benefit expenses | 2 | 94 | - | 5 |
| Depreciation and amortisation | 281 | 222 | 287 | 273 |
| Finance expenses | 21 | - | 3 | 10 |
| Other expenses | 404 | 415 | 600 | 416 |
| Total expenditure | 708 | 731 | 890 | 704 |
| Operating Surplus/(deficit) | \$ (125) | \$ (72) | \$ (161) | \$ (84) |
| Capital Expenditure | | | | |
| Local Government Centre - Floor coverings | REP \$ - | \$ 22 | \$ - | \$ - |
| Local Government Centre - Air conditioning unit | REP - | - | - | 24 |
| Local Government Centre - Office Upgrade | REP 1 | - | - | 66 |
| Waimate District Community Complex - Refurbishment | LOS 100 | - | - | - |
| Local Government Centre - sundry | REP - | 3 | 3 | - |
| Community Housing - furniture and fittings | REP 1 | - | - | - |
| Total Capital Expenditure | \$ 102 | \$ 25 | \$ 3 | \$ 90 |

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

General Rates have exceeded the LTP Budget following an increase in rates required for public toilets.

Revenue from activities is below budget predominately due to treatment of sales at the Eric Batchelor subdivision, budgeted at \$134,000 where no revenue was recognised in 2015. Revenue from activities has reduced from 2014 due to lower rent received following the sale of the Old Post Office.

Other revenue includes internal interest revenue which is unfavourable compared to LTP Budget following a review of activity reserve balances, the allocation of internal interest revenue for the Property activity has reduced.

Employee benefit expenses are minimal which has resulted from a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources, where the cost is now reflected in Other expenses. The LTP Budget was

Depreciation charges are unfavourable to LTP Budget following building revaluations which were applied from 1 July 2012.

Finance expenses are up on budget following a review of activity reserve balances, resulting in an allocation of internal interest expense exceeding budget.

Other expenses are comparable to the 2014 financial year and are below the LTP Budget. This is predominately due to treatment of property sales at the Eric Batchelor subdivision where budgeted expenditure of \$93,000 compared to nil costs recognised in the 2015 financial year. Consultancy costs were also below budget by \$38,000 for the community complex.

Capital expenditure for the 2015 financial year includes the first progress payment for the refurbishment of the Waimate District Community Complex and the upgrades to the Local Government Centre were completed in the 2014 financial year.

Parks and Recreation Group

What is Parks and Recreation and Why Do We Deliver It?

This group includes infrastructure to allow people to join together in sporting, social and cultural events and enjoy the outdoors. It also includes burial facilities which fulfils a social and cultural need in the community.

The Parks and Recreation Group includes the following activities:

| | |
|--------------------------------|---|
| Camping | A mix of camping grounds to meet the recreation and leisure needs of our community and visitors to the District |
| Cemeteries | Provision of burial facilities that meet the needs of the community |
| Parks and Public Spaces | A mix of parks and reserve facilities throughout the District |
| Swimming | Provision of a public swimming pool to promote community wellbeing |

Community Outcomes to which this group of activities primarily contributes

| | |
|-----------------------------|--------------------------------------|
| Parks and Recreation | Active and Supportive Community |
| | Safe and Healthy People |
| | Sustainable District and Environment |
| | Wealthy Community |



Photographer: Heather Sell

Funding Impact Statement - Parks and Recreation Group for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 LTP Budget \$000 |
|--|-------------------------|-----------------------------|------------------------------|-----------------------------|
| Sources of operating funding | | | | |
| General rates, UAGC and rates penalties | \$ 655 | \$ 619 | \$ 654 | \$ 570 |
| Targeted rates | - | 3 | - | 3 |
| Subsidies and grants for operating purposes | 2 | - | - | - |
| Fees and charges | 369 | 309 | 303 | 300 |
| Internal charges and overheads recovered | 91 | 44 | 82 | 46 |
| Local authority fuel tax, fines, infringement fees other | 82 | 64 | 88 | 64 |
| Total sources of operating funding | 1,199 | 1,039 | 1,127 | 983 |
| Applications of operating funding | | | | |
| Payments to staff and suppliers | 813 | 851 | 856 | 807 |
| Finance costs | - | - | - | - |
| Internal charges and overheads applied | 114 | 57 | 97 | 54 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding | 927 | 908 | 953 | 861 |
| Surplus/(deficit) of operating funding | 272 | 131 | 174 | 122 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | - | - | - | - |
| Increase/(decrease) in debt | - | - | - | - |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding | - | - | - | - |
| Applications of capital funding | | | | |
| Capital expenditure - to meet additional demand | 1 | - | 10 | 10 |
| Capital expenditure - to improve level of service | 69 | 86 | 93 | 22 |
| Capital expenditure - to replace existing assets | 103 | 70 | 93 | 115 |
| Increase/(decrease) in reserves | 99 | (25) | (22) | (25) |
| Increase/(decrease) in investments | - | - | - | - |
| Total applications of capital funding | 272 | 131 | 174 | 122 |
| Surplus/(deficit) of capital funding | (272) | (131) | (174) | (122) |
| Funding balance | \$ - | \$ - | \$ - | \$ - |
| Internal interest and debt activity: | | | | |
| Included within Internal charges and overheads recovered is Internal Interest Revenue of: | \$ 91 | \$ 44 | \$ 68 | \$ 46 |
| Included within Internal charges and overheads applied is Internal Interest Expense of: | 19 | - | 10 | - |
| Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves)) | 359 | - | 295 | - |
| Increases in Internal Borrowings for the year | 73 | - | 295 | - |
| Decreases in Internal Borrowings for the year | (46) | - | - | - |

**Service Performance Statement - Parks and Recreation Group
for the year ended 30 June 2015**

| | | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|------------|----------------------------------|--------------------------------------|---------------------------------------|----------------------------------|
| Revenue | | | | | |
| Civic Amenities rates | | \$ 654 | \$ 619 | \$ 653 | \$ 646 |
| Targeted rates | | - | 3 | - | - |
| Revenue from activities | | 453 | 373 | 379 | 430 |
| Other revenue | | 92 | 44 | 68 | 71 |
| Total revenue | | 1,199 | 1,039 | 1,100 | 1,147 |
| Expenditure | | | | | |
| Employee benefit expenses | | 63 | 463 | 72 | 64 |
| Depreciation and amortisation | | 184 | 134 | 200 | 174 |
| Finance expenses | | 19 | - | 10 | 7 |
| Other expenses | | 844 | 445 | 867 | 881 |
| Total expenditure | | 1,110 | 1,042 | 1,149 | 1,126 |
| Operating Surplus/(deficit) | | \$ 89 | \$ (3) | \$ (49) | \$ 21 |
| Capital Expenditure | | | | | |
| | Key | | | | |
| Waitaki Lakes - provide powered camping sites | LOS | \$ - | \$ 53 | \$ - | \$ - |
| Waitaki Lakes - Compactor | LOS | - | - | 40 | - |
| Waitaki - Caretakers Motel | REP | - | - | - | (2) |
| Hakataramea Mower replacement | REP | 6 | - | - | - |
| Knottingley camp - provide powered camping sites | LOS | 19 | - | - | - |
| Victoria Park - Upgrade Cabins | LOS | 4 | 33 | 33 | - |
| Victoria Park - Double Ensuite | REP | - | - | - | (3) |
| Victoria Park - Appliances | REP | 3 | - | 5 | 3 |
| Pump station at Aviemore Lakes | REP | - | - | - | 12 |
| Cemetery extension | AD | - | - | 10 | - |
| Cemetery Mower replacement | REP | 27 | 32 | 32 | - |
| Morven Reserve - Plant and machinery | LOS | 34 | - | - | 4 |
| Victoria park - mower replacement | REP | 35 | 32 | 32 | 58 |
| Victoria park - parks officer motor vehicle | REP | - | - | 18 | - |
| Victoria park - parks sundry plant | REP | - | 6 | 6 | 4 |
| Victoria park - playground extension | AD | 1 | - | - | 28 |
| Victoria park - glasshouse upgrade (roof and walls) | REP | 16 | - | - | 3 |
| Knottingley park - driveway upgrade | LOS | 12 | - | 20 | - |
| Rural Reserves - Wainono Lagoon - Restricted Land | AD | - | - | - | 8 |
| Wainono Lagoon Fencing | REP | 11 | - | - | - |
| Swimming Pool ladder | REP | 5 | - | - | - |
| Pump and Sundry Plant Renewal | REP | - | - | - | 4 |
| | | \$ 173 | \$ 156 | \$ 196 | \$ 119 |
| Categories | | | | | |
| Meets additional demand | AD | \$ 1 | \$ - | \$ 10 | \$ 36 |
| Improve level of performance/service | LOS | 69 | 86 | 93 | 4 |
| Replace existing assets | REP | 103 | 70 | 93 | 79 |
| | | \$ 173 | \$ 156 | \$ 196 | \$ 119 |

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

Refer to the attached Service Performance Statements for Camping, Cemeteries, Parks and Public Spaces, and Swimming for explanation of variances.

Camping

What Do We Do Now?

Council operated camping grounds and cabins:

- Victoria Park is located on Naylor Street, Waimate, 5 minute walk from the centre of town
- Tennant Street Camp facility is located adjacent to Victoria Park
- Knottingley Park Motor Camp is located on Waihao Back Road, 2km from the town centre
- St Andrews Reserve is located on State Highway No 1, St Andrews
- Waitaki Lakes Reserves are located on Lake Aviemore and Lake Waitaki, 90km from Waimate. There are camping sites at Briars Gully, Te Aka, Waitangi East, Waitangi West and Fisherman's Bend and other areas of camping along the shoreline

Why Do We Do It?

To provide and maintain camping grounds to meet the recreation and leisure needs of local residents and visitors to the District. To allow camping in essentially wilderness spaces of Waitaki Lakes to be safe and hygienic.

How We Measure The Service Provided

| Customer | | | |
|--|--|---|--|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Provide high quality camping facilities | No more than 5 complaints about camping facilities not well maintained or tidy Target: No more than 5 complaints per year | No complaints received regarding maintenance of camping facilities. | Achieved (2014: Achieved - 1 complaint) |
| Camping facilities are provided that meet user needs | 80% of customers are satisfied or very satisfied with camping facilities, that have used them in the last year Target: 80%, 2012/13 thereafter biennially | 95% of customers who have used the camping facilities in the last year were very or fairly satisfied. | Achieved (2014: Not measured) |

Points of Significance

Knottingley Park Camping Ground - eight additional power points were installed.

Victoria Park Camping Ground - ensuites which were built in 2005/06, have had the windows and glass doors replaced with double glazing to improve warmth, reduce noise and solve condensation issues.

Service Performance Statement - Camping for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|-------------------------|-----------------------------|------------------------------|-------------------------|
| Revenue | | | | |
| Revenue from activities | \$ 301 | \$ 234 | \$ 241 | \$ 274 |
| Other revenue | 36 | 5 | 22 | 19 |
| Total revenue | 337 | 239 | 263 | 293 |
| Expenditure | | | | |
| Employee benefit expenses | 23 | 61 | 27 | 21 |
| Depreciation and amortisation | 64 | 26 | 70 | 62 |
| Finance expenses | 13 | - | 9 | 7 |
| Other expenses | 167 | 155 | 174 | 169 |
| Total expenditure | 267 | 242 | 280 | 259 |
| Operating Surplus/(deficit) | \$ 70 | \$ (3) | \$ (17) | \$ 34 |
| Capital Expenditure | | | | |
| Waitaki Lakes - provide powered camping sites | LOS \$ - | \$ 53 | \$ - | \$ - |
| Waitaki Lakes - Compactor | LOS - | - | 40 | - |
| Waitaki - Caretakers Motel | REP - | - | - | (2) |
| Hakataramea Mower replacement | REP 6 | - | - | - |
| Knottingley camp - provide powered camping sites | LOS 19 | - | - | - |
| Victoria Park - Upgrade Cabins | LOS 4 | 33 | 33 | - |
| Victoria Park - Double Ensuite | REP - | - | - | (3) |
| Victoria Park - Appliances | REP 3 | - | 5 | 3 |
| Pump station at Aviemore Lakes | REP - | - | - | 12 |
| Total Capital Expenditure | \$ 32 | \$ 86 | \$ 78 | \$ 10 |

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

Revenue from activities includes camping revenue which is favourable against the LTP Budget by \$59,000, this is an increase on the 2014 financial year camping revenue of \$26,000.

Other Revenue includes internal interest revenue which exceeded the LTP Budget due to the reserves balances being in a better position than anticipated.

Employee benefit expenses are comparable to the 2013 financial year however there has been a decrease from the LTP Budget. This decrease is the result of a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources, which is reflected in Other expenses.

Depreciation expenses were higher than the LTP Budget following building revaluation updated depreciation rates applied from 1 July 2012 and the vesting of assets from the Waitaki Lakes camping area.

Other expenses are above budget, predominately due to the change in allocation methodology to better reflect distribution, utilisation and allocation of resources.

Capital Expenditure was up on the 2014 financial year with additional costs relating to Knottingley Park and a Mower replacement.

Cemeteries

What Do We Do Now?

There are nine cemeteries in the Waimate District.

The two active Council operated cemeteries are in Otaio, 0.3495 ha and Waimate, 4.514 ha. Hakataramea area, Esk Valley and Waihao Downs cemeteries are run by community boards.

Glenavy, 0.3462 ha and Morven, 0.814 ha cemeteries are closed for interments but are maintained by Council.

There are two Maori cemeteries (Urupa) at Te Huruhuru Road near Waimate and Waihao Marae where burial may be permitted upon application to Te Runanga O Waihao.

Burial records are maintained by Council for the Otaio and Waimate cemeteries to assist relatives and genealogical research.

Why Do We Do It?

Local Authorities are required through the Burial and Cremation Act 1964 to provide cemeteries for their communities.

To provide an interment facility to service the needs of the community.

How We Measure The Service Provided

| Customer | | | |
|--|---|---|---|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Provide high quality cemetery facilities | 80% of customers are satisfied or very satisfied with cemeteries facilities, that have used them in the last year Target: 80%, 2012/13 thereafter biennially | 94% of visitors who have used the cemetery facilities in the last year were very or fairly satisfied. | Achieved (2014:Not measured) |
| Safe cemetery facilities are provided | No safety incidents occur in cemeteries Target: No safety incidents | No safety incidents reported. | Achieved (2014:Achieved) |
| Cemetery facilities are accessible to everyone | Less than 5 complaints per year about problems with access to cemetery facilities Target: Less than 5 complaints | No complaints were received about problems with access to the cemetery facility. | Achieved (2014:Achieved - 1 complaints) |
| Facilities and services are affordable | The community is satisfied that services and charges are affordable Target: Less than 5 complaints | No complaints were received. | Achieved (2014:Achieved - no complaints) |

Points of Significance

Remedial work was carried out on sunken graves by topping up with soil and grass seed sown to enhance their appearance and for safety reason for visitors.

**Service Performance Statement - Cemeteries
for the year ended 30 June 2015**

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|------------------------------------|----------------------------------|--------------------------------------|---------------------------------------|----------------------------------|
| Revenue | | | | |
| Civic Amenities rates | \$ 16 | \$ 45 | \$ 16 | \$ 34 |
| Revenue from activities | 45 | 51 | 38 | 44 |
| Other revenue | 1 | 2 | - | - |
| Total revenue | 62 | 98 | 54 | 78 |
| Expenditure | | | | |
| Employee benefit expenses | - | 37 | - | - |
| Depreciation and amortisation | 3 | 10 | 6 | 2 |
| Finance expenses | - | - | 1 | - |
| Other expenses | 80 | 51 | 57 | 69 |
| Total expenditure | 83 | 98 | 64 | 71 |
| Operating Surplus/(deficit) | \$ (21) | \$ - | \$ (10) | \$ 7 |
| Capital Expenditure | | | | |
| Cemetery extension | \$ - | \$ - | \$ 10 | \$ - |
| Cemetery Mower replacement | 27 | 32 | 32 | - |
| Total Capital Expenditure | \$ 27 | \$ 32 | \$ 42 | \$ - |

Key

AD
REP

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

Employee benefit expenses are favourable to budget due to the non-replacement of the Sexton, from October 2012, and utilising Parks staff to maintain the cemetery grounds and assist with burials as and when required.

Other expenses are above budget, predominately due to the change in allocation methodology to better reflect distribution, utilisation and allocation of resources.

Parks and Public Spaces

What Do We Do Now?

Maintain and develop Council owned facilities being:

Formal and Recreational Parks

In Waimate they consist of Victoria Park, Knottingley Park and Manchester Park, internal propagation and display, glasshouse showhouse and nursery/small glasshouse.

Victoria Park comprises of animal and bird enclosures, barbecue area, annual show display, plants and shrubberies, sports facilities for netball, outdoor bowls, cycling and athletics as well as facilities for other local community organisations eg scouts.

Under internal **propagation and display** Council undertakes plant rearing and propagation for annual garden displays in the town and at Victoria Park; while a show house display exists at Victoria Park. There are up to 30,000 plants.

The main formal recreational tree park is in **Knottingley Park**, Waihao Back Road, Waimate, 2km from the town centre. The 33.59 ha have been extensively planted and attracts the attention of many visitors, it also has a barbecue area. A new parcel of land in Horgans Road has recently been added. A voluntary organisation called "Friends of Knottingley Park" also assist in the maintenance and development of the park. Knottingley Park hosts equestrian events and cricket. Knottingley Park includes a collection of specimen trees and is seeking recognition as an arboretum.

Manchester Park is the main sporting ground for playing rugby and touch rugby in both winter and summer.

Rural Reserves

Nosh Cafe at SH1 - visually attractive roadsides and walkways, Waihao Box Reserve, Wilderness reserves and Centrewood Park.

This includes the thresholds to the townships of St Andrews, Makikihi, Glenavy and Waimate. Totara forests at Maori Cemetery at Point Bush Road and reserves at William Street, Gorge Road and Railway Terrace.

Rural Recreational Reserves

Morven - forestry, Waihaorunga, Glenavy, Hunter and Studholme.

The rural recreational reserves are all self sufficient domains maintained by local committees.

Urban Reserves

Boland Park, Seddon Square, general urban reserves (includes Gretna Green, Stadium site, Town Belt, Cameron Street and Wilkin Street etc).

Urban reserves used for fairs and festivals, playgrounds and picnics are situated in the centre of Waimate township.

Why Do We Do It?

Council provide these reserves for recreational and leisure purposes for the Waimate community and visitors to the District.

Community pride and public expectation is that Council continues to provide these reserves.

How We Measure The Service Provided

| Customer | | | |
|--|---|---|-------------------------------------|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Provide high quality facilities | 85% of customers are satisfied or very satisfied with Parks and Public facilities, that have used them in the last year Target: 85%, 2012/13 thereafter biennially | 97% of customers who have used the Parks and Public spaces facilities in the last year were very or fairly satisfied. | Achieved (2013:Not measured) |
| Park facilities are provided that meet community demand and are accessible to everyone | Council respond to requests for use of public spaces resulting in a satisfactory outcome measured by written complaints Target: Nil complaints | No complaints received. | Achieved (2014:Achieved) |
| Safe facilities are provided to public and staff | No safety incidents occur relating to Council's Parks and Public Spaces Target: Nil safety incidents | Nil safety incidents. | Achieved (2014:Achieved) |

Points of Significance

A new set of swings and a new slide were built at Knottingley Park, also swings were replaced with new swings in the urban reserves on Wilkin Street, Belt Street and at the skatepark. These were all built to New Zealand Playground Safety Standards.

Stormwater drains and culverts were cleared and developed to help with drainage problems within Knottingley Park. This is an on-going project for the next financial year.

The Friends of Knottingley Park Group have continued planting trees as they have for the last 22 years.

The show house situated in Victoria Park which was reconstructed after being damaged in the 2013 wind storm is once again open to the public. New plants consist of flowering specimens, plus cacti and succulents.

**Service Performance Statement - Parks and Public Spaces
for the year ended 30 June 2015**

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|-------------------------|-----------------------------|------------------------------|-------------------------|
| Revenue | | | | |
| Civic Amenities rates | \$ 534 | \$ 461 | \$ 532 | \$ 507 |
| Targeted rates | - | 3 | - | - |
| Revenue from activities | 83 | 64 | 76 | 92 |
| Other revenue | 41 | 24 | 34 | 39 |
| Total revenue | 658 | 552 | 642 | 638 |
| Expenditure | | | | |
| Employee benefit expenses | 4 | 305 | 5 | 4 |
| Depreciation and amortisation | 92 | 80 | 97 | 85 |
| Finance expenses | 6 | - | - | - |
| Other expenses | 504 | 167 | 542 | 567 |
| Total expenditure | 606 | 552 | 644 | 656 |
| Operating Surplus/(deficit) | \$ 52 | \$ - | \$ (2) | \$ (18) |
| Capital Expenditure | | | | |
| | | | | |
| Morven Reserve - Plant and machinery | LOS 34 | \$ - | \$ - | \$ 4 |
| Victoria park - mower replacement | REP 35 | 32 | 32 | 58 |
| Victoria park - parks officer motor vehicle | REP - | - | 18 | - |
| Victoria park - parks sundry plant | REP - | 6 | 6 | 4 |
| Victoria park - playground extension | AD 1 | - | - | 28 |
| Victoria park - glasshouse upgrade (roof and walls) | REP 16 | - | - | 3 |
| Knottingley park - driveway upgrade | LOS 12 | - | 20 | - |
| Rural Reserves - Wainono Lagoon - Restricted Land | AD - | - | - | 8 |
| Wainono Lagoon Fencing | REP 11 | - | - | - |
| Total Capital Expenditure | \$ 109 | \$ 38 | \$ 76 | \$ 105 |

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

General rates are above the LTP Budget predominantly due to the change in allocation methodology noted below at Other expenses.

Employee benefit expenses are minimal which has resulted from a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources, where the cost is now reflected in Other expenses. The LTP Budget was prepared prior to this change.

Depreciation and amortisation is higher than LTP Budget following building revaluations and updated depreciation rates applied from 1 July 2012.

Other expenses reflect the change in allocation methodology to better reflect distribution, utilisation and allocation of resources. The LTP Budget was prepared prior to this change.

Additionally Other expenses are below the LTP Budget and the 2014 financial year due to allocation of resources.

Swimming

What Do We Do Now?

The Norman Kirk Memorial Swimming Pool is a memorial to the late Prime Minister Norman Kirk, who was born in Waimate. It was opened in November 1978 and is located at the South end of Queen Street, Waimate. It is a six-lane pool, 33.3 metres long set in a 0.28 ha enclosure. The pool is outdoors, heated, landscaped and has a canteen.

The swimming pool is generally open from Labour weekend to mid March. The average temperature is 24-30°C. There are sessions to cater for lane swimmers, children, swimming clubs and schools.

Why Do We Do It?

The Council provision of a large, heated swimming pool contributes to community outcomes by providing a means of recreation and physical exercise for the community. Learning to swim is important for people's safety.

How We Measure The Service Provided

| Customer | | | |
|--|--|---|---------------------------------|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Safe swimming facilities are provided to public and staff | No safety incidents occur relating to the Swimming Pool Target: No safety incidents | No safety incidents have been reported. | Achieved (2014:Achieved) |
| | Rules and conditions of use of pool are visible at all times Target: 100% visible | Signs with rules and conditions of pool use are 100% visible around the pool area. | Achieved (2014:Achieved) |
| Opening hours are convenient for customers | No complaints regarding the pool facilities opening hours Target: Nil complaints | No complaints received. | Achieved (2014:Achieved) |
| Access to facilities and services is affordable and cost effective | Council offers affordable swimming with charges similar to neighbouring uncovered pools of similar size and nature Target: Swimming charges similar to neighbouring pools | Swimming pool charges are similar to neighbouring pools Temuka and Pleasant Point. | Achieved (2014:Achieved) |
| Provide high quality pool facilities | 85% of customers are satisfied or very satisfied with Swimming Pool facilities, that have used them in the last year Target: 85%, 2012/13 thereafter biennially | 91% of customers who have used the Waimate Swimming Pool facilities in the last year were very or fairly satisfied. | Achieved (2014:Not measured) |

Points of Significance

The Norman Kirk Memorial Pool continues to be well used by the public and visitors to the District. The local swimming club and schools continue to utilise the pool for swimming lessons and swim groups.

All the exterior surfaces on the buildings associated with the Norman Kirk Memorial Pool were painted before the 2014 season commenced.

**Service Performance Statement - Swimming
for the year ended 30 June 2015**

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|------------------------------------|----------------------------------|--------------------------------------|---------------------------------------|----------------------------------|
| Revenue | | | | |
| Civic Amenities rates | \$ 104 | \$ 113 | \$ 105 | \$ 105 |
| Revenue from activities | 24 | 24 | 24 | 20 |
| Other revenue | 14 | 13 | 12 | 13 |
| Total revenue | 142 | 150 | 141 | 138 |
| Expenditure | | | | |
| Employee benefit expenses | 36 | 60 | 40 | 39 |
| Depreciation and amortisation | 25 | 18 | 27 | 25 |
| Other expenses | 93 | 72 | 94 | 76 |
| Total expenditure | 154 | 150 | 161 | 140 |
| Operating Surplus/(deficit) | \$ (12) | \$ - | \$ (20) | \$ (2) |
| Capital Expenditure | | | | |
| Swimming Pool ladder | \$ 5 | \$ - | \$ - | \$ - |
| Pump and Sundry Plant Renewal | - | - | - | 4 |
| Total Capital Expenditure | \$ 5 | \$ - | \$ - | \$ 4 |

Key

REP
REP

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

Employee benefit expenses are comparable to the 2014 financial year but below the LTP Budget which has resulted from a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources, where the cost is now reflected in Other expenses. The LTP Budget was prepared prior to this change.

Other expenses are above both the LTP Budget and the 2014 financial year. The increase to the LTP budget resulted from a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources, where the cost is now reflected in Other expenses.

Organisation and Governance Group

What is Organisation and Governance and Why Do We Deliver It?

Through this group of activities the elected Council help the community contribute to Council plans and processes and then make decisions on the community's behalf. These decisions help ensure that the Council is contributing towards improving social, cultural, economic and environmental wellbeing of the District's communities.

The Organisation and Governance Group includes the following activities:

| | |
|---------------------------------|---|
| Community Representation | Elected members provide a governance role |
| Strategy | To plan for the future of the Waimate District |
| Managing Services | The organisational support functions that help Council to provide its activities in the most efficient and effective manner |

Community Outcomes to which this group of activities primarily contributes

| | |
|------------------------------------|---------------------------------|
| Organisation and Governance | Active and Supportive Community |
| | Safe and Healthy People |



Standing: Tom O'Connor, Peter McIlraith, Sharyn Cain, David Anderson
Seated: Sheila Paul, Arthur Gavegan, Mayor Craig Rowley, Peter Collins, Miriam Morton

Funding Impact Statement - Organisation and Governance Group
for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 LTP Budget \$000 |
|--|-------------------------|-----------------------------|------------------------------|-----------------------------|
| Sources of operating funding | | | | |
| General rates, UAGC and rates penalties | \$ 1,407 | \$ 1,552 | \$ 1,404 | \$ 1,429 |
| Targeted rates | - | - | - | - |
| Subsidies and grants for operating purposes | - | - | - | - |
| Fees and charges | - | - | - | - |
| Internal charges and overheads recovered | 2,601 | 1,510 | 2,237 | 1,480 |
| Local authority fuel tax, fines, infringement fees other | 76 | 14 | (381) | 41 |
| Total sources of operating funding | 4,084 | 3,076 | 3,260 | 2,950 |
| Applications of operating funding | | | | |
| Payments to staff and suppliers | 3,143 | 2,463 | 2,450 | 2,379 |
| Finance costs | - | - | - | - |
| Internal charges and overheads applied | 712 | 480 | 773 | 477 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding | 3,855 | 2,943 | 3,223 | 2,856 |
| Surplus/(deficit) of operating funding | 229 | 133 | 37 | 94 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | - | - | - | - |
| Increase/(decrease) in debt | - | - | - | - |
| Gross proceeds from sale of assets | 75 | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding | 75 | - | - | - |
| Applications of capital funding | | | | |
| Capital expenditure - to meet additional demand | - | - | - | - |
| Capital expenditure - to improve level of service | - | - | - | - |
| Capital expenditure - to replace existing assets | 265 | 201 | 228 | 153 |
| Increase/(decrease) in reserves | 39 | (68) | (191) | (59) |
| Increase/(decrease) in investments | - | - | - | - |
| Total applications of capital funding | 304 | 133 | 37 | 94 |
| Surplus/(deficit) of capital funding | (229) | (133) | (37) | (94) |
| Funding balance | \$ - | \$ - | \$ - | \$ - |
| Internal interest and debt activity: | | | | |
| Included within Internal charges and overheads recovered is Internal Interest Revenue of: | \$ 56 | \$ 107 | \$ 48 | \$ 110 |
| Included within Internal charges and overheads applied is Internal Interest Expense of: | 2 | 1 | 1 | 1 |
| Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves)) | 152 | 36 | 57 | 37 |
| Increases in Internal Borrowings for the year | 109 | - | 29 | - |
| Decreases in Internal Borrowings for the year | - | (1) | (9) | - |

**Service Performance Statement - Organisation and Governance Group
for the year ended 30 June 2015**

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|----------------------------------|--------------------------------------|---------------------------------------|----------------------------------|
| Revenue | | | | |
| General rates | \$ 1,408 | \$ 1,552 | \$ 1,403 | \$ 1,381 |
| Revenue from activities | 388 | 377 | 412 | 378 |
| Other revenue | 1,825 | 1,147 | 1,883 | 1,718 |
| Total revenue | 3,621 | 3,076 | 3,698 | 3,477 |
| Expenditure | | | | |
| Employee benefit expenses | 2,806 | 1,452 | 2,759 | 2,697 |
| Depreciation and amortisation | 158 | 130 | 195 | 118 |
| Finance expenses | 3 | 1 | 1 | - |
| Other expenses | 588 | 1,490 | 823 | 519 |
| Total expenditure | 3,555 | 3,073 | 3,778 | 3,334 |
| Operating Surplus/(deficit) | \$ 66 | \$ 3 | \$ (80) | \$ 143 |
| Capital Expenditure | | | | |
| Community Representation - Mayors Motor Vehicle | REP \$ 30 | \$ 32 | \$ - | \$ - |
| Website Redevelopment | LOS - | - | - | 35 |
| Hardware | REP 36 | 73 | 81 | 19 |
| Motor vehicles | REP 187 | 43 | 147 | - |
| Furniture | REP 6 | - | - | - |
| Software | REP 6 | 53 | - | - |
| | \$ 265 | \$ 201 | \$ 228 | \$ 54 |
| Categories | | | | |
| Meets additional demand | AD \$ - | \$ - | \$ - | \$ - |
| Improve level of performance/service | LOS - | - | - | 35 |
| Replace existing assets | REP 265 | 201 | 228 | 19 |
| | \$ 265 | \$ 201 | \$ 228 | \$ 54 |

Key

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

Refer to the attached Service Performance Statements for Community Representation, Strategy, and Managing Services for explanation of variances.

Community Representation

What Do We Do Now?

The District Council provides services to enable effective District management by the Mayor and Councillors.

The activity provides management support and advice to elected members and Council Officers. It also ensures that high levels of service are maintained, and that customers and staff are valued.

The role of the elected members and community representatives as part of this group is of the utmost importance. They represent the views of the community when decisions are being considered by Council. Council has a duty to recognise and respond to special local issues as they arise and is sometimes required to lobby central government on matters concerning the District.

Elected members provide a governance role for the District, set the strategic direction of the Council including determining the activities the Council undertakes (within legal parameters) and monitor the Council's performance on behalf of the District residents and ratepayers.

Why Do We Do It?

To ensure good governance and good decision-making, and to meet legal requirements. To allow residents of the Waimate District to participate in decision making for the good of their community. To enable Council to understand what the desired outcomes of the community are.

How We Measure The Service Provided

| Customer | | | |
|--|--|--|---|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Council provides opportunities for the community to raise local issues | Council provides a time slot for public forum in the agenda of each of its ordinary council meetings Target: Provide 11 public forums | 9 Ordinary Council meetings were held during the year offering a public forum. (The number was reduced due to Council meetings occurring at 6 weekly intervals instead of monthly) | Not achieved (2014:Not achieved - 10 public forums held) |
| Provide high quality Governance | 80% of residents are satisfied or very satisfied with mayor and councillors performance Target: 80%, 2012/13 thereafter biennially | The Survey conducted in April 2015 did not ask a question in relation to mayor and councillors performance. | Not measured (2014:Not measured) |
| | 80% of residents are satisfied or very satisfied with the way we spend their rates Target: 80%, 2012/13 thereafter biennially | 75% of residents were very or fairly satisfied with the way council spends their rates. | Not achieved (2014:Not measured) |

Points of Significance

Local Government elections were held in October 2013, which resulted in six new councillors around the table.

Due to the resignation of Councillor Thomson a By-election was held in March 2015 for the Pareora-Otaio-Makikihi ward. Councillor David Anderson was elected unopposed.

Council changed from a portfolio system to a three committee system, meeting every six weeks, with full Council meetings also on a six weekly cycle, three weeks apart.

**Service Performance Statement - Community Representation
for the year ended 30 June 2015**

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|----------------------------------|--------------------------------------|---------------------------------------|----------------------------------|
| Revenue | | | | |
| General rates | \$ 873 | \$ 945 | \$ 870 | \$ 885 |
| Revenue from activities | - | 4 | 4 | 25 |
| Other revenue | 3 | - | - | - |
| Total revenue | 876 | 949 | 874 | 910 |
| Expenditure | | | | |
| Employee benefit expenses | 141 | 445 | 130 | 130 |
| Depreciation and amortisation | 1 | 3 | 1 | 1 |
| Finance expenses | - | 1 | 1 | - |
| Other expenses | 627 | 486 | 709 | 724 |
| Total expenditure | 769 | 935 | 841 | 855 |
| Operating Surplus/(deficit) | \$ 107 | \$ 14 | \$ 33 | \$ 55 |
| Capital Expenditure | | | | |
| Community Representation - Mayors Motor Vehicle | \$ 30 | \$ 32 | \$ - | \$ - |
| Total Capital Expenditure | \$ 30 | \$ 32 | \$ - | \$ - |

Key

REP

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

The general rate requirement for the 2015 financial year was not required to increase as much as expected when the LTP Budget was prepared.

Employee benefit expenses for the LTP Budget were prepared before the change in allocation methodology which better reflect distribution, utilisation and allocation of staff resources.

Other expenses are above the LTP Budget predominately due to the change in allocation methodology which better reflect distribution, utilisation and allocation of resources. The level of overheads has reduced in 2015 comparative to the LTP Budget and the 2014 financial year.

Strategy

What Do We Do Now?

This activity comprises of the processes that support the Council's decision-making, for example, strategic planning, policy development, and monitoring and reporting.

Long Term Plans are produced three yearly, while Annual Plans are produced in the intervening two years. The Long Term Plan is rigorously examined by Audit NZ before releasing to the community, who may comment by way of submission.

The Annual Financial Report summaries the financial performance of Council every 30 June, but is supported throughout the year by quarterly reports.

Why Do We Do It?

To plan for the future of the Waimate District in an integrated and sustainable way for community wellbeing.

To monitor the progress of our Long Term Plan financially and on a service level.

How We Measure The Service Provided

| Customer | | | |
|--|--|---|---------------------------------|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Council identifies new major projects and promotes these to the community for comment | Council produces its Long Term Plan Summary or Annual Plan Summary each year and delivers it to every residence in the Waimate District on or before the second week of our months public consultation to encourage public submission Target: Summaries delivered no later than a week after consultation opens | The LTP 2015-25 consultation document was delivered to every household in the Waimate District by the Waimate Trader on Thursday 17 April 2015. | Achieved (2014:Achieved) |
| Council provides public access to it's Annual Reports, Long Term Plans or Annual Plans | Council makes available it's Annual Reports and LTP or Annual Plans in hard copy and on the website within one week from Council adoption Target: Adopted Reports and new plans available within a week | Councils Annual Report 2014 and LTP 2015-25 was available in hard copy and on the website within one week of adoption. | Achieved (2014:Achieved) |

Points of Significance

The Long Term Plan 2015-25 was produced with the consultation document highlighting seven major issues, 169 submissions were received.

The Long Term Plan 2015-25 received a clear opinion from Audit NZ.

**Service Performance Statement - Strategy
for the year ended 30 June 2015**

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|-------------------------------|----------------------------------|--------------------------------------|---------------------------------------|----------------------------------|
| Revenue | | | | |
| General rates | \$ 535 | \$ 607 | \$ 533 | \$ 496 |
| Other revenue | 47 | 10 | 43 | 4 |
| Total revenue | 582 | 617 | 576 | 500 |
| Expenditure | | | | |
| Employee benefit expenses | 160 | 256 | 205 | 123 |
| Depreciation and amortisation | 36 | - | 36 | - |
| Other expenses | 427 | 372 | 448 | 289 |
| Total expenditure | 623 | 628 | 689 | 412 |
| Operating Surplus/(deficit) | \$ (41) | \$ (11) | \$ (113) | \$ 88 |
| Capital Expenditure | | | | |
| Website Redevelopment | \$ - | \$ - | \$ - | \$ 35 |
| Total Capital Expenditure | \$ - | \$ - | \$ - | \$ 35 |

Key

LOS

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

Other revenue has increased from the 2014 financial year due to the addition of internal recoveries.

Employee benefit expenses are comparable to the 2014 financial year but below the LTP Budget which has resulted from a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources, where the cost is now reflected in Other expenses. The LTP Budget was prepared prior to this change.

Depreciation and amortisation relates to the full amortisation of aerial photography.

Other expenses are above the LTP Budget predominately due to a change in allocation methodology which better reflect distribution, utilisation and allocation of resources. The increase from the 2014 financial year is predominately due to the timing of Audit fees which increased by \$74,000 in the 2015 financial year and also new on-going aerial imagery expenses of \$29,000 in the 2015 financial year.

Managing Services

What Do We Do Now?

Managing Services incorporates the organisational support functions that help Council to provide its other activities in the most efficient and effective manner. It includes:

- **Community Services** - Customer Service, Corporate Planning, Finance, General Administration, Human Resources, Information Management, Office of the Chief Executive, Strategic Development, Monitoring and Reporting, Economic Development and District Promotion and Library
- **Environmental Services Officers** - Resource Management, Building Control, Regulatory Services, Dog and Animal Control, and Emergency Management
- **Asset Management Engineers and Utilities Staff** - Sewer, Stormwater, Waste Management, Water - Rural and Urban, and Roading and Footpaths
- **Parks Officer and Staff** - Parks and Public Spaces, Swimming Pool, Camping and Cemetery

Why Do We Do It?

This activity contributes to all Community Outcomes by supporting all of Council's activities.

How We Measure The Service Provided

| Customer | | | |
|--|---|--|-----------------------------|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Accurate information about Council services is readily available | Council website is available to public 365 days a year Target: Website available 365 days | Other than for the scheduled maintenance and unexpected outages by our cloud service provider the website was available and accessible to the public throughout the 12 months. | Achieved (2014:Achieved) |
| | Customers can reach Council by phone 24hrs a day, 7 days a week Target: Phone operating 24/7 | Customers could reach Council by phone during opening hours and through TAS (our answering service) after hours during the 12 months. | Achieved (2014:Achieved) |

Service Performance Statement - Managing Services
for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|-------------------------------|-------------------------|-----------------------------|------------------------------|-------------------------|
| Revenue | | | | |
| Revenue from activities | \$ 388 | \$ 373 | \$ 408 | \$ 353 |
| Other revenue | 1,775 | 1,137 | 1,840 | 1,714 |
| Total revenue | 2,163 | 1,510 | 2,248 | 2,067 |
| Expenditure | | | | |
| Employee benefit expenses | 2,505 | 751 | 2,424 | 2,444 |
| Depreciation and amortisation | 121 | 127 | 158 | 117 |
| Finance expenses | 3 | - | - | - |
| Other expenses | (466) | 632 | (334) | (494) |
| Total expenditure | 2,163 | 1,510 | 2,248 | 2,067 |
| Operating Surplus/(deficit) | \$ - | \$ - | \$ - | \$ - |
| Capital Expenditure | | | | |
| Hardware | REP \$ 36 | \$ 73 | \$ 81 | \$ 19 |
| Motor vehicles | REP 187 | 43 | 147 | - |
| Furniture | REP 6 | - | - | - |
| Software | REP 6 | 53 | - | - |
| Total Capital Expenditure | \$ 235 | \$ 169 | \$ 228 | \$ 19 |

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

The LTP Budget allocation methodology was based on support functions within a group of activities being allocated to those activities as direct costs. For the 2015 financial year both actual and budget values support costs, at an all of Council level as well as within specific groups of activities, have been classified as part of the Managing Services activity and allocated from Managing Services to appropriate activities. For some of the support functions the recovery of employee benefit expenses is reflected via an internal negative expense within Other expenses otherwise all net costs are then recovered via internal revenue reflected within Other revenue.

Capital expenditure has increased significantly with additional investment in Motor Vehicles.

Environmental Services Group

What is Environmental Services and Why Do We Deliver It?

This group contains functions to make sure people are safe - from being prepared for emergencies to implementing bylaws to having well-constructed buildings. It includes activities that could affect public health and is largely managed through central government legislation.

The Environmental Services Group includes the following activities:

| | |
|-------------------------------|---|
| Building Control | The protection of people and communities by ensuring buildings are safe |
| Resource Management | The sustainable management of natural and physical resources of the Waimate District |
| Emergency Management | The promotion of individual and community resilience in emergencies, and the enhancement of community capability to respond to and recover from disasters |
| Regulatory Services | Regulating and monitoring activities that affect community health and safety |
| Dog and Animal Control | Enforcing public safety and effective regulation of animals within our District |

Community Outcomes to which this group of activities primarily contributes

| | |
|-------------------------------|--------------------------------------|
| Environmental Services | Safe and Healthy People |
| | Sustainable District and Environment |
| | Wealthy Community |



Funding Impact Statement - Environmental Services Group

for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 LTP Budget \$000 |
|--|-------------------------|-----------------------------|------------------------------|-----------------------------|
| Sources of operating funding | | | | |
| General rates, UAGC and rates penalties | \$ 771 | \$ 634 | \$ 768 | \$ 610 |
| Targeted rates | - | - | - | - |
| Subsidies and grants for operating purposes | - | - | - | - |
| Fees and charges | 505 | 420 | 474 | 407 |
| Internal charges and overheads recovered | 14 | 26 | 19 | 28 |
| Local authority fuel tax, fines, infringement fees other | 11 | 3 | 3 | 3 |
| Total sources of operating funding | 1,301 | 1,083 | 1,264 | 1,048 |
| Applications of operating funding | | | | |
| Payments to staff and suppliers | 600 | 836 | 921 | 814 |
| Finance costs | - | - | - | - |
| Internal charges and overheads applied | 533 | 173 | 268 | 164 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding | 1,133 | 1,009 | 1,189 | 978 |
| Surplus/(deficit) of operating funding | 168 | 74 | 75 | 70 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | 13 | 21 | 21 | 21 |
| Increase/(decrease) in debt | - | - | - | - |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding | 13 | 21 | 21 | 21 |
| Applications of capital funding | | | | |
| Capital expenditure - to meet additional demand | - | - | - | - |
| Capital expenditure - to improve level of service | - | - | 52 | 57 |
| Capital expenditure - to replace existing assets | 74 | 6 | 55 | 85 |
| Increase/(decrease) in reserves | 107 | 89 | (11) | (51) |
| Increase/(decrease) in investments | - | - | - | - |
| Total applications of capital funding | 181 | 95 | 96 | 91 |
| Surplus/(deficit) of capital funding | (168) | (74) | (75) | (70) |
| Funding balance | \$ - | \$ - | \$ - | \$ - |
| Internal interest and debt activity: | | | | |
| Included within Internal charges and overheads recovered is Internal Interest Revenue of: | \$ 14 | \$ 26 | \$ 14 | \$ 28 |
| Included within Internal charges and overheads applied is Internal Interest Expense of: | 41 | 5 | 7 | 2 |
| Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves)) | 719 | 72 | 495 | 72 |
| Increases in Internal Borrowings for the year | 54 | - | 422 | 40 |
| Decreases in Internal Borrowings for the year | (49) | - | - | - |

**Service Performance Statement - Environmental Services Group
for the year ended 30 June 2015**

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|----------------------------------|--------------------------------------|---------------------------------------|----------------------------------|
| Revenue | | | | |
| General rates | \$ 771 | \$ 635 | \$ 768 | \$ 645 |
| Revenue from activities | 530 | 443 | 498 | 652 |
| Other revenue | 13 | 26 | 14 | 12 |
| Total revenue | 1,314 | 1,104 | 1,280 | 1,309 |
| Expenditure | | | | |
| Employee benefit expenses | 312 | 506 | 296 | 303 |
| Depreciation and amortisation | 44 | 52 | 47 | 52 |
| Finance expenses | 41 | 5 | 7 | 27 |
| Other expenses | 780 | 497 | 887 | 1,089 |
| Total expenditure | 1,177 | 1,060 | 1,237 | 1,471 |
| Operating Surplus/(deficit) | \$ 137 | \$ 44 | \$ 43 | \$ (162) |
| Capital Expenditure | | | | |
| Building Control officers motor vehicle | REP \$ 62 | \$ - | \$ 40 | \$ - |
| Building Control - Inspection Hardware/Software | LOS - | - | 52 | - |
| Building Control - Sundry | REP - | - | 1 | - |
| Building Control - Measuring Instrument - Eurotec | REP - | - | - | 1 |
| Rural Fire - fire tanker (Waihaorunga) | LOS - | - | - | 55 |
| Rural Fire - plant | REP 7 | 6 | 3 | 6 |
| Rural Fire - fire tanker (Glenavy) | REP - | - | - | (1) |
| Civil Defence - Mobile technology Hardware | REP - | - | 1 | - |
| Dog and Animal Control - Motor Vehicle replacement | REP - | - | 10 | - |
| Dog Pound - Concrete Run Yard | REP 5 | - | - | - |
| | \$ 74 | \$ 6 | \$ 107 | \$ 61 |
| Categories | | | | |
| Meets additional demand | AD \$ - | \$ - | \$ - | \$ - |
| Improve level of performance/service | LOS - | - | 52 | 55 |
| Replace existing assets | REP 74 | 6 | 55 | 6 |
| | \$ 74 | \$ 6 | \$ 107 | \$ 61 |

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

Refer to the attached Service Performance Statements for Building Control, Resource Management, Emergency Management, Regulatory Services, and Dog and Animal Control for explanation of variances.

Building Control

What Do We Do Now?

Council is now accredited as a Building Consent Authority under the Building Act 2004.

Council carries out the following tasks:

- Inspection of buildings and issuing building consents (approximately 300 building consents issued each year)
- Inspection of swimming pool fencing
- Administering and auditing Building Warrants of Fitness
- Issuing Land and Project Information Memoranda
- Dealing with complaints relating to building work and illegal building

Why Do We Do It?

Council has statutory responsibilities under the Building Act 2004 section 12 (2) to provide the services for this activity.

The Building Act provides for the regulation of building work, a licensing regime for building practitioners and setting performance standards for buildings.

How We Measure The Service Provided

| Customer | | | |
|--|---|---|--|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| That builders and designers are kept up to date with important building code changes | That the Building Control Authority issues newsletters to builders, plumbers and designers on a quarterly basis Target: Newsletters issued 4 times | Newsletters issued 2 times and 1 Builders evening held. | Not achieved (2014:Not achieved - no newsletters) |
| The Building Control Authority process consents in a timely manner | That Council issues building consents within the statutory time frame Target: 100% consents issues within 20 working days | 294 out of 295 building consents were issued within 20 working days. 99.66%. | Not achieved (2014:Not achieved - 337 out of 340 issued within timeframe) |
| Provide reliable building control services | 80% of satisfied or very satisfied residents with the overall performance of the Building Control service Target: 80%, 2012/13 thereafter biennially | 48% of residents (74% of users) were very or fairly satisfied with the overall performance of the Building Control service. | Not achieved (2014:Not measured) |

Points of Significance

The Building Control Department has fully implemented the new Quality Assurance System, greatly enhancing the overall knowledge and effectiveness of staff within the department. This improvement aligns the technical and non-technical aspects of the department and sets a firm foundation for ongoing Accreditation as a Building Control Authority.

Staff cleared the backlog of 369 Code Compliance Certificates (CCCs) from the 2005 – 2011 period.

Building Control officers attained formal qualifications.

Service Performance Statement - Building Control for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|---|-------------------------|-----------------------------|------------------------------|-------------------------|
| Revenue | | | | |
| General rates | \$ 123 | \$ 94 | \$ 123 | \$ 93 |
| Revenue from activities | 353 | 290 | 334 | 396 |
| Total revenue | 476 | 384 | 457 | 489 |
| Expenditure | | | | |
| Employee benefit expenses | 170 | 233 | 167 | 175 |
| Depreciation and amortisation | 6 | 17 | 14 | 6 |
| Finance expenses | 34 | 3 | 1 | 23 |
| Other expenses | 243 | 131 | 268 | 489 |
| Total expenditure | 453 | 384 | 450 | 693 |
| Operating Surplus/(deficit) | \$ 23 | \$ - | \$ 7 | \$ (204) |
| Capital Expenditure | | | | |
| Building Control officers motor vehicle | REP \$ 62 | \$ - | \$ 40 | \$ - |
| Building Control - Inspection Hardware/Software | LOS - | - | 52 | - |
| Building Control - Sundry | REP - | - | 1 | - |
| Building Control - Measuring Instrument - Eurotec | REP - | - | - | 1 |
| Total Capital Expenditure | \$ 62 | \$ - | \$ 93 | \$ 1 |

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

Revenue from activities exceeds the LTP Budget due to increased consent fees, however the consent fee revenue has reduced from the 2014 financial year levels.

Employee benefit expenses are down on the LTP Budget as the result of a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources.

Finance expenses are comparable to the 2014 financial year but have exceeded the LTP Budget due to negative reserves balances resulting in an higher allocation of internal interest expense than budgeted.

Other expenses have increased compared to the LTP Budget predominately due to legal fees and additional consultancy fees. The decrease in other expenses compared to the 2014 financial year is related to reduced legal fees of \$127,000 and reduced consultancy/accreditation fees of \$88,000.

Capital expenditure for the building officers motor vehicle was incurred however the Inspection Hardware/Software has been deferred due to delays in the development of the programme.

Resource Management

What Do We Do Now?

Council has responsibilities for the sustainable management of natural and physical resources of the Waimate District. The main tasks associated with this are:

- Preparing and administering the Waimate District Plan
- Processing land-use and subdivision resource consents, notices of requirement and District Plan variations
- Involved in processing Land Information and Project Information Memorandums
- Managing development of some land-use activities through the District Plan
- Compliance monitoring and 'state of the environment' reporting
- Providing information in response to public enquiries

Why Do We Do It?

Council has statutory obligations under the Resource Management Act 1991 (RMA) to provide the services for this activity. The RMA requires the sustainable management of natural and physical resources. This enables Council to ensure environmental wellbeing of the District whilst complying with statutory obligations.

How We Measure The Service Provided

| Customer | | | |
|--|--|---|---|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Respond to customer complaints and requests in a timely manner | Council responds to all environmental complaints within 10 days Target: Respond to complaints within 10 days | Council responded to all 9 environmental complaints within 10 days. | Achieved (2014: Achieved - 8 complaints responded to within timeframe) |
| That consents are actioned promptly | That all resource consents are actioned within the statutory timeframe Target: Actioned within statutory timeframes Non notified 20 days Notified 70 days (as at March 2015: 60-130 days) | 52 of the 53 resource consents were actioned within the statutory timeframe. Achieving 98% compliance. No notified applications have been processed. | Not achieved (2014: Not achieved - 50 of 54 actioned within statutory timeframe) |

**Service Performance Statement - Resource Management
for the year ended 30 June 2015**

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|------------------------------------|----------------------------------|--------------------------------------|---------------------------------------|----------------------------------|
| Revenue | | | | |
| General rates | \$ 170 | \$ 170 | \$ 169 | \$ 162 |
| Revenue from activities | 42 | 53 | 42 | 97 |
| Other revenue | 11 | 20 | 12 | 10 |
| Total revenue | 223 | 243 | 223 | 269 |
| Expenditure | | | | |
| Employee benefit expenses | 89 | 119 | 86 | 83 |
| Depreciation and amortisation | - | 1 | - | - |
| Other expenses | 59 | 79 | 101 | 103 |
| Total expenditure | 148 | 199 | 187 | 186 |
| Operating Surplus/(deficit) | \$ 75 | \$ 44 | \$ 36 | \$ 83 |

Significant variations from Long Term Plan 2012 - 2022

Revenue from activities revenue has reduced compared to the 2014 financial year due to reductions in consent revenue and reserve contributions.

Employee benefit expenses for the LTP Budget were prepared before the change in allocation methodology which better reflect distribution, utilisation and allocation of staff resources. The offset is now within Other expenses.

Other expenses are below the LTP Budget due to reduced monitoring expenses of \$21,000. The reduction in other expenses from the 2014 financial year is related to reduction to overheads of \$34,000 and district plan costs of \$33,000.

Emergency Management

What Do We Do Now?

Emergency Management

Council's role in emergency services includes developing contingency plans and maintaining a range of equipment for use in an emergency to save lives and protect property. This involves recruiting, training and managing an emergency management team within Council as well as a volunteer network from throughout the community.

Fire Fighting

Waimate District Council is a member of the South Canterbury Rural Fire Authority, which is responsible for Rural Fire activities undertaken in the South Canterbury Rural Fire District. The Authority is a legal entity formed by Mackenzie, Waimate and Timaru District Councils, Forest Managers of Blakely Pacific Limited and Waimate Forest Group, the Department of Conservation and the New Zealand Fire Service.

Why Do We Do It?

Under the Civil Defence and Emergency Management Act 2002, Council must have local arrangements in place to provide for the maintenance and operation of a civil defence organisation, which are consistent with National and Regional Civil Defence Emergency Management Plans. Civil Defence Emergency Management arrangements for the Waimate District are included as part of the Canterbury Civil Defence Emergency Management Group.

The South Canterbury Rural Fire Authority role is to protect life, property and vegetation from the threat of wildfire and provides services such as volunteer training, hazard assessment, co-ordination, response to and recovery from rural fire incidents.

How We Measure The Service Provided

| Customer | | | |
|--|---|---|---|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| To keep people well informed to Civil Defence Emergency Management matters | Council publishes emergency management information at least twice each year Target: Information published twice yearly | On 26 September 2014 Waimate News and Views published an article 'What would you do' and advert in Waimate Trader on 26 September 2014 'Get Ready Week'. 11 December 2014 Newsline published an article 'Summer planning for campers'. | Achieved (2014:Achieved) |
| | Council's Emergency Co-ordinator discusses preparedness for an emergency with at least four community groups per year Target: Meet with four groups per year | Attended 'Networking in Waihaorunga' on 6 August 2014, shared coordination of 'South Canterbury Welfare Forum' in Timaru on 9 September 2014, facilitated session with Eldercare at Lister Home on 16 March 2015, met with CDEM volunteers in Glenavy to develop community plan on 20 April 2015. | Achieved (2014:Achieved) |
| | That Emergency Management Co-ordinator meets with sector post volunteers at least twice each year Target: Meet twice a year | Met with 8 of the 18 sector posts (wardens or alternatives) in first 6 months. Met with 5/16 sector posts (wardens or alternatives) in second 6 months. (NB: 2 sector posts non functioning Maungati and Otaio) | Not achieved (2014:Not achieved) |
| Provide reliable Emergency Management Service | 85% of satisfied or very satisfied residents with the overall performance of the Emergency Management service Target: 85%, 2012/13 thereafter biennially | 67% of residents were very or fairly satisfied with the overall performance of the Emergency Management service. | Not achieved (2014:Not measured) |

Points of Significance

Council participated in a Canterbury wide monitoring and evaluation programme arranged by the Ministry of Civil Defence and Emergency Management (MCDEM). The programme, undertaken every five years, highlighted improvements organisation wide.

Service Performance Statement - Emergency Management for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|-------------------------|-----------------------------|------------------------------|-------------------------|
| Revenue | | | | |
| General rates | \$ 246 | \$ 253 | \$ 245 | \$ 232 |
| Revenue from activities | - | - | - | 6 |
| Other revenue | 2 | - | - | - |
| Total revenue | 248 | 253 | 245 | 238 |
| Expenditure | | | | |
| Employee benefit expenses | 33 | 66 | 26 | 22 |
| Depreciation and amortisation | 37 | 29 | 29 | 44 |
| Finance expenses | 7 | 2 | 6 | 4 |
| Other expenses | 183 | 156 | 184 | 182 |
| Total expenditure | 260 | 253 | 245 | 252 |
| Operating Surplus/(deficit) | \$ (12) | \$ - | \$ - | \$ (14) |
| Capital Expenditure | | | | |
| Rural Fire - fire tanker (Waihaorunga) | LOS \$ - | \$ - | \$ - | \$ 55 |
| Rural Fire - plant | REP 7 | 6 | 3 | 6 |
| Rural Fire - fire tanker (Glenavy) | REP - | - | - | (1) |
| Civil Defence - Mobile technology Hardware | REP - | - | 1 | - |
| Total Capital Expenditure | \$ 7 | \$ 6 | \$ 4 | \$ 60 |

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

Employee benefit expenses for the LTP Budget were prepared before the change in allocation methodology which better reflect distribution, utilisation and allocation of staff resources. The offset is now within Other expenses.

Regulatory Services

What Do We Do Now?

Inspection of the Waimate District on all health and nuisance related complaints and identify and report on matters that may potentially create adverse health effects or pose a nuisance to the community.

Council's Environmental Health Section carries out the following tasks:

- Dealing with any public health issues arising from adverse weather leading to floods and power cuts (surcharging sewers, food spoilage, water quality)
- Investigation and reporting on notifiable infectious diseases
- Investigation of health nuisances as defined under the Health Act 1956, including failed on-site effluent systems
- Respond, investigate and report on noise nuisance complaints
- Regulatory, advisory licensing, inspection and administrative roles in liquor licensing, registered and unregistered food premises, and other registered premises
- Annual registration of offensive trades, camping grounds, hairdressers, funeral directors and mobile shops
- Report on building consent applications for premises required to be registered under the Health Act 1956
- Investigate and report in relation to the Consolidated Bylaw, such as Trading in Public Places, Keeping of Animals, Liquor Ban Bylaw
- Report on Land Information Memorandums regarding health hazards, food and liquor licences and outstanding requisitions
- Liaise with other authorities, such as Ministry of Health and Regional Councils, regarding recreational water quality (beaches, rivers and lakes) - food complaints, drinking water, poisoning programmes, discharges to air (dust, smoke, odour), contaminated sites
- Monitoring of substandard accommodation and investigation of health aspects of habitable buildings, e.g. dampness, overcrowding, insanitary conditions
- Working with Public Health Unit/Police - Pandemic planning and Clandestine Laboratories ('P' Labs)
- Litter - Respond and investigate complaints
- Public Health Education input - Polytechnic courses (Liquor and Food Safety), schools, interest/service groups
- Stock Crossing Licences

Why Do We Do It?

Council has statutory obligations under numerous statutes including the Health Act 1956, Resource Management Act 1991, Food Act 2014, and the Sale and Supply of Alcohol Act 2012 to provide the services for this activity.

How We Measure The Service Provided

| Customer | | | |
|--|--|--|---------------------------------|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Respond to customer complaints and requests in a timely manner | Council actions food hygiene related complaints within 48 hours Target: Complaints actioned within 48hrs | All food hygiene complaints were actioned within 48 hours. Nil complaints were received for this period. | Achieved (2014:Achieved) |
| | Council actions noise complaints in the case of late night party noise within 2 hours Target: Party noise complaints actioned within 2hrs | 49 noise complaints, TAS advised First Security of after hours calls. 48 complaints were actioned within 2 hours. 1 complaint was not actioned due to safety concerns for the officer. | Achieved (2014:Achieved) |

| Customer | | | |
|--|--|--|--------------------------------------|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| | Other noise complaints actioned within 72 hours Target: Other noise complaints actioned within 72hrs | 4 industrial and 4 other complaints reported the day after the noise. All actioned within 72hrs. | Achieved (2014: Achieved) |
| Respond to customer complaints and requests in a timely manner | Council responds to all regulatory service complaints within 10 days Target: Complaints responded to within 10 days | 2 complaints (1 x long grass, 1 x overhanging trees). Letters sent within 10 days. | Achieved (2014: Achieved) |
| All cow crossings have the appropriate permits | Council reviews every cow crossing permit annually Target: Review all permits annually | All permits are current, with 34 active licences. | Achieved (2012: Not achieved) |

Points of Significance

The Regulatory Department has been involved in the progression of the Joint Provisional Local Alcohol Policy in partnership with Timaru and Mackenzie District Councils. It is expected that this policy will be finally adopted late in 2015.

The new Psychoactive Substances Local Approved Products Policy has been adopted by Council.

Service Performance Statement - Regulatory Services for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|-------------------------------|-------------------------|-----------------------------|------------------------------|-------------------------|
| Revenue | | | | |
| General rates | \$ 111 | \$ 98 | \$ 110 | \$ 92 |
| Revenue from activities | 3 | - | 30 | 28 |
| Other revenue | - | 2 | 1 | 1 |
| Total revenue | 114 | 100 | 141 | 121 |
| Expenditure | | | | |
| Employee benefit expenses | - | 35 | - | - |
| Depreciation and amortisation | - | 1 | - | - |
| Other expenses | 122 | 64 | 141 | 134 |
| Total expenditure | 122 | 100 | 141 | 134 |
| Operating Surplus/(deficit) | \$ (8) | \$ - | \$ - | \$ (13) |

Significant variations from Long Term Plan 2012 - 2022

Revenue from activities is below the 2014 financial year as no liquor license fee revenue has been received in the current year.

Employee benefit expenses are nil which has resulted from a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources, where the cost is now reflected in Other expenses. The LTP Budget was prepared prior to this change.

Other expenses are above the LTP Budget predominately due to a change in allocation methodology which better reflect distribution, utilisation and allocation of resources.

Dog and Animal Control

What Do We Do Now?

Council Dog and Animal Control carries out the following tasks:

- Investigating and acting upon dog and animal related complaints
- Enforcing Council's bylaws and policy pertaining to dogs and/or animals
- Impounding dogs
- Maintaining a register of dogs

Why Do We Do It?

Council has statutory responsibilities under the Dog Control Act 1996 and its subsequent amendments, along with the Impounding Act 1955, to provide the services for this activity.

The objectives of the Dog Control Act 1996:

The better provision for the care and control of dogs:

- By requiring the registration of dogs; and
- By making special provision in relation to dangerous dogs; and
- By imposing on the owners of dogs, obligations designed to ensure that dogs do not cause a nuisance to any person and do not injure, endanger, or cause distress to any person; and
- By imposing on owners of dogs obligations designed to ensure that dogs do not injure, endanger or distress any stock, poultry, domestic animal, or protected wildlife.

We also administer the Waimate District Council Dog Control Bylaw and Policy. The bylaw and policy promotes public safety and effective regulation of dogs and wandering animals within our District.

How We Measure The Service Provided

| Customer | | | |
|---|---|--|---|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Known dogs are registered each year | Council advertises dog registration requirements each year Target: Advertise annually | Dog registration was advertised in Newsline and on the Council website in June 2015. | Achieved (2014:Achieved) |
| Council responds quickly to wandering stock complaints | Council responds to all wandering stock and animal related complaints within 2 hours Target: Respond within 2hrs | There were 171 wandering dogs and 92 wandering stock complaints. All responded to within 2 hours. | Achieved (2014:Achieved - 337 complaints attended to within timeframe) |
| Council responds quickly to dog attacks on people and stock | Council staff interview complainants within 2 hours of a dog attack on people or stock Target: Interview within 2hrs | There were 11 attacks on animal/stock and 5 attacks on people. All complainants were interviewed within 2 hours. | Achieved (2014:Achieved - 25 complaints all interviews within timeframe) |

Points of Significance

The Dog Control Policy and Dog Control Bylaw have undergone full review and adoption by Council.

In December 2014 Council achieved registration of 100% of all known dogs as at 1 July 2014.

Service Performance Statement - Dog and Animal Control for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--|-------------------------|-----------------------------|------------------------------|-------------------------|
| Revenue | | | | |
| General rates | \$ 121 | \$ 20 | \$ 121 | \$ 66 |
| Revenue from activities | 132 | 100 | 92 | 125 |
| Other revenue | - | 4 | 1 | 1 |
| Total revenue | 253 | 124 | 214 | 192 |
| Expenditure | | | | |
| Employee benefit expenses | 20 | 53 | 17 | 23 |
| Depreciation and amortisation | 1 | 4 | 4 | 2 |
| Other expenses | 173 | 67 | 193 | 181 |
| Total expenditure | 194 | 124 | 214 | 206 |
| Operating Surplus/(deficit) | \$ 59 | \$ - | \$ - | \$ (14) |
| Capital Expenditure | | | | |
| Dog and Animal Control - Motor Vehicle replacement | \$ - | \$ - | \$ 10 | \$ - |
| Dog Pound - Concrete Run Yard | 5 | - | - | - |
| Total Capital Expenditure | \$ 5 | \$ - | \$ 10 | \$ - |

Key

REP
REP

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

General rates have increased against the LTP Budget and the 2014 financial year following a review of activities and where the charge should be apportioned. As a result a greater proportion of the costs of Dog and Animal Control are now levied as part of General Rates.

Revenue from activities is comparable to the 2014 financial year however has exceeded the LTP Budget due to increased registration and penalties received.

Employee benefit expenses are down on LTP Budget partly due to use of a part time resource and as a result of a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources, now reflected in Other expenses.

Other expenses are above LTP Budget, this is predominately due to a change in allocation methodology which better reflects distribution, utilisation and allocation of resources. Other expenses were below the Annual Plan due to allowances budgeted of \$16,000 where no costs were recorded.

Capital expenditure - the Motor vehicle replacement has been deferred.

Community Services Group

What is Community Services and Why Do We Deliver It?

The Community Services group of activities involves promoting the social, cultural and economic development of our communities to ensure they have a good quality of life.

The Community Services Group includes the following activities:

| | |
|--|---|
| Economic Development and Promotions | To increase the wealth of the people and the viability of the businesses in the District |
| Community Support | Assists the continuation and development of many community groups and facilities which contribute to social, cultural and recreational outcomes |
| Library | The provision of a walk in library service offering a wide collection of reading material and electronic information |

Community Outcomes to which this group of activities primarily contributes

| | |
|---------------------------|---------------------------------|
| Community Services | Active and Supportive Community |
| | A Place of Culture and Learning |
| | Safe and Healthy People |
| | Wealthy Community |



Photographer: Glenda Begg

Funding Impact Statement - Community Services Group
for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 LTP Budget \$000 |
|--|-------------------------|-----------------------------|------------------------------|-----------------------------|
| Sources of operating funding | | | | |
| General rates, UAGC and rates penalties | \$ 569 | \$ 600 | \$ 568 | \$ 580 |
| Targeted rates | - | - | - | - |
| Subsidies and grants for operating purposes | 24 | 21 | 20 | 20 |
| Fees and charges | 11 | 12 | 14 | 12 |
| Internal charges and overheads recovered | 6 | 2 | 2 | 1 |
| Local authority fuel tax, fines, infringement fees other | 21 | 32 | 29 | 32 |
| Total sources of operating funding | 631 | 667 | 633 | 645 |
| Applications of operating funding | | | | |
| Payments to staff and suppliers | 358 | 437 | 383 | 425 |
| Finance costs | - | - | - | - |
| Internal charges and overheads applied | 186 | 163 | 196 | 158 |
| Other operating funding applications | - | - | - | 100 |
| Total applications of operating funding | 544 | 600 | 579 | 683 |
| Surplus/(deficit) of operating funding | 87 | 67 | 54 | (38) |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | - | - | - | - |
| Increase/(decrease) in debt | - | - | - | - |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding | - | - | - | - |
| Applications of capital funding | | | | |
| Capital expenditure - to meet additional demand | - | - | - | - |
| Capital expenditure - to improve level of service | - | - | - | - |
| Capital expenditure - to replace existing assets | 47 | 68 | 64 | 65 |
| Increase/(decrease) in reserves | 40 | (1) | (10) | (103) |
| Increase/(decrease) in investments | - | - | - | - |
| Total applications of capital funding | 87 | 67 | 54 | (38) |
| Surplus/(deficit) of capital funding | (87) | (67) | (54) | 38 |
| Funding balance | \$ - | \$ - | \$ - | \$ - |
| Internal interest and debt activity: | | | | |
| Included within Internal charges and overheads recovered is Internal Interest Revenue of: | \$ 6 | \$ 2 | \$ 2 | \$ 1 |
| Included within Internal charges and overheads applied is Internal Interest Expense of: | - | 1 | 1 | 1 |
| Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves)) | - | 18 | - | 18 |
| Increases in Internal Borrowings for the year | - | - | - | - |
| Decreases in Internal Borrowings for the year | - | - | (18) | - |

**Service Performance Statement - Community Services Group
for the year ended 30 June 2015**

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|--------------------------------------|----------------------------------|--------------------------------------|---------------------------------------|----------------------------------|
| Revenue | | | | |
| General rates | \$ 252 | \$ 292 | \$ 251 | \$ 243 |
| Civic Amenities Rates | 317 | 308 | 316 | 305 |
| Revenue from activities | 55 | 64 | 64 | 58 |
| Other revenue | 7 | 3 | 3 | 4 |
| Total revenue | 631 | 667 | 634 | 610 |
| Expenditure | | | | |
| Employee benefit expenses | 168 | 207 | 177 | 166 |
| Depreciation and amortisation | 48 | 66 | 54 | 48 |
| Finance expenses | - | 2 | 1 | - |
| Other expenses | 376 | 392 | 402 | 361 |
| Total expenditure | 592 | 667 | 634 | 575 |
| Operating Surplus/(deficit) | \$ 39 | \$ - | \$ - | \$ 35 |
| Capital Expenditure | | | | |
| Library books | \$ 44 | \$ 64 | \$ 60 | \$ 49 |
| Shelving | 3 | 4 | 4 | - |
| | \$ 47 | \$ 68 | \$ 64 | \$ 49 |
| Categories | | | | |
| Meets additional demand | AD \$ - | \$ - | \$ - | \$ - |
| Improve level of performance/service | LOS - | - | - | - |
| Replace existing assets | REP 47 | 68 | 64 | 49 |
| | \$ 47 | \$ 68 | \$ 64 | \$ 49 |

Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

Refer to the attached Service Performance Statements for Economic Development and Promotions, Community Support, and Library for explanation of variances.

Economic Development and Promotions

What Do We Do Now?

Economic Development

Council takes a lead role in encouraging growth of the Waimate District by:

- Facilitating the creation and expansion of local business and industry
- Supporting events
- Contributing to regional growth through economic development
- Encouraging major development

Promotions

Council's Promotions Department markets the Waimate District and provides support for tourism. The Information Centre, located in the Old Post Office Building, provides an information service for visitors and local residents.

Why Do We Do It?

In order to sustain and stimulate economic growth in the Waimate District.

How We Measure The Service Provided

| Customer | | | |
|--|--|---|--|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| People are accessing the website for information on Waimate | Visits to Waimate Council website increase using sample measure over 6 months July to December Target: Increase number of hits over 6 month period | Council's new website went live on 8 July 2014 with visitor numbers of 19,488 to the end of December 2014. | Not measured (unable to compare as data unavailable July - December 2013) (2014:Not achieved) |
| Provide high quality information services | 85% of customers are satisfied or very satisfied with Information Centre services Target: 85%, 2012/13 thereafter biennially | 96% of customers were very or fairly satisfied with the Information Centre services. | Achieved (2014:Not measured) |
| Support Aoraki Development Business & Tourism (ADBT) to encourage local business to enter the South Canterbury Business Awards and acknowledge local finalists | Provides annual funding to ADBT. Acknowledge local Business Award finalists in the news print media Target: Funding given to ADBT and recognition given | Annual funding for ADBT has been allocated. Waimate did not have any businesses as finalists in the South Canterbury Business Awards. | Achieved (2014:Achieved for funding, N/A for business awards) |

Points of Significance

There has been a noticeable increase in Motorhome visits since Waimate was accepted as a Motorhome Friendly Town.

Fonterra Dairy Factory at Studholme announced an expansion plan creating some 250 jobs over the next 10 years.

**Service Performance Statement - Economic Development and Promotions
for the year ended 30 June 2015**

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|------------------------------------|----------------------------------|--------------------------------------|---------------------------------------|----------------------------------|
| Revenue | | | | |
| General rates | \$ 142 | \$ 152 | \$ 141 | \$ 140 |
| Revenue from activities | 19 | 26 | 27 | 25 |
| Other revenue | 3 | - | 2 | 2 |
| Total revenue | 164 | 178 | 170 | 167 |
| Expenditure | | | | |
| Employee benefit expenses | 50 | 76 | 58 | 54 |
| Finance expenses | - | 2 | - | - |
| Other expenses | 95 | 100 | 112 | 88 |
| Total expenditure | 145 | 178 | 170 | 142 |
| Operating Surplus/(deficit) | \$ 19 | \$ - | \$ - | \$ 25 |

Significant variations from Long Term Plan 2012 - 2022

Employee benefit expenses for the LTP Budget were prepared before the change in allocation methodology which better reflect distribution, utilisation and allocation of staff resources. The offset is now within Other expenses.

Community Support

What Do We Do Now?

Community Support provides decision making and accountability for grants from Council to community organisations and individuals for community purposes. Funds come from both Council and non-Council sources and are given from contestable grants as well as from Council's annual budget.

Why Do We Do It?

Council's Community Support activity assists the continuation and development of many community groups and facilities.

How We Measure The Service Provided

| Customer | | | |
|---|---|---|---|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Waimate District Council provides accurate information about contestable grant funds it administers | All contestable grants administered by Council are advertised in local newspapers and on Council's website at least 14 days prior to closing Target: All grants advertised at least 14 days prior to closing | All grants advertised as required in The Waimate Trader, Timaru Herald, Kurow Bugle, Council web site, Waimate Information Centre Whiteboard (that sits outside 75 Queen St) and the Resource Centre's Notice Board (75 Queen Street). Application forms are permanently on the Council web site under Community- Community & Culture- Grants. Grants are also placed under the 'Public Notices' on the Council web site when they become open for application. Information is also available at the Waimate Information Centre. | Achieved (2014:Achieved) |
| Grants criteria meet the need of the community | All grants administered by Waimate District Council are fully subscribed Target: All grants fully subscribed | Sports Fund – First funding round held October 2014. 6/11 applications were allocated a total of \$8,389.00 from an available pool fund of \$10,000. \$1,611 (+ another \$20 refund) carried forward to second funding round in April 2015. (Please note usually one funding round per year but because a significant amount of funding was left over there was a second round). Second funding round held April 2015. 5/6 applications were allocated a total of \$1,631. | Achieved (2014:Achieved) |
| | | Creative NZ – First funding round held October 2014. 4/4 applications were allocated \$5,400 from an available pool fund of \$5,420.29. \$20.29 carried forward to second funding round April 2015. Second funding round. 4/5 applications were allocated \$5,640 from an available pool fund of \$5,820.60. \$180.60 carried forward to next funding round in October 2015. | Not achieved (2014:Achieved) |
| | | Sport NZ Rural Travel Fund – First funding round held October 2014. 1/2 applications were allocated \$2,000 from an available pool fund of \$4,655. \$2,650.50 carried forward to second funding round. Second funding round held April 2015. 6/6 applications were allocated \$7,673.37 from an available pool fund of \$7,673.37. | Achieved (2014:Achieved) |
| Grants criteria meet the need of the community | All grants administered by Waimate District Council are fully subscribed Target: All grants fully subscribed | Waimate District Council Community Grant – Funding round held February 2015. 5/6 applications were allocated \$6,500 from an available pool fund of \$10,000. \$3,500 carried forward with \$3,000 allocated to Waimate Centrecare Counselling. | Not achieved (2014:Not Achieved) |
| | | Heritage Fund - No applications received during this period. Available pool is \$7,436.85. | Not achieved (2014:Not achieved) |

Points of Significance

Council agreed to provide Centrecare Counselling with an annual grant of \$3,000.

Additional funding was allocated to the Waimate District Resource Trust to assist with their office rent.

Waimate 50 Motor Sport was supported by Council with an annual grant of \$9,000 +GST for their sport events held during Labour weekend.

Service Performance Statement - Community Support for the year ended 30 June 2015

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|------------------------------------|----------------------------------|--------------------------------------|---------------------------------------|----------------------------------|
| Revenue | | | | |
| General rates | \$ 110 | \$ 140 | \$ 110 | \$ 103 |
| Revenue from activities | 21 | 20 | 20 | 20 |
| Other revenue | 1 | 1 | 1 | 1 |
| Total revenue | 132 | 161 | 131 | 124 |
| Expenditure | | | | |
| Employee benefit expenses | - | 13 | - | - |
| Finance expenses | - | - | 1 | - |
| Other expenses | 131 | 148 | 130 | 130 |
| Total expenditure | 131 | 161 | 131 | 130 |
| Operating Surplus/(deficit) | \$ 1 | \$ - | \$ - | \$ (6) |

Significant variations from Long Term Plan 2012 - 2022

Employee benefit expenses are nil which has resulted from a change in allocation methodology which better reflects distribution, utilisation and allocation of staff resources, where the cost is now reflected in Other expenses. The LTP Budget was prepared prior to this change.

Library

What Do We Do Now?

Council provides, maintains and manages a comprehensive walk-in Library service within the Local Government Centre Building, Queen Street, Waimate.

The collection comprises the latest of popular fiction, non-fiction, magazines, newspapers, large print, talking books, E-books, music CDs and a selection of DVDs that are exchanged on a regular basis. An inter-loan service is available. The library provides public computer access to the collection and general internet access, as well as free wi-fi.

The Library provides exchange collections for the Kurow Library.

Why Do We Do It?

The Local Government Act 2002 identifies the provision of Library services as a core service. A community owned Library collection provides a resource available to all members of our community that is far greater than any one individual or family could amass. The research capabilities of our Library, ensures that our residents are able to participate extramurally in tertiary studies not otherwise available in our District.

How We Measure The Service Provided

| Customer | | | |
|---|--|---|--|
| Level of Service | Performance Measure | Result | Achievement 2014/15 |
| Council's provision of library services is sufficient to meet our community's needs | No complaints about library accessibility Target: Nil complaints | No complaints received about library accessibility. | Achieved (2014:Achieved) |
| | Increase the percentage of our District's population who are active library members Target: 0.5% increase each year | Number of library members was 3,978, an increase of 2.31%. | Achieved (2014:Achieved - total members 3,888, increase of 6.06%) |
| Provide high quality library services | 85% of customers are satisfied or very satisfied with library services Target: 85%, 2012/13 thereafter biennially | 91% of Waimate Library customers were very or fairly satisfied with library services. | Achieved (2014:Not measured) |

**Service Performance Statement - Library
for the year ended 30 June 2015**

| | 2015 Actual \$000 | 2015 LTP Budget \$000 | 2015 Annual Plan \$000 | 2014 Actual \$000 |
|------------------------------------|----------------------------------|--------------------------------------|---------------------------------------|----------------------------------|
| Revenue | | | | |
| Civic Amenities Rates | \$ 317 | \$ 308 | \$ 316 | \$ 305 |
| Revenue from activities | 15 | 18 | 17 | 13 |
| Other revenue | 3 | 2 | - | 1 |
| Total revenue | 335 | 328 | 333 | 319 |
| Expenditure | | | | |
| Employee benefit expenses | 118 | 118 | 119 | 112 |
| Depreciation and amortisation | 48 | 66 | 54 | 48 |
| Other expenses | 150 | 144 | 160 | 143 |
| Total expenditure | 316 | 328 | 333 | 303 |
| Operating Surplus/(deficit) | \$ 19 | \$ - | \$ - | \$ 16 |
| Capital Expenditure | | | | |
| Library books | \$ 44 | \$ 64 | \$ 60 | \$ 49 |
| Shelving | 3 | 4 | 4 | - |
| Total Capital Expenditure | \$ 47 | \$ 68 | \$ 64 | \$ 49 |

Key

REP
REP

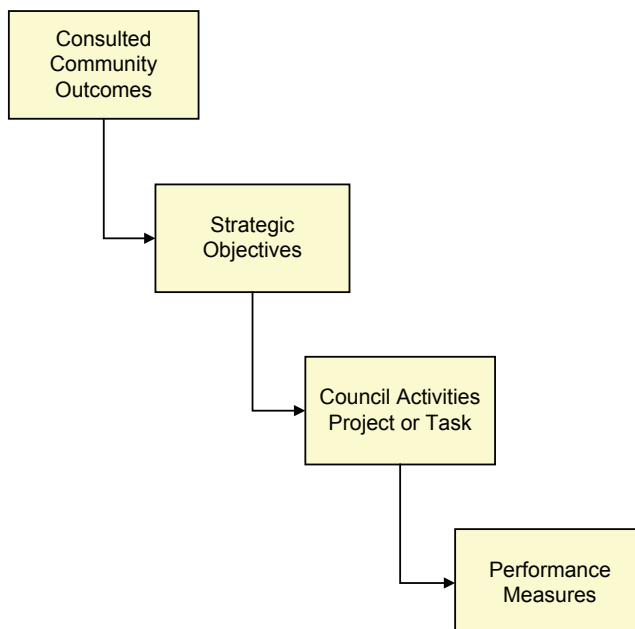
Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

Significant variations from Long Term Plan 2012 - 2022

Depreciation expenses for the 2015 financial year are below the LTP Budget due to an adjustment to library books depreciation rates in the 2011/12 financial year, where the LTP Budget had been prepared prior to this change.

Vision for Waimate District

Waimate District's Long Term Plan (LTP), which is reviewed three yearly, provides direction and long term focus for routine tasks and one-off projects, within Council's areas of activity by setting them within a framework of strategic objectives that are derived from our community's consulted, desired outcomes.



Achieving Community Outcomes

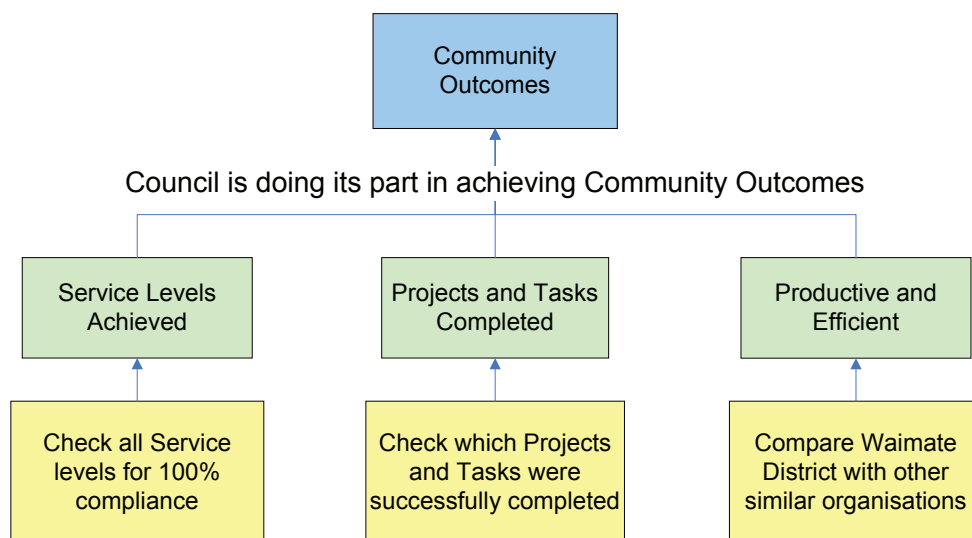
Each year, Council produces its Annual Report to disclose performance, against targets set in the LTP.

A three-pronged approach is used by Waimate District Council to help citizens judge whether the Council is doing a good job or not.

The Council will carry out its roles in advancing the Outcomes that the Community wants.

The Council will provide all its services to meet standards that have been agreed with the Community.

The Council will run its operations in a cost-effective and efficient manner.



Equal Employment Opportunity

The Waimate District Council is committed to the principles and practices of Equal Employment Opportunity (EEO) as a means of ensuring that its current and potential employees have an equal opportunity to achieve their potential.

The Council therefore strives to implement a purposeful programme of action to ensure its recruitment policies and procedures, conditions of employment and employee training, and promotion opportunities are carried out with an awareness of and an intent to eliminate any unfair discrimination on the grounds of gender, marital status, religion, ethical belief, colour, race, ethnic or national origin, disability, age, political opinion, employment status, family responsibilities, or sexual orientation.

The 1999/2000 EEO Management Plan identified the following objectives:

- A review and on-going monitoring of current policies and procedures dealing with the recruitment and selection process to ensure that all employment decisions are made on the basis of relevant merit.
- All Council managers are conscious of the need to consider employment equity issues upon recruitment of new staff members.
- A full review of Council's Terms of Employment to ensure adherence to EEO principles. This will include the development of a Code of Conduct, containing a sexual harassment policy and related disciplinary procedures, and includes an undertaking to identify and publicise behaviours, which are not acceptable in the workplace.

The review is continuing, however, all employee's Individual Employment Agreements or Collective Agreements were reviewed, including the definitions of misconduct.

The development of a grievance procedure for dealing with discrimination complaints based on the provisions of the Human Rights Act 1993, to be adopted as Council policy and included in all individual Employment Contracts. This policy will be reviewed on a regular basis to ensure compliance with current legal requirements.

Conditions of appointment for all Council staff contain a detailed description of procedures for addressing employment relationship problems which include personal grievance issues on the basis of discrimination.

Establishment of a training register to monitor accessibility, identification of special training requirements, and career aspirations as part of Council's role as a good employer to support and encourage all employees to seek career development and promotion within the organisation.

Employees in all Departments of Council have participated in a wide range of training courses in consultation with their managers.

An ongoing review of all Council's policies and documentation to ensure adherence to EEO principles. This will include regular liaison and consultation both within and outside Council to promote the interchange of EEO information and strategies.

Council has employed workplace support who visits fortnightly and who may function as an independent expert with whom staff may consult upon any grievance issues.

The Council confirms its commitment to this action, and with it the hope that by fostering a diverse range of employees who reflect the social mix within the community we serve, that Council staff will better understand customer needs, thus creating a better quality and more responsive service for the people of the Waimate District.

Statement on Participation of Maori in the Decision-making Process

Requirements of the Local Government

Act 2002

The Local Government Act 2002, requires all Councils to take specific actions with regard to Maori. The relevant sections of the Act are as follows:

The 'headline' provision referring explicitly to Maori is section 4. It reads:

In order to recognise and respect the Crown's responsibility to take appropriate account of the Principles of the Treaty of Waitangi and to maintain and improve opportunities for Maori to contribute to local government decision-making processes, Parts 2 and 6 provide principles and requirements for local authorities that are intended to facilitate participation by Maori in local authority decision-making processes.

Section 14(1)(d) reads:

In performing its role, a local authority must act in accordance with the principle that a local authority should provide opportunities for Maori to contribute to its decision-making processes.

Section 77(1)(c) reads:

A local authority must in the course of the decision-making process, - ...if any of the options identified under paragraph:

- (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Maori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

Section 81(1) requires that a local authority must:

- (a) Establish and maintain processes to provide opportunities for Maori to contribute to decision-making processes of the local authority; and
- (b) Consider ways in which it may foster the development of Maori capacity to contribute to the decision-making processes of the local authority; and
- (c) Provide relevant information to Maori for the purposes of paragraphs (a) and (b).

Section 82(2) states:

A local authority must ensure that it has in place processes for consulting with Maori in accordance with subsection (1).

Waimate District Council Initiatives

The Waimate District Council addresses these requirements by actively pursuing the following initiatives:

- The Council will work together with Maori organisations and individuals, to identify citizens who are considered to be Maori with an interest in the Community in accordance with the requirements of Section 81(1) of the Act. This includes all Maori, regardless of tribal affiliation, who reside in the District, who own land within the District or who have a recognised cultural affiliation with the District. This will also include Maori organisations that are directly involved in the interests of local Maori. This identified list of Maori will be maintained in partnership with local Maori groups.
- The Council will mail written advice of all issues to be referred to Community consultation to all Maori and organisations who have been identified as in the previous paragraphs, and where a postal address is known. This advice will include an overview of the proposals and instructions on registering submissions. This will be additional to all normal advertising methods employed for the community at large.
- The Council will meet with representatives of Te Runanga o Waihao at least once a year, to discuss current issues and the progress of the Long Term Plan. These meetings are in addition to other contact as part of the consultation process.
- The Council will provide meetings, on request, to explain current issues and proposals for consultation specifically for Maori groups, whenever practical considerations permit. These meetings can be, by request, limited to specific Maori group participation.
- The Council will continue to involve tangata whenua in all relevant deliberations with regard to the application of the Resource Management Act.

The Council will adhere to the basic principle that all its citizens are of equal importance in the community and are all part of that community. Accordingly, it will always strive to ensure that the interests of all its Maori citizens are fully addressed and considered in all decision-making processes and recognises the special need to ensure the capacity of Maori to play a full part in the decision-making process.