

Waimate District Council

# ANNUAL REPORT

## 2013/14



Published 21 October 2014



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# Message from the Mayor and Chief Executive

It is with pleasure that we present the 2013/14 Annual Report.

This past year has been a mix of highs and lows with many challenges for Council as we try to accomplish key Council projects within our budget. As always, with rising costs and inflation, we do our utmost to keep our rate increases as low as possible for our ratepayers, yet keep our district moving ahead.

It has been another busy and productive year for Council as reflected in this annual report.

We have recorded a final deficit of \$3,000 against a budgeted deficit of \$195,000. The major items causing this very good result are additional subsidy revenue for the various Drinking Water Standards projects that were delayed from the 2013 financial year and additional New Zealand Transport Agency subsidy revenue. However the additional New Zealand Transport Agency subsidy came at the expense of additional emergency roading reinstatement costs following on from the June 2013 flooding event and other flooding events in April 2014. This emergency reinstatement was 58% funded by the New Zealand Transport Agency.

Additionally we have incurred legal costs of \$145,000 in defence of a court case and final settlement. While having a strong cash balance Council has also been able to repay \$600,000 of term debt. For more explanation of variances refer to each of the Service Performance Statements within each activity.



## Oceania Dairy Factory

Construction commenced on the new Dairy Factory at Glenavy. Resource consents have been granted and Council has been busy processing the various building consents for the different stages of the construction, with the factory now operational.

## Wind Events

In September there was a major wind storm event. This event blew over a considerable number of trees in Council's parks and reserves and forestry blocks. The roading network was disrupted by fallen trees and power wires.

## Army Exercise

In November Waimate, amongst other South Canterbury towns, played host to a major Army's real-time exercise, hosting soldiers from Australia, France, Canada and US marines. For several days there was a very visual presence on Waimate's township area of uniform soldiers, with also a welcome presence at the Waimate A & P Show.

## Civic Awards Recipients

The Waimate District Civic Awards 2014 were held in March to recognise the district's outstanding volunteers. Receiving recognition this year were Ngaire Bond, Matt Henderson, Kathy McCulloch and husband-and-wife team Stephen and Kathy McGirr.

## Motorhome Friendly Town

Mayor Rowley officially accepted the "Motor-Home Friendly Waimate" scheme status in March, with Waimate at that time being one of only two South Island Motor-Home Friendly Towns. As part of this agreement, Council also installed a new effluent disposal station in Hillary Street.

## Boland Park

April saw the Rotary Club of Waimate, handing over to the community the new outdoor fitness equipment at Boland Park. This equipment was part of a major upgrade of the park, with funding assistance from Council.

## **Flooding**

In April 2014, considerable flooding closed four bridges due to damage to the approaches, and there was widespread scouring and minor damage to the roading network, costing around \$209,000.

## **Waitaki Bridges**

The Kurow bridge was opened in April 2014, and the Hakataramea bridge opened in June 2014. These were momentous occasions, with a secure roading network now in place to support the economy of the Kurow and Hakataramea communities.

## **Hunter Downs Irrigation Scheme**

In April, Council gave the green light to invest in Hunter Downs Irrigation. Instalment 1 at \$25/share, a total of \$31,250 was paid. There are two further instalments required, which will be subject to Council approval.

## **Waimate District Community Facility**

In May Council went to public consultation on the stadium proposal (now known as Waimate District Community Complex), attracting much discussion and several submissions on a two court facility, rather than the single court facility which was presented in the concept design. Council agreed to proceed with the project based on the initial cost estimates presented to the ratepayers, and staff were asked to explore several of the suggestions re design and structure.

## **District Roding Meetings**

Community meetings have begun around the district in order to look at roading concerns. Meetings have been held at Hakataramea in May and Maungati in June, with further meetings planned for the Morven/Glenavy and Waihao Downs areas.

## **Morven Cemetery**

Thanks to a very generous donation from Heritage Roses South Canterbury, and the ongoing care and supervision of the Morven School, 16 heritage roses were planted at the Morven Cemetery in June.

On behalf of our new team of Councillors and our staff, we would like to thank all of those people who work so hard to keep Waimate a great community to work and live in. We look to the coming financial year with a positive and enthusiastic attitude.



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.

## Debt Management Policy

Covers Council's policy on management of its debt.

## 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.

## 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 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.

## International Financial Reporting Standards (IFRS)

Standards and Interpretations developed by the International Accounting Standards Board (IASB). They comprise:

- International Financial Reporting Standards;
- International Accounting Standards; and
- Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).

New Zealand International Financial Reporting Standards (NZIFRS) were introduced in 2006/07. The main impact was in the revaluation of Council's Assets.

## **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 income, and licence fees.

## **Operating Surplus**

Operating Surplus is an accounting term meaning the excess of income over expenditure. Income 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 income 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 Income**

Accounts for all of Council's income 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.

## **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 McLraith, BA, MinstD  
Councillor Stuart Thomson  
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  
Waihao  
Waimate  
Waimate  
Waimate

## Management Team

Bede Carran CA	Chief Executive
Graham Durston, CA	Chief Financial Officer
Robert Moffat, NZCE (Civil)	Roading Manager
Dan Mitchell	Water and Waste Manager
Carolyn Johns, Dip Com	Community Services and Planning Manager
Sue Kelly	Property and Regulatory Manager
Graeme Watts	Parks and Reserves Manager
Fiona Hester-Smith	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	DLA Phillips Fox, Wellington Peter Churchman QC, Wellington Gallaway Cook Allan, Dunedin Anderson Lloyd, Dunedin

## Contact Details

Waimate District Council, Local Government Centre, Queen Street, Waimate,  
PO Box 122, Waimate 7960

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# Report on Long Term Plan (LTP) and Policies

## Long Term Plan

The Local Government Act 2002, 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 Long Term Plan (LTP). The Act outlines what the plan 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 given a major review every 3 years. Annually, Council will call for possible interim amendments in a manner similar to the old 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 Plan Intend to Achieve?

The Long Term Plan, 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 program, budgets and resource requirements.

Councils most recent LTP covers the years 2012-22 and within this document the Consolidated Comprehensive Income information for each of these 10 years, is shown. Explanations of any significant variances between the 2012/13 LTP budget and the actual results achieved for the year 2012/13 are shown for each activity of Council, in the Statements of Service Performance by Activities later in this Annual Report document.

## Treasury Policy

This policy incorporates Council's **Investment Policy** 403 and **Liability Management Policy** 402 prepared in accordance with 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 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;
- development contributions;
- grants and subsidies;
- 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 2014, fairly reflects the financial position and operations of the Council.



Craig Rowley  
Mayor  
21/10/2014



Bede Carran  
Chief Executive  
21/10/2014

## Independent Auditor's Report

### To the readers of Waimate District Council's annual report for the year ended 30 June 2014

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 2014 on page 18;
  - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2014 on pages 16, 17 and 19; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 26 to 73;
- the statement of service provision of the District Council and each group of activities carried out by the District Council on pages 77 to 155;
- the funding impact statements in relation to each group of activities of the District Council on pages 78 to 148;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 78 to 148;
- the funding impact statement of the District Council on page 20; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 22 to 25.

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 pages 58 and 59;
  - reserve funds on pages 55 to 59;
  - remuneration paid to the elected members and certain employees of the District Council on page 64;

- employee staffing levels and remuneration on page 64;
- severance payments on page 65;
- rating base units on page 15; and
- insurance of assets on page 72.
- 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 158; and
- a statement of compliance signed by the mayor of the Council, and by the District Council's chief executive on page 8.

## **Opinion**

### **Audited information**

In our opinion:

- the financial statements of the District Council on pages 16 to 73:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council's financial position as at 30 June 2014; and
    - the results of its operations and cash flows for the year ended on that date.
- the statement of service provision of the District Council on pages 77 to 155:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the District Council's levels of service for the year ended 30 June 2014, including:
    - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
    - the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council on pages 78 to 148, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 78 to 148, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.

- the funding impact statement of the District Council on page 20, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the disclosures on pages 22 to 25 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**

In our opinion, which is not an audit opinion, 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 21 October 2014. 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 that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported 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 have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

## **Responsibilities of the Council**

The Council is responsible for preparing:

- financial statements and the statement of service provision that:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the District Council's financial position, financial performance and cash flows;
  - fairly reflect its service performance, including achievements compared to forecast;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan;
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- 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 is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

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

### **Responsibilities of the Auditor**

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

### **Independence**

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



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



# Financial Statements

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# Financial Summary

## Council Financial Statistics

	2014 Actual	2014 LTP Budget	2014 Annual Plan	2013 Actual
Proportion of rates to total income	58.9%	64.7%	63.0%	63.5%
Average rates per rateable property	\$ 2,327	\$ 2,341	\$ 2,316	\$ 2,243
Net public debt as a percentage of total assets	0.13%	0.30%	0.31%	0.30%
Public debt per rateable property	\$ 143	\$ 345	\$ 366	\$ 319
Rating units				
- rateable	3,502			3,452
- non-rateable	1,008			1,032
Total Rating units at the end of the financial year	4,510			4,484
Total Capital Value of Rating Units at the end of the financial year (\$000)	\$ 3,897,087			\$ 3,263,997
Total Land Value of Rating Units at the end of the financial year (\$000)	\$ 2,527,196			\$ 2,027,012

## Council Five Year Financial Performance Summary

	2014 Actual \$000	2013 Actual \$000	2012 Actual \$000	2011 Actual \$000	2010 Actual \$000
General rates	5,301	5,048	4,595	4,211	3,919
Targeted rates	2,848	2,695	2,611	2,544	2,405
Net surplus/(deficit)	(3)	(314)	468	(1,202)	(882)
Working capital	1,478	1,142	1,784	403	5,053
Public debt	500	1,100	1,280	1,280	4,700
Net assets	391,421	368,105	365,696	363,147	321,654

# Statement of Comprehensive Income

## for the year ended 30 June 2014

		2014	2014	2014	2013
	Note	Actual \$000	LTP Budget \$000	Annual Plan \$000	Actual \$000
<b>Operating Income</b>					
Rates other than targeted rates for Water Supply	2	\$ 6,412	\$ 6,461	\$ 6,372	\$ 6,140
Targeted rates for Water Supply	2	1,737	1,738	1,740	1,603
Development and Financial contributions	3	133	89	94	237
Subsidies and Grants	3	2,759	2,205	2,379	1,841
Other revenue	3	2,603	2,058	2,151	2,224
Other gains	4	173	128	143	157
<b>Total Operating Income</b>		<b>13,817</b>	<b>12,679</b>	<b>12,879</b>	<b>12,202</b>
<b>Operating Expenditure</b>					
Employment benefit expenses	5	3,235	3,222	3,213	2,980
Depreciation	15	4,071	3,737	3,988	3,621
Amortisation	17	15	20	20	17
Other expenses	7	6,402	5,610	5,651	5,800
Finance costs	8	36	83	65	42
Other losses	4	61	202	94	56
<b>Total Operating Expenditure</b>		<b>13,820</b>	<b>12,874</b>	<b>13,031</b>	<b>12,516</b>
<b>Operating Surplus/(Deficit) before Taxation</b>		<b>(3)</b>	<b>(195)</b>	<b>(152)</b>	<b>(314)</b>
Taxation expense	9	-	-	-	-
<b>Total Surplus/(Deficit)</b>		<b>\$ (3)</b>	<b>\$ (195)</b>	<b>\$ (152)</b>	<b>\$ (314)</b>
<b>Other Comprehensive Income</b>					
Increase/(decrease) in discretionary reserves/restricted assets	22	3	-	-	(27)
Increase/(decrease) in revaluation reserves	22	11,356	39,218	39,326	-
Impairment of revalued assets and reversal of a prior year value	22	(63)	-	-	227
Financial assets at fair value through other comprehensive income	22	-	-	-	2,525
<b>Total Other Comprehensive Income</b>		<b>11,296</b>	<b>39,218</b>	<b>39,326</b>	<b>2,725</b>
<b>Total Comprehensive Income</b>		<b>\$ 11,293</b>	<b>\$ 39,023</b>	<b>\$ 39,174</b>	<b>\$ 2,411</b>

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 2014

		2014	2014	2014	2013
	Note	Actual \$000	LTP Budget \$000	Annual Plan \$000	Actual \$000
Equity as at 1 July	22	\$ 368,105	\$ 362,619	\$ 365,805	\$ 365,694
Total Comprehensive Income		11,293	39,023	39,174	2,411
<b>Equity at 30 June</b>		<b>\$ 379,398</b>	<b>\$ 401,642</b>	<b>\$ 404,979</b>	<b>\$ 368,105</b>

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 2014

		2014 Actual \$000	2014 LTP Budget Note	2014 Annual Plan \$000	2013 Actual \$000
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	10	\$ 1,553	\$ 1,177	\$ 708	\$ 2,302
Trade and other receivables	11	1,512	932	907	1,338
Inventories	12	586	339	339	539
Other financial assets	13	410	237	220	251
Total Current Assets		4,061	2,685	2,174	4,430
<b>Non-Current Assets</b>					
Infrastructural assets	15	346,468	375,440	376,694	334,941
Operational assets	15	17,536	14,835	17,464	17,995
Forestry assets	16	1,569	1,613	1,766	1,714
Intangible assets	17	135	28	98	92
Other financial assets	13	12,280	9,732	9,749	12,306
Total Non-Current Assets		377,988	401,648	405,771	367,048
<b>Total Assets</b>		<b>\$ 382,049</b>	<b>\$ 404,333</b>	<b>\$ 407,945</b>	<b>\$ 371,478</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and other payables	18	\$ 1,621	\$ 946	\$ 1,123	\$ 1,731
Public debt	21	500	35	-	1,100
Provisions	19	6	6	6	5
Derivative financial instruments	14	12	52	87	41
Employee benefit liabilities	20	444	276	410	411
Total Current Liabilities		2,583	1,315	1,626	3,288
<b>Non-Current Liabilities</b>					
Public Debt	21	-	1,174	1,280	-
Provisions	19	68	202	60	71
Derivative financial instruments	14	-	-	-	14
Total Non-Current Liabilities		68	1,376	1,340	85
<b>Equity</b>					
Public Equity	22	83,272	82,834	84,206	83,520
Special separate and trust funds	22	1,387	167	699	1,139
Asset revaluation reserve	22	291,466	317,893	319,326	280,173
Other reserves	22	3,273	748	748	3,273
Total Equity		379,398	401,642	404,979	368,105
<b>Total Liabilities and Equity</b>		<b>\$ 382,049</b>	<b>\$ 404,333</b>	<b>\$ 407,945</b>	<b>\$ 371,478</b>

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 2014

	2014	2014	2014	2013
	Actual	LTP Budget	Annual Plan	Actual
Note	\$000	\$000	\$000	\$000
<b>Cash flows from operating activities</b>				
<b>Cash was received from:</b>				
Receipts from rates revenue	\$ 8,107	\$ 7,052	\$ 6,964	\$ 7,810
Interest received	66	74	34	50
Dividends received	577	578	576	578
Receipts from other revenue	4,407	5,525	5,585	3,977
	13,157	13,229	13,159	12,415
<b>Cash was applied to:</b>				
Payments to suppliers and employees	9,485	9,566	9,162	8,605
Interest paid	80	83	65	97
	9,565	9,649	9,227	8,702
<b>Net Cash Flows from operating activities</b>	<b>3,592</b>	<b>3,580</b>	<b>3,932</b>	<b>3,713</b>
<b>Cash flows from investing activities</b>				
<b>Cash was received from:</b>				
Proceeds from sale of property, plant and equipment	101	25	25	21
Proceeds from sale of harvested forests	331	-	-	211
Proceeds from sale of investment property	-	134	-	-
Proceeds from sale of investments	57	3	3	21
	489	162	28	253
<b>Cash was applied to:</b>				
Purchase of property, plant and equipment	4,004	3,864	4,823	2,660
Purchase of intangible assets	35	-	35	12
Purchase of silviculture	-	-	-	17
Acquisition of investments	191	-	-	-
Payment of prior surplus to community board	-	-	-	29
	4,230	3,864	4,858	2,718
<b>Net Cash Flows from investing activities</b>	<b>(3,741)</b>	<b>(3,702)</b>	<b>(4,830)</b>	<b>(2,465)</b>
<b>Cash flows from financing activities</b>				
<b>Cash was received from:</b>				
Proceeds from public debt	-	-	1,280	-
	-	-	1,280	-
<b>Cash was applied to:</b>				
Repayment of public debt	600	35	1,280	180
	600	35	1,280	180
<b>Net Cash Flows from financing activities</b>	<b>(600)</b>	<b>(35)</b>	<b>-</b>	<b>(180)</b>
Net increase/(decrease) in cash held	(749)	(157)	(898)	1,068
Add opening cash balance (1 July)	2,302	1,334	1,606	1,234
<b>Closing cash (30 June)</b>	<b>\$ 1,553</b>	<b>\$ 1,177</b>	<b>\$ 708</b>	<b>\$ 2,302</b>
<b>Represented by:</b>				
Cash, cash equivalents and bank overdrafts	1,553	1,177	708	2,302
	<b>\$ 1,553</b>	<b>\$ 1,177</b>	<b>\$ 708</b>	<b>\$ 2,302</b>

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 2014

	2014	2014	2014	2013	2013
	Actual \$000	LTP Budget \$000	Annual Plan \$000	Actual \$000	Budget \$000
<b>Sources of operating funding</b>					
General rates, UAGC and rates penalties	\$ 5,344	\$ 5,385	\$ 5,302	\$ 5,056	\$ 5,089
Targeted rates	2,848	2,294	2,846	2,695	2,695
Subsidies and grants for operating purposes	1,160	801	818	875	773
Fees and charges	950	1,299	835	785	721
Interest and dividends from investments	643	652	610	628	663
Local authority fuel tax, fines, infringement fees other	1,345	995	1,068	1,161	1,036
<b>Total sources of operating funding</b>	<b>12,290</b>	<b>11,426</b>	<b>11,479</b>	<b>11,200</b>	<b>10,977</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	10,010	9,100	9,263	9,040	8,936
Finance costs	36	83	65	42	82
Other operating funding applications	-	100	-	100	-
<b>Total applications of operating funding</b>	<b>10,046</b>	<b>9,283</b>	<b>9,328</b>	<b>9,182</b>	<b>9,018</b>
<b>Surplus/(deficit) of operating funding</b>	<b>2,244</b>	<b>2,143</b>	<b>2,151</b>	<b>2,018</b>	<b>1,959</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	1,622	1,405	1,561	982	1,599
Development and financial contributions	133	89	94	236	86
Increase/(decrease) in debt	(600)	(35)	-	(180)	(36)
Gross proceeds from sale of assets	101	25	25	21	25
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>1,256</b>	<b>1,484</b>	<b>1,680</b>	<b>1,059</b>	<b>1,674</b>
<b>Applications of capital funding</b>					
Capital expenditure - to meet additional demand	45	10	25	21	25
Capital expenditure - to improve level of service	1,603	900	2,155	635	1,640
Capital expenditure - to replace existing assets	2,354	2,954	2,724	2,016	2,363
Increase/(decrease) in reserves	(693)	(237)	(1,073)	405	(395)
Increase/(decrease) in investments	191	-	-	-	-
<b>Total applications of capital funding</b>	<b>3,500</b>	<b>3,627</b>	<b>3,831</b>	<b>3,077</b>	<b>3,633</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(2,244)</b>	<b>(2,143)</b>	<b>(2,151)</b>	<b>(2,018)</b>	<b>(1,959)</b>
<b>Funding balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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 2014

	2014	2014	2014	2013	2013
	Actual \$000	LTP Budget \$000	Annual Plan \$000	Actual \$000	Budget \$000
<b>Service Performance Statement operating surplus/(deficit) by Activity</b>					
Forestry	\$ 25	\$ (172)	\$ 39	\$ 24	\$ 18
Investments and Finance	64	35	35	109	36
Community Property	(84)	(80)	(171)	(91)	(76)
Building Control	(204)	-	-	(274)	-
Resource Management	83	42	36	115	(9)
Emergency Management	(14)	-	-	(14)	-
Regulatory Services	(13)	-	-	12	-
Dog and Animal Control	(14)	-	-	(11)	-
Community Representation	55	(25)	(23)	18	11
Strategy	88	11	11	(3)	-
Managing Services	-	-	-	-	-
Economic Development and Promotions	25	-	-	27	-
Community Support	(6)	(100)	(10)	(119)	-
Library	16	-	-	9	-
Camping	34	13	(10)	60	11
Cemeteries	7	-	-	17	-
Parks and Public Spaces	(18)	1	(26)	(44)	(42)
Swimming	(2)	(21)	(21)	10	-
Roading	(930)	(193)	(432)	(683)	(518)
Sewerage and Sewage	74	5	13	106	5
Stormwater Drainage	32	11	11	51	11
Waste Management	19	17	17	78	6
Water Supply	760	261	379	289	604
Taxation expense	-	-	-	-	-
<b>Total Surplus/(Deficit) after tax per the Statement of Comprehensive Income</b>	(3)	(195)	(152)	(314)	57
less Subsidies and grants for capital expenditure	(1,622)	(1,405)	(1,562)	(982)	(1,599)
less Development and financial contributions	(132)	(89)	(94)	(236)	(86)
less Revaluation losses/(gains) not included in the FIS	(146)	75	(143)	(125)	(121)
add Loss on sale not included in the FIS	61	-	94	37	94
add Depreciation/amortisation not included in the FIS	4,086	3,757	4,008	3,638	3,614
<b>Surplus/(deficit) of operating funding per the Funding Impact Statement</b>	<b>\$ 2,244</b>	<b>\$ 2,143</b>	<b>\$ 2,151</b>	<b>\$ 2,018</b>	<b>\$ 1,959</b>

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 2014

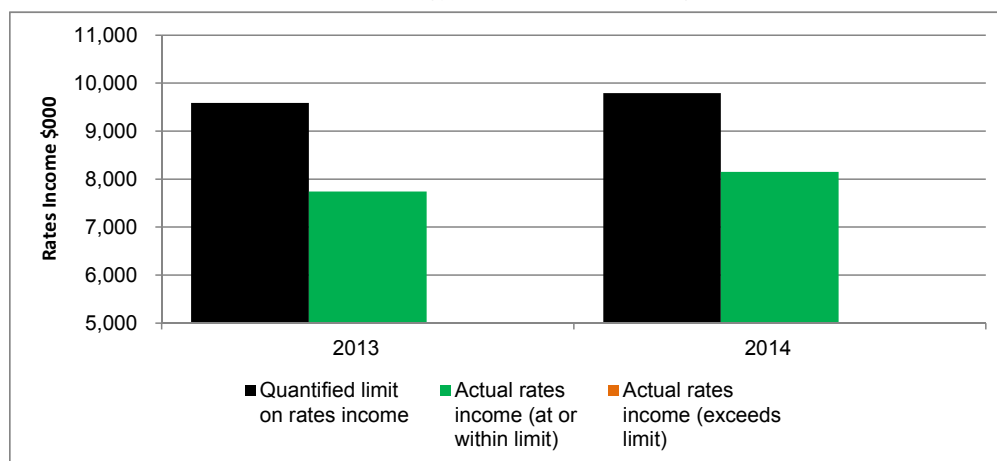
### Rates affordability benchmark

Council meets the rates affordability benchmark if:

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

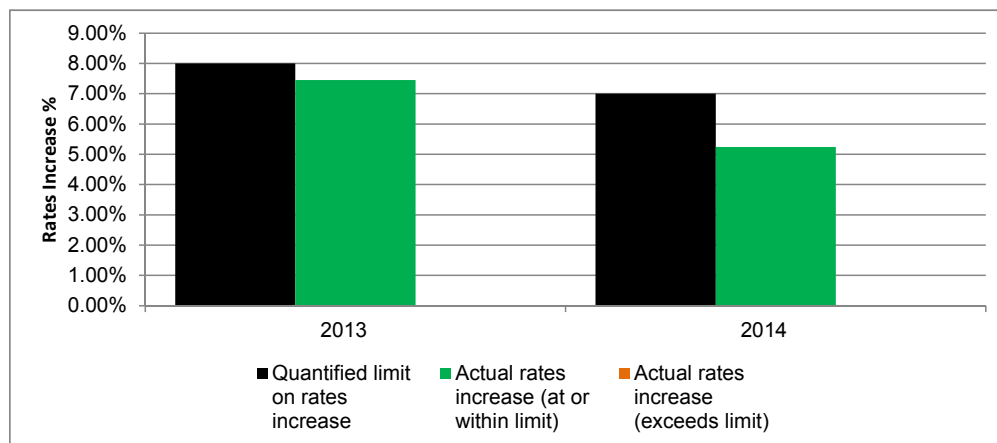
### *Rates (income) affordability*

The following graph compares Council's actual rates income with the quantified limit on rates income 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.

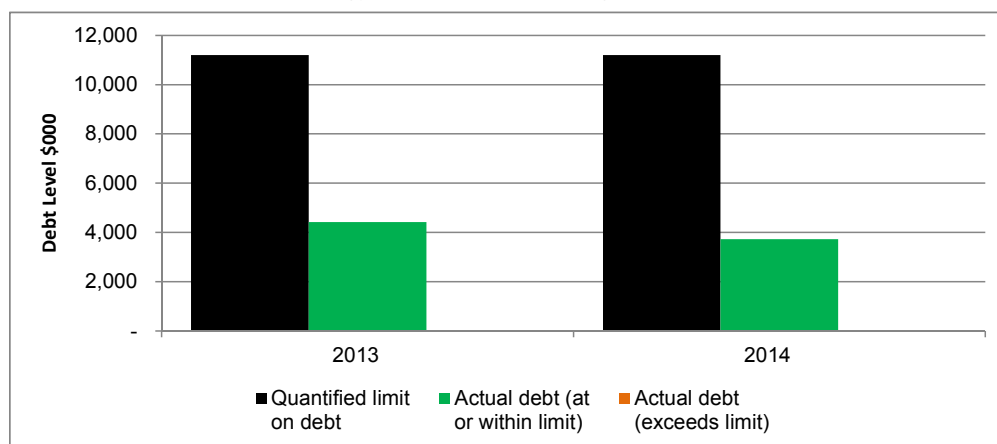


The quantified limits on rates increases for 2010, 2011, and 2012 are based on the expected increases as per the Long Term Council Community Plan 2009 - 2019.

## 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.

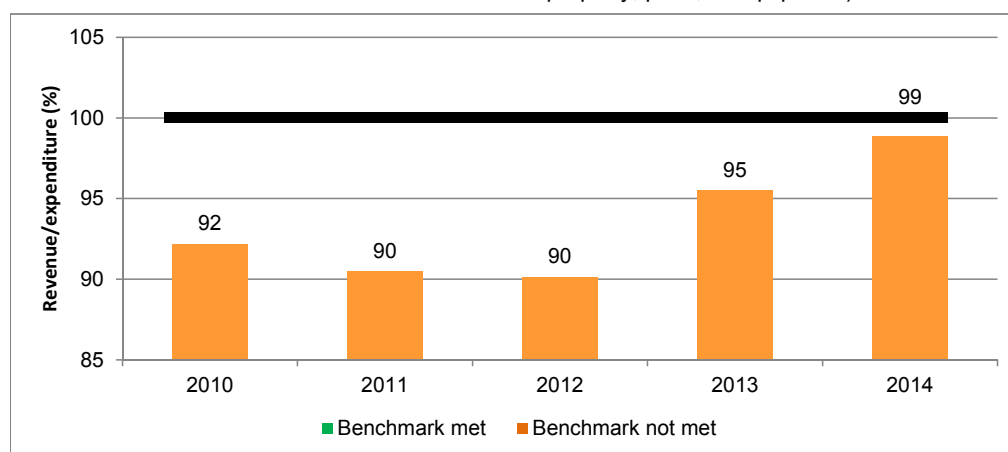


The quantified limit on debt that has been used is the projected Public debt (or Borrowings), both external and internal debt, levels for each year as contained within the Prospective Statement of Financial Position.

## 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):



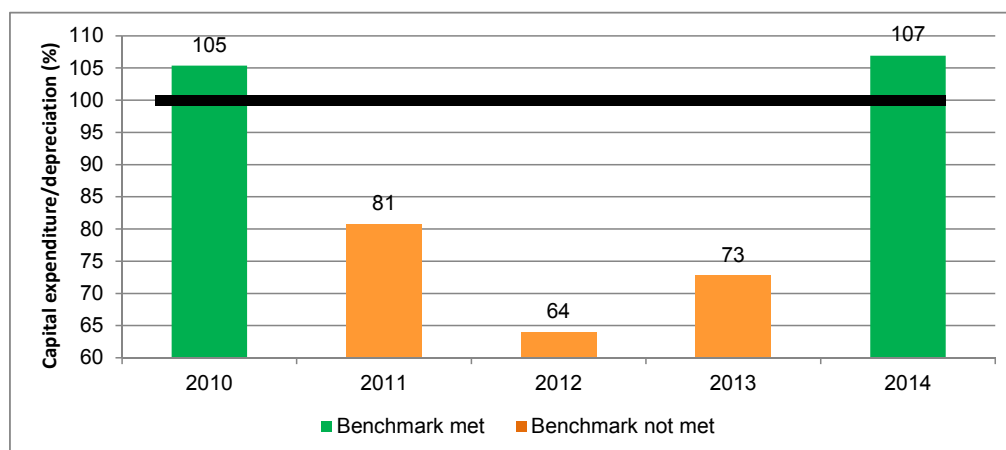
Council has previously decided not to fully fund the depreciation cost of specific assets. This may be for a number of different reasons: that Council has resolved not to replace the asset; that it is unfair to existing ratepayers to pay for a new asset and its replacement; that annual maintenance will 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.

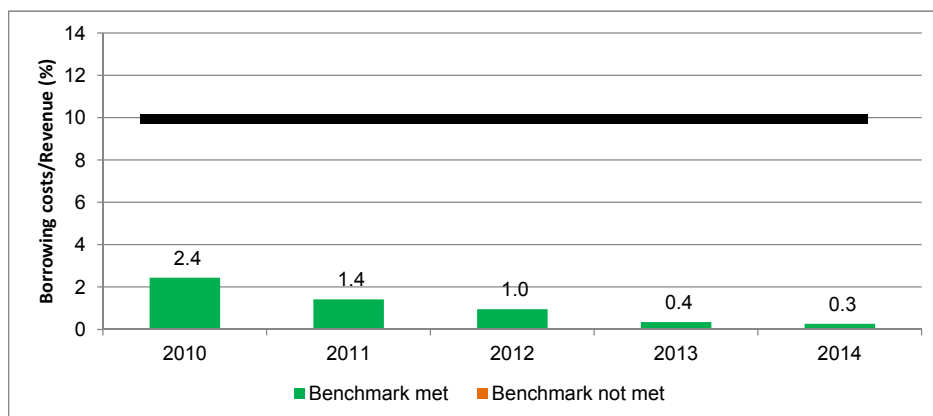
The following graph displays Council's capital expenditure on network services as a proportion of depreciation on those network services:



## 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.

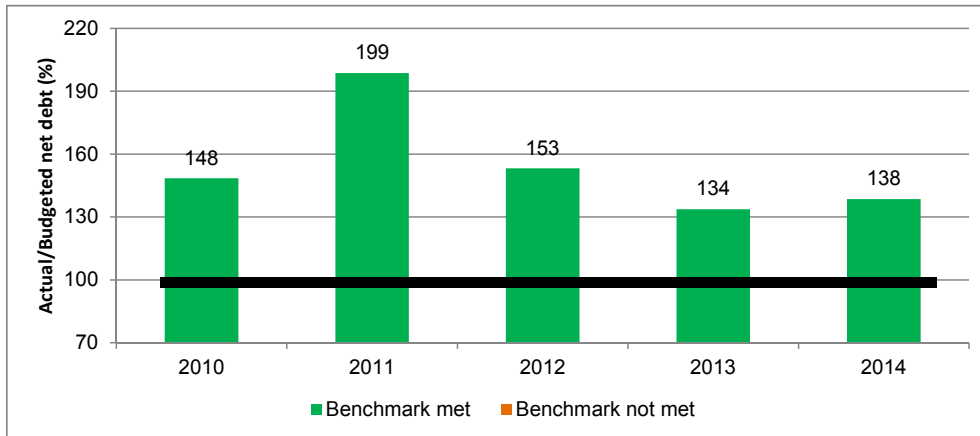
The following graph displays Council's borrowing costs as a proportion of actual revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant, or equipment):



## 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):

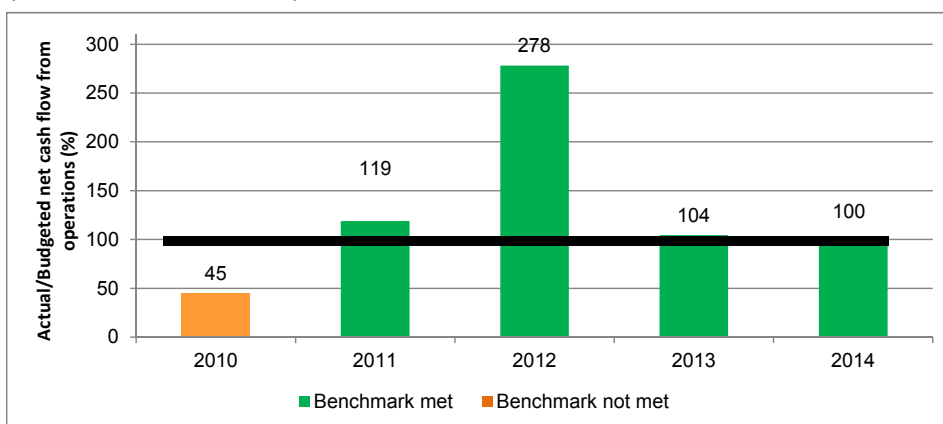


In a situation where Council planned to have net assets, financial assets (excluding trade and other receivables) were planned to exceed financial liabilities, the above graph will show "benchmark met" wherever Council is better off (either less indebted or with greater net assets) than planned. In each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



# 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 (53% 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 New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the Council are for the year ended 30 June 2014. The financial statements were authorised for issue by Council on 21 October 2014.

## 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 NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

### 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.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council is classified as a Tier 2 reporting entity and it will be required to apply a Reduced Disclosure Regime under Public Benefit Entity Accounting Standards (PAS). These standards have 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. This means the Council will transition to the new standards in preparing its 30 June 2015 financial statements and there are no significant changes expected.

## 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 income that it earns from the joint venture.

The Council has a proportionate share in 8 forestry joint venture agreements. This ranges from 34% to 77% and the Council accounts for its share of income 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 when payable.

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.

### **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 income. 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 income 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**

The Council has elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities.

Consequently, 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 income or directly in equity.

## **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 income

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.

### Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income 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 income, except for impairment losses, which are recognised in the operating surplus/(deficit).

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

## **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 income**

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 income, 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 income 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 income 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 income 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 income.

### 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%)
<b>Infrastructural assets</b>			
<b>Roading</b>	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%
<b>Water</b>	Pipe reticulation	65 - 130	0.77% - 1.54%
	Pumps	25	4.00%
	Reservoir components	20 - 100	1.00% - 5.00%
<b>Wastewater</b>	Pipe reticulation	100 - 120	0.83% - 1.00%
	Treatment facilities	20 - 100	1.00% - 5.00%
<b>Sanitation</b>	Transfer station	3 - 100	1.00% - 33.33%
<b>Stormwater</b>	Network	100	1.00%
	Elephant Hill drainage	40	5.00% DV

<b>Operational assets</b>	<b>Depreciable life (years)</b>	<b>Depreciable rate (SL% or DV%)</b>
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**

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

### **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:

	<b>Useful life (years)</b>	<b>Amortisation rate (DV%)</b>
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 assets 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

## 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 income 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 income reserves**

This reserve comprises the cumulative net change in the fair value of fair value through other comprehensive income 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 income 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 pensioners. 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

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Income</b>				
<b>Property and Investments Group</b>				
Forestry	\$ 499	\$ 156	\$ 170	\$ 348
Investments and Finance	432	322	239	493
Property	620	655	745	584
<b>Environmental Services Group</b>				
Building Control	489	372	423	393
Resource Management	269	236	223	320
Emergency Management	238	242	235	226
Regulatory Services	121	97	135	123
Dog and Animal Control	192	121	175	114
<b>Governance and Leadership Group</b>				
Community Representation	910	966	879	904
Strategy	500	512	496	498
Managing Services	2,067	1,471	2,118	1,970
<b>Community Services Group</b>				
Economic Development and Promotions	167	173	164	175
Community Support	124	156	121	145
Library	319	316	321	299
<b>Parks and Recreation Group</b>				
Camping	293	232	248	280
Cemeteries	78	83	74	78
Parks and Public Spaces	638	528	627	520
Swimming	138	139	138	141
<b>Roading Group</b>				
Roading	4,251	4,004	4,001	3,519
<b>Utilities Group</b>				
Sewerage and Sewage	488	477	482	522
Stormwater Drainage	92	83	84	108
Waste Management	1,043	1,034	996	1,029
Water Supply	2,568	2,240	2,404	2,048
	<b>\$ 16,536</b>	<b>\$ 14,615</b>	<b>\$ 15,498</b>	<b>\$ 14,837</b>

Included within the above amounts is Internal income as follows:

<b>Property and Investments Group</b>				
Investments and Finance	\$ 199	\$ 4	\$ 50	\$ 196
Property	256	329	252	291
<b>Environmental Services Group</b>				
Resource Management	10	20	10	10
Emergency Management	-	2	4	3
Regulatory Services	1	3	-	-
Dog and Animal Control	1	4	1	1
<b>Governance and Leadership Group</b>				
Community Representation	-	-	-	5
Strategy	3	10	4	4
Managing Services	2,016	1,470	2,108	1,912
<b>Community Services Group</b>				
Economic Development and Promotions	2	-	-	-
Library	1	1	2	2
<b>Parks and Recreation Group</b>				
Camping	19	5	22	22
Cemeteries	-	2	-	-
Parks and Public Spaces	39	26	45	51
Swimming	13	13	10	11
<b>Roading Group</b>				
Roading	11	-	-	8
<b>Utilities Group</b>				
Sewerage and Sewage	21	-	8	9
Stormwater Drainage	11	-	10	10
Waste Management	20	6	9	13
Water Supply	96	41	84	87
	<b>\$ 2,719</b>	<b>\$ 1,936</b>	<b>\$ 2,619</b>	<b>\$ 2,635</b>

## 1 Summary of Services (continued)

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Expenditure</b>				
<b>Property and Investments Group</b>				
Forestry	\$ 474	\$ 328	\$ 131	\$ 324
Investments and Finance	368	287	204	384
Property	704	735	916	675
<b>Environmental Services Group</b>				
Building Control	693	372	423	667
Resource Management	186	194	187	205
Emergency Management	252	242	235	240
Regulatory Services	134	97	135	111
Dog and Animal Control	206	121	175	125
<b>Governance and Leadership Group</b>				
Community Representation	855	991	902	886
Strategy	412	501	485	501
Managing Services	2,067	1,471	2,118	1,970
<b>Community Services Group</b>				
Economic Development and Promotions	142	173	164	148
Community Support	130	256	131	264
Library	303	316	321	290
<b>Parks and Recreation Group</b>				
Camping	259	219	258	220
Cemeteries	71	83	74	61
Parks and Public Spaces	656	527	653	564
Swimming	140	160	159	131
<b>Roading Group</b>				
Roading	5,181	4,197	4,433	4,202
<b>Utilities Group</b>				
Sewerage and Sewage	414	472	469	416
Stormwater Drainage	60	72	73	57
Waste Management	1,024	1,017	979	951
Water Supply	1,808	1,979	2,025	1,759
	<b>\$ 16,539</b>	<b>\$ 14,810</b>	<b>\$ 15,650</b>	<b>\$ 15,151</b>

Included within the above amounts is Internal expenses as follows:

<b>Property and Investments Group</b>				
Forestry	\$ 73	\$ 73	\$ 78	\$ 69
Investments and Finance	219	35	40	211
Property	119	46	101	137
<b>Environmental Services Group</b>				
Building Control	194	47	155	139
Resource Management	61	24	54	51
Emergency Management	73	38	68	98
Regulatory Services	75	16	61	49
Dog and Animal Control	155	39	131	82
<b>Governance and Leadership Group</b>				
Community Representation	478	262	518	583
Strategy	186	128	194	197
Managing Services	(379)	87	67	(186)
<b>Community Services Group</b>				
Economic Development and Promotions	40	31	43	37
Community Support	19	13	20	23
Library	127	114	130	106
<b>Parks and Recreation Group</b>				
Camping	26	15	15	16
Cemeteries	8	6	4	5
Parks and Public Spaces	31	27	(206)	5
Swimming	10	7	7	4
<b>Roading Group</b>				
Roading	569	494	560	456
<b>Utilities Group</b>				
Sewerage and Sewage	123	90	110	115
Stormwater Drainage	23	7	24	15
Waste Management	117	91	118	116
Water Supply	372	246	327	307
	<b>\$ 2,719</b>	<b>\$ 1,936</b>	<b>\$ 2,619</b>	<b>\$ 2,635</b>

## 2 Rates Revenue

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>General rates</b>	\$ 5,301	\$ 5,349	\$ 5,265	\$ 5,048
<b>Targeted rates attributable to activities:</b>				
Wastewater	435	435	433	429
Refuse and sanitation	605	604	601	591
Waimate Stadium	71	70	70	70
Community halls	-	3	3	2
<b>Total revenue from rates other than targeted Water Supply</b>	<b>\$ 6,412</b>	<b>\$ 6,461</b>	<b>\$ 6,372</b>	<b>\$ 6,140</b>
<b>Targeted rates for Water Supply</b>	<b>\$ 1,737</b>	<b>\$ 1,738</b>	<b>\$ 1,740</b>	<b>\$ 1,603</b>
<b>Rates Remissions</b>				
Land used for sport	\$ (1)	\$ -	\$ -	\$ (1)
Halls, community centres, and other organisations	(7)	-	-	(5)
Land protected for historical or cultural purposes	(2)	-	-	(1)
Civic Amenities for multiple SUIP rating units	(39)	-	-	(36)
Resulting from Urban Boundary changes	(34)	(91)	(86)	(51)
<b>Total remissions (included under other expenses)</b>	<b>\$ (83)</b>	<b>\$ (91)</b>	<b>\$ (86)</b>	<b>\$ (94)</b>

### 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)
- Pensioner 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 Other Revenue

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Development and Financial contributions</b>	<b>\$ 133</b>	<b>\$ 89</b>	<b>\$ 94</b>	<b>\$ 237</b>
NZ Transport Agency government grants	\$ 2,119	\$ 1,857	\$ 1,857	\$ 1,582
Ministry of Health Drinking Water Standards grants	591	305	461	212
Other Grants	49	43	61	47
<b>Subsidies and Grants</b>	<b>\$ 2,759</b>	<b>\$ 2,205</b>	<b>\$ 2,379</b>	<b>\$ 1,841</b>
Regulatory revenue	\$ 462	\$ 310	\$ 406	\$ 351
Petrol tax	92	83	80	91
Interest income	65	74	34	50
Dividend income	577	578	576	578
Forestry sales	331	28	27	190
Sales of Eric Batchelor Place sections	-	41	-	-
Deemed income from vested assets/carbon credits	23	-	-	14
Other	1,053	944	1,028	950
<b>Total other revenue</b>	<b>\$ 2,603</b>	<b>\$ 2,058</b>	<b>\$ 2,151</b>	<b>\$ 2,224</b>

Other, within Other revenue, includes Dog Registration and Animal Control income, Camping revenue, Cemetery income, Pool income, Library income, Rental income and other Miscellaneous income.

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

### 4 Other gains/Other losses

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Other gains</b>				
Gain on disposal of property, plant and equipment	\$ 27	\$ -	\$ -	\$ 15
Gain on changes in fair value of forestry assets	146	128	143	142
<b>Total other gains</b>	<b>\$ 173</b>	<b>\$ 128</b>	<b>\$ 143</b>	<b>\$ 157</b>
<b>Other losses</b>				
Loss on disposal of investment property	\$ -	\$ -	\$ -	\$ 1
Loss on disposal of property, plant and equipment	61	-	94	37
Loss on disposal of forestry assets	-	202	-	1
Loss on changes in fair value of forestry assets	-	-	-	17
<b>Total other losses</b>	<b>\$ 61</b>	<b>\$ 202</b>	<b>\$ 94</b>	<b>\$ 56</b>

### 5 Employee Benefit Expenses

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
Salaries and Wages	\$ 3,037	\$ 3,150	\$ 3,013	\$ 2,829
Employer contributions to multi-employer defined benefit plans and defined contribution plans	164	206	201	150
Other employment benefit expenses	-	-	-	-
Increase/(decrease) in employee benefit liabilities	34	(134)	(1)	1
<b>Total employee benefit expenses</b>	<b>\$ 3,235</b>	<b>\$ 3,222</b>	<b>\$ 3,213</b>	<b>\$ 2,980</b>

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.

## 6 Depreciation and Amortisation by Activity

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
Property	\$ 273	\$ 216	\$ 282	\$ 283
Building Control	6	16	-	4
Resource Management	-	1	-	-
Emergency Management	44	26	24	26
Regulatory Services	-	1	-	-
Dog and Animal Control	2	3	1	2
Community Representation	1	3	2	2
Managing Services	117	104	150	139
Economic Development and Promotions	-	1	-	-
Library	48	61	45	48
Camping	62	25	62	58
Cemeteries	2	9	1	2
Parks and Public Spaces	85	76	93	71
Swimming	25	17	25	25
Roading	2,535	2,189	2,395	2,124
Sewerage and Sewage	197	203	196	164
Stormwater Drainage	28	34	29	28
Waste Management	50	58	48	65
Water Supply	611	714	655	597
<b>Total depreciation and amortisation by Activity</b>	<b>\$ 4,086</b>	<b>\$ 3,757</b>	<b>\$ 4,008</b>	<b>\$ 3,638</b>

## 7 Other Expenses

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
Fees to principal auditor:				
Audit New Zealand fees for financial statement audit	\$ 84	\$ 80	\$ 88	\$ 81
Fees to additional auditor:				
Audit fees for Hakataramea water schemes committee	-	1	-	-
Change in provision for doubtful debts/bad debts written off	(14)	-	-	20
Cost of forestry harvested	317	28	-	198
Roading emergency reinstatement	425	-	-	339
Roading sealed pavement maintenance	529	398	398	232
Inventories	(47)	-	-	(33)
Minimum lease payments under operating leases	70	70	70	70
Other operating expenses	5,038	5,033	5,095	4,893
<b>Total other expenses</b>	<b>\$ 6,402</b>	<b>\$ 5,610</b>	<b>\$ 5,651</b>	<b>\$ 5,800</b>

## 8 Finance Income/Finance Costs

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Interest income</b>				
Interest on investments	\$ 66	\$ 74	\$ 34	\$ 50
<b>Total finance income</b>	<b>\$ 66</b>	<b>\$ 74</b>	<b>\$ 34</b>	<b>\$ 50</b>
<b>Interest expense</b>				
Interest on bank borrowings	\$ 36	\$ 83	\$ 65	\$ 42
<b>Total finance costs</b>	<b>\$ 36</b>	<b>\$ 83</b>	<b>\$ 65</b>	<b>\$ 42</b>

## 9 Taxation expense

	2014 Actual \$000	2013 Actual \$000
<b>Taxation expense</b>		
Operating surplus/(deficit) before tax	\$ (3)	\$ (314)
Income tax at 28%	(1)	(88)
Taxation effect of permanent differences	230	303
Effect of imputation credits	(225)	(224)
Deferred tax	(13)	10
Tax effect of losses recognised	13	(10)
Tax effect of loss movements	(4)	9
<b>Taxation expense</b>	<b>\$ -</b>	<b>\$ -</b>

### Deferred tax assets/(liabilities)

	Forestry	Tax losses	Total
Balance at 1 July 2012	\$ (69)	\$ 69	\$ -
Charged to statement of comprehensive income	(10)	10	-
Charge to equity	-	-	-
Balance at 30 June 2013	(79)	79	-
Charged to statement of comprehensive income	13	(13)	-
Charge to equity	-	-	-
<b>Balance at 30 June 2014</b>	<b>\$ (66)</b>	<b>\$ 66</b>	<b>\$ -</b>

The Council has unrecognised tax losses of \$782,473 (2013: \$750,171) with a tax effect of \$219,092 (2013: \$210,048) which are available to carry forward. In addition the Council has recognised tax losses of \$234,875 (2013: \$282,629) with a tax effect of \$65,765 (2013: \$79,136) to offset deferred tax liabilities recognised for forestry activities.

## 10 Cash and Cash Equivalents

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
ANZ Bank cheque account	\$ 60	\$ 188	\$ 75	\$ 41
ANZ Call deposit	1,326	756	428	1,968
National Bank accounts - Hakataramea	15	6	5	14
BNZ Bank accounts - Downlands	152	227	200	279
<b>Total cash and cash equivalents</b>	<b>\$ 1,553</b>	<b>\$ 1,177</b>	<b>\$ 708</b>	<b>\$ 2,302</b>

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	\$ 227	\$ 421	\$ 280	\$ 334
Short term bank deposits (less than 3 months)	1,326	756	428	1,968
<b>Total cash, cash equivalents and bank overdrafts</b>	<b>\$ 1,553</b>	<b>\$ 1,177</b>	<b>\$ 708</b>	<b>\$ 2,302</b>

## 11 Trade and Other Receivables

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
Rates receivables	\$ 138	\$ 88	\$ 100	\$ 96
Other receivables	1,131	666	578	983
Related party receivables	47	13	45	6
Sundry receivables	78	8	51	73
Prepayments	35	-	32	63
GST refund due	88	157	101	137
Less provision for doubtful debts	(5)	-	-	(20)
<b>Total Trade and Other Receivables</b>	<b>\$ 1,512</b>	<b>\$ 932</b>	<b>\$ 907</b>	<b>\$ 1,338</b>
<b>Represented by:</b>				
Current	\$ 1,512	\$ 932	\$ 907	\$ 1,338
Non-current	-	-	-	-
	<b>\$ 1,512</b>	<b>\$ 932</b>	<b>\$ 907</b>	<b>\$ 1,338</b>

### 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	\$ 1,433	\$ 1,245
3 to 6 months	48	88
6 to 9 months	18	7
9 to 12 months	9	3
Greater than 12 months	4	(5)
	<b>\$ 1,512</b>	<b>\$ 1,338</b>

### 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:

	2014 Actual \$000			2013 Actual \$000		
	Gross	Impairment	Net	Gross	Impairment	Net
Current	\$ 1,433	\$ -	\$ 1,433	\$ 1,245	\$ -	\$ 1,245
3 to 6 months	48	-	48	88	-	88
6 to 9 months	18	-	18	7	-	7
9 to 12 months	9	-	9	3	-	3
Greater than 12 months	9	(5)	4	15	(20)	(5)
	<b>\$ 1,517</b>	<b>\$ (5)</b>	<b>\$ 1,512</b>	<b>\$ 1,358</b>	<b>\$ (20)</b>	<b>\$ 1,338</b>



## 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.

	2014	2014	2014	2013
	Actual \$000	LTP Budget \$000	Annual Plan \$000	Actual \$000
Impairment	\$ 5	\$ -	\$ -	\$ 20
<b>Total provision for impairment</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20</b>
Movements in the provision for impairment of trade and other receivables and community loans are as follows:				
As at 1 July	\$ 20	\$ -	\$ -	\$ 6
Additional provisions made during the year	(14)	-	-	14
Receivables written off during the year	-	-	-	-
<b>As at 30 June</b>	<b>\$ 6</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20</b>

## 12 Inventories

	2014	2014	2014	2013
	Actual \$000	LTP Budget \$000	Annual Plan \$000	Actual \$000
Utilities Department stores	\$ 131	\$ 60	\$ 10	\$ 82
Information Centre souvenirs	9	14	2	10
Refuse collection bags	4	4	1	5
Land held for sale - Eric Batchelor sections	442	261	326	442
	<b>\$ 586</b>	<b>\$ 339</b>	<b>\$ 339</b>	<b>\$ 539</b>

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 2014 amounted to \$144,000 (2013: \$97,000).

The Council has developed land for future sale and costs capitalised to date are not expected to be recovered until after 30 June 2015 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

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
	\$ 403	\$ 229	\$ 213	\$ 244
	7	8	7	7
	<b>\$ 410</b>	<b>\$ 237</b>	<b>\$ 220</b>	<b>\$ 251</b>
	\$ 29	\$ 57	\$ 55	\$ 86
	6	4	5	6
	28	10	28	28
	1	1	1	1
	31	-	-	-
	12,185	9,660	9,660	12,185
	12,251	9,675	9,694	12,220
	<b>\$ 12,280</b>	<b>\$ 9,732</b>	<b>\$ 9,749</b>	<b>\$ 12,306</b>

#### 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, capitalisation of EBIT and capitalisation of optimal deprival value (ODV). The independent valuation was completed by Deloitte, Chartered Accountants, at 31 March 2013.

#### 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:

	2014 Actual \$000	Weighted average effective interest rate
Investments maturing within the next year	\$ 410	4.35%
Investments maturing between 1-5 years	29	7.87%
Investments maturing after 5 years	-	0.00%
	<b>\$ 439</b>	

## 14 Derivative Financial Instruments

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Current liability portion</b>				
Interest rate swaps - fair value hedges	\$ 12	\$ 52	\$ 87	\$ 41
<b>Total current liability</b>	<b>\$ 12</b>	<b>\$ 52</b>	<b>\$ 87</b>	<b>\$ 41</b>
<b>Non-current liability portion</b>				
Interest rate swaps - fair value hedges	\$ -	\$ -	\$ -	\$ 14
<b>Total non-current liability</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14</b>

### 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 2014 is \$500,000 (2013: \$1,100,000). At 30 June 2014, the fixed interest rates of cash flow hedge interest rate swap is 6.99% (2013: 6.55% to 6.99%).

## 15 Property, Plant and Equipment

	2014				Accumulated depreciation and impairment charges and				Accumulated depreciation and impairment charges and				Carrying amount 30 June 2014 \$'000
	Cost/valuation 1 July 2013 \$'000	Impairment charges 1 July 2013 \$'000	Carrying amount 1 July 2013 \$'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 2014 \$'000	Impairment charges 30 June 2014 \$'000	Carrying amount 30 June 2014 \$'000		
Operational Assets													
Operating													
Land	\$ 4,429	\$ (67)	\$ 4,362	\$ -	\$ (122)	\$ (406)	\$ 67	\$ -	\$ 4,307	\$ -	\$ 4,307		
Buildings	6,987	(449)	6,538	122	(136)	(43)	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		
Road 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)

### 2013

#### Operational Assets

	Cost/valuation 1 July 2012 \$000	Accumulated depreciation and impairment charges 1 July 2012 \$000	Carrying amount 1 July 2012 \$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 2013 \$000	Accumulated depreciation and impairment charges 30 June 2013 \$000	Carrying amount 30 June 2013 \$000
<b>Operating</b>											
Land	\$ 4,381	\$ -	\$ 4,381	\$ -	\$ -	\$ (67)	\$ -	\$ 49	\$ 4,429	\$ (67)	\$ 4,362
Buildings	6,608	-	6,608	98	-	(449)	-	280	6,987	(449)	6,538
Library books	708	(319)	389	53	-	(42)	-	-	762	(362)	400
Plant and Equipment	1,293	(496)	797	199	(116)	(135)	77	-	1,375	(554)	821
Motor vehicles	682	(359)	323	59	(20)	(62)	16	-	721	(405)	316
Work in progress	-	-	-	107	-	-	-	-	107	-	107
<b>Total operating assets</b>	<b>13,672</b>	<b>(1,174)</b>	<b>12,498</b>	<b>516</b>	<b>(136)</b>	<b>(755)</b>	<b>93</b>	<b>329</b>	<b>14,381</b>	<b>(1,837)</b>	<b>12,544</b>
<b>Restricted</b>											
Land	5,431	-	5,431	20	-	-	-	-	5,451	-	5,451
Buildings	-	-	-	-	-	-	-	-	-	-	-
<b>Total restricted assets</b>	<b>5,431</b>	<b>-</b>	<b>5,431</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,451</b>	<b>-</b>	<b>5,451</b>
<b>Total operational assets</b>	<b>\$ 19,103</b>	<b>\$ (1,174)</b>	<b>\$ 17,929</b>	<b>\$ 536</b>	<b>\$ (136)</b>	<b>\$ (755)</b>	<b>\$ 93</b>	<b>\$ 329</b>	<b>\$ 19,832</b>	<b>\$ (1,837)</b>	<b>\$ 17,995</b>

#### Infrastructural Assets

Wastewater schemes	\$ 10,299	\$ (222)	\$ 10,077	\$ 22	\$ -	\$ (161)	\$ -	\$ -	\$ 10,321	\$ (383)	\$ 9,938
Rural water schemes	9,823	(380)	9,443	25	-	(312)	-	-	9,848	(691)	9,157
Urban water schemes	4,585	(217)	4,368	48	-	(218)	-	-	4,633	(435)	4,198
Downlands water scheme	2,554	(452)	2,102	5	-	(68)	-	-	2,559	(520)	2,039
Rural drainage schemes	57	(40)	17	-	-	(2)	-	-	57	(42)	15
Roading network	309,419	(2,502)	306,917	1,325	-	(2,124)	-	-	310,744	(4,626)	306,118
Stormwater schemes	2,157	(25)	2,132	-	-	(28)	-	-	2,157	(53)	2,104
Sanitation	489	(25)	464	13	-	(55)	-	-	502	(80)	422
Work in progress	263	-	263	687	-	-	-	-	950	-	950
<b>Total infrastructural assets</b>	<b>\$ 339,646</b>	<b>\$ (3,863)</b>	<b>\$ 335,783</b>	<b>\$ 2,125</b>	<b>\$ -</b>	<b>\$ (2,968)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 341,771</b>	<b>\$ (6,830)</b>	<b>\$ 334,941</b>
<b>Total Property, plant and equipment</b>	<b>\$ 358,749</b>	<b>\$ (5,037)</b>	<b>\$ 353,712</b>	<b>\$ 2,661</b>	<b>\$ (136)</b>	<b>\$ (3,723)</b>	<b>\$ 93</b>	<b>\$ 329</b>	<b>\$ 361,603</b>	<b>\$ (8,667)</b>	<b>\$ 352,936</b>

Included within Current year depreciation/impairment is an impairment recorded in Other Comprehensive Income (102)

## 15 Property, Plant and Equipment (continued)

<b>Core Assets additional disclosure</b>	<b>Closing Book Value \$000</b>	<b>Acquisitions - constructed \$000</b>	<b>Acquisitions - transferred \$000</b>	<b>Estimated replacement cost \$000</b>
<b>Water Supply</b>				
Treatment plants and facilities	\$ 3,595	\$ 1,263	\$ -	\$ 7,677
Other assets (such as reticulations systems)	13,219	215	-	28,229
<b>Total Water Supply</b>	<b>\$ 16,814</b>	<b>\$ 1,478</b>	<b>\$ -</b>	<b>\$ 35,906</b>
Water Supply assets were revalued in June 2011				
<b>Sewerage</b>				
Treatment plants and facilities	\$ 1,224	\$ -	\$ -	\$ 2,491
Other assets (such as reticulations systems)	8,675	146	-	17,663
<b>Total Sewerage</b>	<b>\$ 9,899</b>	<b>\$ 146</b>	<b>\$ -</b>	<b>\$ 20,154</b>
Sewerage assets were revalued in June 2011				
<b>Stormwater drainage</b>	\$ 2,205	\$ 69	\$ -	\$ 3,648
Stormwater Drainage assets were revalued in June 2011				
<b>Flood protection and control works</b>	\$ -	\$ -	\$ -	\$ -
Flood protection is undertaken by ECAN				
<b>Roading and footpaths</b>	\$ 316,804	\$ 1,867	\$ -	\$ 404,377
Roading 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 Kerry Stewart (Val Prof Urb, PG Dip Env Audit, MBA, FNZIV, FPINZ) of Darroch Valuations and the valuation is effective as at 30 June 2012. 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

- 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 Kerry Stewart (Val Prof Urb, PG Dip Env Audit, MBA, FNZIV, FPINZ) of Darroch Valuations and the valuation is effective as at 30 June 2012. 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 were valued at fair value. These valuations were not independently reviewed.

#### 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. Library books are now valued at deemed cost as at transition to NZIFRS.

## 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 income. 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 Manjit Devgun of Opus International Consultants Limited using optimised depreciated replacement cost and the valuation is effective as at 30 June 2011.

Urban and rural water assets were valued by Manjit Devgun of Opus International Consultants Limited using optimised depreciated replacement cost and the valuation is effective as at 30 June 2011.

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 as at transition to NZIFRS.

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 as at transition to NZIFRS.

Roadway 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 Manjit Devgun of Opus International Consultants Limited using optimised depreciated replacement cost and the valuation is effective at 30 June 2011.

Sanitation assets (transfer station and recycling building) were valued by Neal Absalom, and Hock Yeo of Opus International Consultants Limited using optimised depreciated replacement cost and the valuation is effective as at 30 June 2011.

All additions are recorded at cost.

Land and Buildings - 30 June 2012 - Kerry Stewart of Darroch Valuations	16,749,390
Furniture, plant & machinery and office equipment - 30 June 2009 - Gerald Morton of Morton & Company Ltd	385,620
Roadway - 30 June 2014 - Mel England of Opus International Consultants	316,804,000
Wastewater, urban & rural water, and stormwater - 30 June 2011 - Manjit Devgun of Opus International Consultants	26,480,495
Sanitation - 30 June 2011 - Neal Absalom and Hock Yeo of Opus International Consultants	489,240

### Impairment

The value of impairment gains/losses was \$63,480 (2013, \$(226,689)), relating to the write down of the Waimate Aerodrome.

### Work in progress

The total amount of property, plant and equipment in the course of construction is \$387,000 (2013 \$1,059,000). Work in progress is disclosed above.

### Leasing

The net carrying amount of plant and equipment held under finance leases is \$nil (2013 \$nil).



## 16 Forestry Assets

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
Opening balance	\$ 1,714	\$ 1,513	\$ 1,623	\$ 1,766
Gains/(losses) arising from changes in fair value less estimated point of sale costs	146	128	143	125
Capital works	27	-	-	21
Decreases due to harvest	(318)	(28)	-	(198)
<b>Closing balance</b>	<b>\$ 1,569</b>	<b>\$ 1,613</b>	<b>\$ 1,766</b>	<b>\$ 1,714</b>

**Represented by (R M Consulting Ltd yearly valuation dated 1 July 2014):**

Joint venture	\$ 552	\$ 480	\$ 648	\$ 688
Reserves	352	571	556	426
Waihao Forest	665	562	562	600
<b>Closing balance</b>	<b>\$ 1,569</b>	<b>\$ 1,613</b>	<b>\$ 1,766</b>	<b>\$ 1,714</b>

### Valuation Method

The 2014 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 2014, so that trees planted in 2006, 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 2014:

	Area by Age (years) by Class (ha)							
	0-5	5-10	10-15	15-20	20-25	25-30	30+	Total
<b>Forest</b>								
Joint Venture	-	-	-	-	-	55.3	-	55.3
Reserves	15.0	3.5	2.5	20.9	1.4	7.4	1.4	52.1
Waihao Forest	-	-	-	103.3	-	-	-	103.3
<b>Total</b>	<b>15.0</b>	<b>3.5</b>	<b>2.5</b>	<b>124.2</b>	<b>1.4</b>	<b>62.7</b>	<b>1.4</b>	<b>210.7</b>
Percentage	7.1%	1.7%	1.2%	58.9%	0.7%	29.7%	0.7%	100.0%

## 17 Intangible Assets

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>ETS Carbon Credits</b>				
<b>Cost</b>				
Balance at 1 July	\$ 18	\$ -	\$ -	\$ 4
Additions	23	-	-	14
<b>Balance at 30 June</b>	<b>\$ 41</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18</b>
<b>Software</b>				
<b>Cost</b>				
Balance at 1 July	\$ 123	\$ 100	\$ 118	\$ 111
Additions	35	-	35	12
<b>Balance at 30 June</b>	<b>\$ 158</b>	<b>\$ 100</b>	<b>\$ 153</b>	<b>\$ 123</b>
<b>Accumulated amortisation and impairment losses</b>				
Balance at 1 July	\$ (49)	\$ (52)	\$ (35)	\$ (32)
Amortisation charge for the year	(15)	(20)	(20)	(17)
<b>Balance at 30 June</b>	<b>\$ (64)</b>	<b>\$ (72)</b>	<b>\$ (55)</b>	<b>\$ (49)</b>
<b>Software carrying value at 30 June</b>	<b>\$ 94</b>	<b>\$ 28</b>	<b>\$ 98</b>	<b>\$ 74</b>
<b>Total Intangible assets carrying value at 30 June</b>	<b>\$ 135</b>	<b>\$ 28</b>	<b>\$ 98</b>	<b>\$ 92</b>

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 \$10,086 on the tradable carbon credit market as at 30 June 2014. 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 2014 these have a value of \$31,066 on the tradable carbon credit market. No Voluntary Emissions Return was lodged in 2014.

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

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
Sundry payables	\$ 1,193	\$ 917	\$ 938	\$ 1,388
Income received in advance	263	-	-	293
Related party payables	47	26	185	44
Other	118	3	-	6
<b>Total Trade and other payables</b>	<b>\$ 1,621</b>	<b>\$ 946</b>	<b>\$ 1,123</b>	<b>\$ 1,731</b>

### 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

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Current liability portion</b>				
Landfill aftercare	\$ 6	\$ 6	\$ 6	\$ 5
<b>Total Current liability portion</b>	<b>\$ 6</b>	<b>\$ 6</b>	<b>\$ 6</b>	<b>\$ 5</b>
<b>Non-current liability portion</b>				
Landfill aftercare	\$ 68	\$ 202	\$ 60	\$ 71
<b>Total Non-current liability portion</b>	<b>\$ 68</b>	<b>\$ 202</b>	<b>\$ 60</b>	<b>\$ 71</b>
<b>Total Provisions</b>	<b>\$ 74</b>	<b>\$ 208</b>	<b>\$ 66</b>	<b>\$ 76</b>

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

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
Accrued salaries and wages	\$ 138	\$ -	\$ 100	\$ 108
Annual leave	264	229	263	253
Long service leave	14	21	21	23
Retirement gratuities	28	26	26	27
<b>Total employee benefit liabilities</b>	<b>\$ 444</b>	<b>\$ 276</b>	<b>\$ 410</b>	<b>\$ 411</b>
<b>Represented by:</b>				
Current liabilities	444	276	410	411
Non-current liabilities	-	-	-	-
	<b>\$ 444</b>	<b>\$ 276</b>	<b>\$ 410</b>	<b>\$ 411</b>

## 21 Public Debt

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Current liability portion</b>				
Secured loans	\$ 500	\$ 35	\$ -	\$ 1,100
<b>Total Current liability portion</b>	<b>\$ 500</b>	<b>\$ 35</b>	<b>\$ -</b>	<b>\$ 1,100</b>
<b>Non-current liability portion</b>				
Secured loans	\$ -	\$ 1,174	\$ 1,280	\$ -
<b>Total Non-current liability portion</b>	<b>\$ -</b>	<b>\$ 1,174</b>	<b>\$ 1,280</b>	<b>\$ -</b>
<b>Total Public Debt</b>	<b>\$ 500</b>	<b>\$ 1,209</b>	<b>\$ 1,280</b>	<b>\$ 1,100</b>

The range of interest rates applying to the above loans is 4.29% with a weighted average of 4.29% (2013: 3.32%).

### Fixed-rate debt

The Council's secured debt of \$500,000 (2013: \$1,100,000) 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 (2013: \$500,000). 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.

	2014 \$000	2013 \$000
<b>Less than one year</b>		
Overdraft	\$ -	\$ -
Weighted average effective interest rate	10.15%	9.65%
Secured loans	\$ 500	\$ 1,100
Weighted average effective interest rate	7.52%	7.64%
<b>Between one and five years</b>		
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:

	2014 \$000	2013 \$000
<b>Carrying amount</b>		
Secured loans	\$ 500	\$ 1,100
<b>Fair Value</b>		
Secured loans	\$ 500	\$ 1,100

## 22 Equity

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Public Equity - Retained earnings</b>				
As at 1 July	\$ 83,520	\$ 82,837	\$ 83,914	\$ 83,857
Transfers from/(to) special separate and trust funds	(245)	192	444	(23)
Transfers from/(to) asset revaluation reserves	-	-	-	-
Surplus/(deficit) for the year	(3)	(195)	(152)	(314)
<b>Total Public Equity as at 30 June</b>	<b>\$ 83,272</b>	<b>\$ 82,834</b>	<b>\$ 84,206</b>	<b>\$ 83,520</b>
<b>Asset revaluation reserve</b>				
As at 1 July	\$ 280,173	\$ 278,675	\$ 280,000	\$ 279,946
Transfers from/(to) public equity	-	-	-	-
Revaluation gains/(losses)	11,356	39,218	39,326	-
Impairment of revalued asset/reversal	(63)	-	-	227
<b>Total Asset revaluation reserve as at 30 June</b>	<b>\$ 291,466</b>	<b>\$ 317,893</b>	<b>\$ 319,326</b>	<b>\$ 280,173</b>
<b>Special separate and trust funds (restricted reserves)</b>				
As at 1 July	\$ 1,139	\$ 359	\$ 1,143	\$ 1,143
Transfers from/(to) public equity	245	(192)	(444)	23
Transfers from comprehensive income	3	-	-	(27)
<b>Total Special separate and trust funds as at 30 June</b>	<b>\$ 1,387</b>	<b>\$ 167</b>	<b>\$ 699</b>	<b>\$ 1,139</b>
<b>Fair value through comprehensive income reserve (shares)</b>				
As at 1 July	\$ 3,273	\$ 748	\$ 748	\$ 748
Revaluation gains/(losses)	-	-	-	2,525
<b>Total Fair value through comprehensive income reserve as at 30 June</b>	<b>\$ 3,273</b>	<b>\$ 748</b>	<b>\$ 748</b>	<b>\$ 3,273</b>
<b>Asset revaluation reserves consist of:</b>				
<b>Operational assets</b>				
Land - freehold	\$ 3,677	\$ 3,696	\$ 3,659	\$ 3,677
Buildings	4,859	4,678	4,887	4,922
Plant and equipment	-	-	-	-
<b>Restricted assets</b>				
Land - restricted	3,789	3,789	3,740	3,789
<b>Infrastructural assets</b>				
Wastewater schemes	6,866	8,446	8,446	6,866
Rural water schemes	6,379	7,803	7,798	6,379
Urban water scheme	2,562	3,129	3,128	2,562
Road network	261,288	283,877	285,192	249,932
Stormwater schemes	1,881	2,275	2,275	1,881
Sanitation	165	201	201	165
	<b>\$ 291,466</b>	<b>\$ 317,894</b>	<b>\$ 319,326</b>	<b>\$ 280,173</b>
<b>Special separate and trust funds (restricted reserves) consist of:</b>				
Discretionary reserves	\$ 607	\$ 415	\$ 418	\$ 498
Restricted reserves	429	175	393	457
Trusts	178	143	170	168
Special Reserves	123	834	2,993	(115)
Depreciation Reserves	2,869	1,913	(206)	3,040
Non-Cash Reserves	408	410	348	408
Internal Loan Reserves	(3,227)	(3,723)	(3,417)	(3,317)
	<b>\$ 1,387</b>	<b>\$ 167</b>	<b>\$ 699</b>	<b>\$ 1,139</b>

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 income 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 2013 \$000	Deposits \$000	Withdrawals \$000	Closing balance 30 June 2014 \$000
<b>Restricted Reserves</b>				
<b>Discretionary</b>				
Perpetual Graves	\$ 70	\$ 5	\$ -	\$ 75
Esplanade	51	3	-	54
Subdivision Contribution	333	71	-	404
Waste Minimisation	44	32	(4)	72
Mayors Welfare Relief Fund	-	3	-	3
<b>Restricted</b>				
Endowment Land	173	10	-	183
Te Aka Road Grant - Rock fall Protection	53	3	-	56
Te Aka Road Grant - Recreational	157	9	(99)	67
Waimate Stadium	63	74	(21)	116
Heritage Fund Reserve	6	-	-	6
Ministry of Youth Development Grant	5	-	(5)	-
<b>Trusts</b>				
Friends of Knottingley Park	4	-	-	4
Library Bequests	164	10	-	174
<b>Non-cash</b>				
Downlands Asset Replacement	386	7	-	393
Downlands Capital Contributions	22	-	(7)	15
<b>Total Restricted Reserves</b>	<b>\$ 1,531</b>	<b>\$ 227</b>	<b>\$ (136)</b>	<b>\$ 1,622</b>
<b>General Reserves</b>				
General Reserves	\$ (551)	\$ 408	\$ (589)	\$ (732)
Property Reserve	(163)	36	(19)	(146)
Pensioner Housing	(66)	-	(50)	(116)
Forestry Reserve	(475)	148	-	(327)
Camping	317	159	(25)	451
Rates Smoothing Reserve	168	32	-	200
<b>Total General Reserves</b>	<b>\$ (770)</b>	<b>\$ 783</b>	<b>\$ (683)</b>	<b>\$ (670)</b>
<b>Civic Amenities Rate Reserve</b>				
Civic Amenities Rate Reserve	\$ 996	\$ 80	\$ (67)	\$ 1,009
<b>Total Civic Amenities Rate Reserve</b>	<b>\$ 996</b>	<b>\$ 80</b>	<b>\$ (67)</b>	<b>\$ 1,009</b>
<b>Targeted Rate Reserves</b>				
Urban Water Scheme	\$ (285)	\$ 6	\$ -	\$ (279)
Sewerage	(81)	44	-	(37)
Waste Management - Collection	117	-	(40)	77
<b>Rural Water Scheme Operating Reserves</b>				
Cannington/Motukaika	11	39	-	50
Cattle Creek	(12)	-	(1)	(13)
Hook/Waituna	(84)	-	(3)	(87)
Lower Waihao	(23)	84	-	61
Otaio/Makikihi	92	15	-	107
Waihaorunga	(35)	-	(10)	(45)
Waikakahi	(41)	-	(9)	(50)
<b>Total Targeted Rate Reserves</b>	<b>\$ (341)</b>	<b>\$ 188</b>	<b>\$ (63)</b>	<b>\$ (216)</b>

## 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 income received to fund waste minimisation initiatives	Waste Management

##### Restricted

Endowment Land	Purchase of endowment land	Property
Te Aka Road Grant - Rock fall Protection	Rockfall protection at Te Akatarawa Road	Roading
Te Aka Road Grant - Recreational	Development of public recreational areas adjoining Te Akatarawa Road	Camping
Waimate Stadium	Investigation and/or refurbishment of the Waimate Stadium	Property
Heritage Fund		
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 Drainage
Property Reserve	Funds accumulated over time for Council property, including Rental Property, Local Government Centre, Waimate Airport, Waimate Stadium and Queen Street Subdivision	Property
Pensioner Housing	Funds accumulated/borrowed over time for Pensioner 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 income 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
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#### 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 2013 \$000	Deposits \$000	Withdrawals \$000	Closing balance 30 June 2014 \$000
<b>Internal Loan Reserves</b>				
Urban Water Scheme	\$ (1,464)	\$ 38	\$ -	\$ (1,426)
Sewerage	(1,172)	31	-	(1,141)
Waste Management - Disposal	(681)	21	-	(660)
<b>Total Internal Loan Reserves</b>	<b>\$ (3,317)</b>	<b>\$ 90</b>	<b>\$ -</b>	<b>\$ (3,227)</b>
<b>Asset Renewal Reserves</b>				
<b>General Asset Renewal Reserves</b>				
General Reserves	\$ 735	\$ 170	\$ (194)	\$ 711
Property Reserve	111	139	(91)	159
Pensioner Housing	210	63	-	273
Forestry Reserve	(20)	-	(27)	(47)
Camping	(102)	61	(10)	(51)
Stormwater	153	28	(69)	112
<b>Civic Amenities Rate Asset Renewal Reserve</b>				
Civic Amenities Rate Asset Renewal Reserve	102	182	(159)	125
<b>Targeted Rate Asset Renewal Reserves</b>				
Sewerage	438	196	(146)	488
Waste Management - Collection	51	38	-	89
Roading Reserve	372	-	-	372
Urban Water Scheme	430	223	(138)	515
<b>Rural Water Schemes</b>				
Cannington/Motukaika	85	15	(6)	94
Cattle Creek	2	1	-	3
Hook/Waituna	363	82	(349)	96
Lower Waihao	(111)	62	(9)	(58)
Otaio/Makikihi	31	51	(318)	(236)
Waihaorunga	34	19	(3)	50
Waikakahi	156	60	(42)	174
<b>Total Asset Renewal Reserves</b>	<b>\$ 3,040</b>	<b>\$ 1,390</b>	<b>\$ (1,561)</b>	<b>\$ 2,869</b>
<b>Fair Value through other Comprehensive Income Reserve</b>				
Fair Value through other Comprehensive Income	\$ 3,273	\$ -	\$ -	\$ 3,273
<b>Total Fair Value through other Comprehensive Income Reserve</b>	<b>\$ 3,273</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,273</b>
<b>Total Reserves</b>	<b>\$ 4,412</b>	<b>\$ 2,758</b>	<b>\$ (2,510)</b>	<b>\$ 4,660</b>



## 22 Equity (continued)

### Internal Loan Reserves

Urban Water Scheme	Internally borrowed funds for future repayment by the users of the service	Water Supply
Sewerage	Internally borrowed funds for future repayment by the users of the service	Sewerage and Sewage
Waste Management - Disposal	Internally borrowed funds for future repayment by the users of the service	Waste Management

### 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
Pensioner 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
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#### 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 Income Reserve

Fair Value through other Comprehensive Income	Financial assets revaluation gains/(losses), at fair value, through Other Comprehensive Income	Investments and Finance
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## 23 Reconciliation of Net Surplus/(Deficit) to Net Cash Flow from Operating Activities

	2014 Actual \$000	2013 Actual \$000
<b>Surplus/(deficit) after tax</b>	\$ (3)	\$ (314)
<b>Add/(less) non cash items</b>		
Depreciation	4,071	3,621
Amortisation	15	17
Income from vested assets/carbon credits	(23)	(14)
Cost of forestry harvested	317	198
	4,380	3,822
<b>Add/(less) items classified as investing or financing activities</b>		
Losses/(gains) on sale of forestry assets	(331)	(211)
Losses/(gains) in fair value of forestry assets	(146)	(145)
Losses/(gains) on disposal of property, plant and equipment	34	37
Increase/(decrease) in derivative financial instruments	(43)	(55)
	(486)	(374)
<b>Add/(less) movements in working capital items</b>		
Decrease/(increase) in inventories	(47)	(33)
Decrease/(increase) in trade and other receivables	(174)	246
Increase/(decrease) in trade and other payables	(110)	368
Increase/(decrease) in employee benefit liabilities	34	1
Increase/(decrease) in provisions	(2)	(3)
	(299)	579
<b>Net Cash Flows from operating activities</b>	<b>\$ 3,592</b>	<b>\$ 3,713</b>

## 24 Capital Commitments and Operating Leases

There are capital commitments in relation to one project from Council's capital programme (2013: Four).

Contracts reviewed on an annual basis have been accepted for:

Roading - roading contracts area contractual commitment with a right of renewal for a further year. In May 2012 Council signed a new three year contract commencing 1 July 2012. Also in October 2013 the Reseal contract (13/1) was signed and this has been extended to 30 June 2015.

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.

	2014 Actual \$000	2013 Actual \$000
<b>Capital Commitments</b>		
Capital expenditure contracted for at balance date not yet incurred for property, plant and equipment	\$ 229	\$ 1,416

### 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:

	2014 Actual \$000	2013 Actual \$000
<b>Non-cancellable operating leases as lessee</b>		
Not later than one year	\$ 95	\$ 60
Later than one year, not later than five years	57	111
Later than five years	-	-
	<b>\$ 152</b>	<b>\$ 171</b>

### 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:

	2014 Actual \$000	2013 Actual \$000
<b>Non-cancellable operating leases as lessor</b>		
Not later than one year	\$ 109	\$ 115
Later than one year, not later than five years	244	334
Later than five years	14	11
	<b>\$ 367</b>	<b>\$ 460</b>

No contingent rents have been recognised in the Statement of Comprehensive Income during the period.

## 25 Contingencies

### Contingent Assets

Following registration with the Emissions Trading Scheme Council has applied for carbon credits for both the pre-1990 forests it operates and post-1989 forests it operates. The credits received have been classified as an Intangible asset as at 30 June 2013. These were included as Contingent Assets in 2012. There are no Contingent Assets as at 30 June 2014.

### 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's public liability and professional indemnity cover provider, RiskPool, has advised it will be making calls on Council for a shortfall in the mutual pool's funds. This has been caused predominantly by the leaky building issue which has significantly impacted the sector, including RiskPool. Under the Fund's rules councils are obligated to fund a call. Since the initial payment was made in 2009, \$122,730 has been paid to RiskPool. Future calls were expected to be made in 2013 and 2014 however a call on 1 July 2013 was not required, and the possibility of a call for the 2014/15 financial year is minimal (refer RiskPool 2012 Annual Report - Chairman's Report).

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 2014, the scheme had a past service surplus of \$16.187 million (exclusive of Employer Superannuation Contribution Tax), (Net assets of \$219.125 million, Past service liabilities \$202.938 million, at a funding level of 108.0%). This surplus was calculated using a discounted rate equal to the expected return on net assets, but otherwise the assumptions and methodology were consistent with the requirements of NZ IAS 19.

The Actuary of the scheme has recommended that the employer contribution continue to be suspended from 1 April 2014. This recommendation was accepted and endorsed by the Board.

Council is not aware of any other contingent assets or contingent liabilities at 30 June 2014 (2013: \$nil). There are no unfulfilled conditions and other contingencies attached to New Zealand Transport Agency subsidies recognised.

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## 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

	2014 Actual \$000	2013 Actual \$000
<b>Related party transactions and balances (Inter group transactions and balances)</b>		
<b>Timaru District Council - Downlands rural water scheme</b>		
Services provided by Council	\$ 167	\$ 158
Accounts payable to Council	(167)	(158)
	<b>\$ -</b>	<b>\$ -</b>

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

	2014 Actual \$000	2013 Actual \$000
<b>Key Management personnel</b>		
Salaries and other short term employee benefits	\$ 923	\$ 980
Post employment benefits	-	-
Termination benefits	126	-
Councillors	198	189
	<b>\$ 1,247</b>	<b>\$ 1,169</b>

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

There is a close family member of key management personnel employed by the Council. The terms and conditions of this arrangement are no more favourable than the Council would have adopted if there were no relationship to key management personnel.

## 27 Remuneration

	2014 Actual \$000	2013 Actual \$000
<b>Chief Executive</b>	\$ 150	\$ 149
<b>Additional benefits</b>		
Employer Superannuation contribution	11	11
Motor Vehicle	7	6
Communication expenses	-	-
<b>Total Chief Executive</b>	<b>\$ 168</b>	<b>\$ 166</b>
<b>Council Representatives</b>		
Craig Rowley (Mayor from October 2013)	\$ 47	\$ 16
Sharyn Cain (Deputy Mayor from October 2013)	21	16
Peter Collins	12	-
Arthur Gavegan	12	-
Peter McIlraith (Deputy Mayor to October 2013)	23	29
Miriam Morton	12	-
Tom O'Connor	12	-
Sheila Paul	12	-
Stuart Thomson	12	-
John Coles (Mayor to October 2013)	18	59
Jim Anderson	5	17
Mike Balchin	4	15
Peter Foley	4	16
Matt Henderson	4	16
Sandra Mulqueen	-	5
<b>Total Council representatives</b>	<b>\$ 198</b>	<b>\$ 189</b>

## 28 Employee Staffing Levels and Remuneration

	2014 Actual \$000	2013 Actual \$000
<b>Total full time equivalent number of employees</b>	<b>42.66</b>	<b>40.64</b>
<b>Represented by:</b>		
Full time employees	38.00	36.00
Full time equivalent of all other employees	4.66	4.64
(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).		
<b>Numbers of employees, who are employed at 30 June, where annual remuneration is within the following bands:</b>		
\$0 - \$60,000	29.00	31.00
\$60,000 - \$80,000	15.00	10.00
\$80,000 - \$120,000	6.00	6.00
\$120,000 - \$180,000	2.00	3.00
	<b>52.00</b>	<b>50.00</b>

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 2014 there was one (2013: one) severance payment made to an employee for \$126,000 (2013: \$17,000).

## 30 Financial Instrument Categories

### Financial Assets

#### Fair value through comprehensive income

Derivative financial instrument assets

2014 Actual \$000	2013 Actual \$000
\$ -	\$ -

#### Loans and receivables

Cash and cash equivalents

\$ 1,553	\$ 2,302
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Trade and other receivables

1,512	1,338
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Term deposits

403	244
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Community loans

36	93
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Loans to related parties

-	-
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<b>\$ 3,504</b>	<b>\$ 3,977</b>
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#### Available for sale:

##### Equity investments (at cost)

Combined Rural Traders Ltd (CRT)

\$ 6	\$ 6
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NZ Local Government Insurance Company Ltd

28	28
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MGI Irrigation Company Ltd

1	1
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Hunter Downs Irrigation Limited

31	-
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##### Equity investments (at fair value)

Alpine Energy Ltd

12,185	12,185
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<b>\$ 12,251</b>	<b>\$ 12,220</b>
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#### Total financial assets

<b>\$ 15,755</b>	<b>\$ 16,197</b>
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### Financial Liabilities

#### Fair value through comprehensive income

Derivative financial instrument liabilities

\$ 12	\$ 55
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#### Financial liabilities at amortised cost

Trade and other payables

\$ 1,621	\$ 1,731
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Borrowings

500	1,100
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<b>\$ 2,121</b>	<b>\$ 2,831</b>
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#### Total financial liabilities

<b>\$ 2,133</b>	<b>\$ 2,886</b>
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## 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:		
		Quoted market price	Observable inputs	Significant non-observable inputs
		Total \$000	\$000	\$000
<b>2014</b>				
<b>Financial assets</b>				
Shares		12,185	-	12,185
<b>2013</b>				
<b>Financial assets</b>				
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:

	2014 Actual \$000	2013 Actual \$000
Balance at 1 July	\$ 12,185	\$ 9,660
Gains/(losses) recognised in the operating surplus/(deficit)	-	-
Gains/(losses) recognised in other comprehensive income	-	2,525
Purchases	-	-
Sales	-	-
Transfers into level 3	-	-
Transfers out of level 3	-	-
<b>Balance at 30 June</b>	<b>\$ 12,185</b>	<b>\$ 12,185</b>

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 income. 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:

	<b>2014</b> <b>Actual</b> <b>\$000</b>	<b>2013</b> <b>Actual</b> <b>\$000</b>
Cash at bank and term deposits	\$ 1,553	\$ 2,302
Trade and other receivables	1,512	1,338
Community and related party loans	36	93
Other financial instruments	403	244
Loans to related parties	-	-
Derivate financial instrument assets	-	-
Financial guarantees	-	-
	<b>\$ 3,504</b>	<b>\$ 3,977</b>

## 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:

	<b>2014 Actual \$000</b>	<b>2013 Actual \$000</b>
<b>Counterparties with Credit Ratings</b>		
<b>Cash at bank and term deposits</b>		
AA	\$ 1,553	\$ 2,303
<b>Total cash at bank and term deposits</b>	<b>\$ 1,553</b>	<b>\$ 2,303</b>
<b>Counterparties without Credit Ratings</b>		
<b>Cash at bank and term deposits</b>		
Existing counterparty with no defaults in the past	\$ -	\$ -
Existing counterparty with defaults in the past	18	7
<b>Total cash at bank and term deposits</b>	<b>\$ 18</b>	<b>\$ 7</b>
<b>Community and related party loans</b>		
Existing counterparty with no defaults in the past	\$ -	\$ -
Existing counterparty with defaults in the past	-	-
<b>Total community and related party loans</b>	<b>\$ -</b>	<b>\$ -</b>

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
<b>2014</b>						
Trade and other payables	\$ 1,621	\$ 1,621	\$ 1,621	\$ -	\$ -	\$ -
Net settled derivative liabilities	12	12	12	-	-	-
Secured loans	500	-	-	-	-	-
Financial guarantees	-	-	-	-	-	-
<b>Total</b>	<b>\$ 2,133</b>	<b>\$ 1,633</b>	<b>\$ 1,633</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2013</b>						
Trade and other payables	\$ 1,731	\$ 1,731	\$ 1,731	\$ -	\$ -	\$ -
Net settled derivative liabilities	55	55	41	14	-	-
Secured loans	1,100	-	-	-	-	-
Financial guarantees	-	-	-	-	-	-
<b>Total</b>	<b>\$ 2,886</b>	<b>\$ 1,786</b>	<b>\$ 1,772</b>	<b>\$ 14</b>	<b>\$ -</b>	<b>\$ -</b>

### *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
<b>2014</b>					
Cash and cash equivalents	\$ 1,553	\$ 1,553	\$ -	\$ -	\$ -
Trade and other receivables	1,512	1,512	-	-	-
Net settled derivative assets	-	-	-	-	-
Community loans	36	7	7	22	(1)
Other financial instruments	403	403	-	-	-
<b>Total</b>	<b>\$ 3,504</b>	<b>\$ 3,475</b>	<b>\$ 7</b>	<b>\$ 22</b>	<b>\$ (1)</b>
<b>2013</b>					
Cash and cash equivalents	\$ 2,302	\$ 2,302	\$ -	\$ -	\$ -
Trade and other receivables	1,338	1,338	-	-	-
Net settled derivative assets	-	-	-	-	-
Community loans	93	7	7	72	6
Other financial instruments	244	244	-	-	-
<b>Total</b>	<b>\$ 3,977</b>	<b>\$ 3,891</b>	<b>\$ 7</b>	<b>\$ 72</b>	<b>\$ 6</b>

## 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
<b>2014</b>				
<b>Interest rate risk</b>				
<b>Financial assets</b>				
Cash and cash equivalents	\$ (16)	\$ -	\$ 16	\$ -
Trade and other receivables	-	-	-	-
Net settled derivative assets	-	-	-	-
Community loans	-	-	-	-
Other financial instruments	-	-	-	-
<b>Financial liabilities</b>				
Trade and other payables	-	-	-	-
Net settled derivative liabilities	-	-	-	-
Secured loans	5	-	(5)	-
Financial guarantees	-	-	-	-
<b>Total sensitivity to interest rate risk</b>	<b>\$ (11)</b>	<b>\$ -</b>	<b>\$ 11</b>	<b>\$ -</b>
<b>Equity price risk</b>				
<b>Financial assets</b>				
Quoted share investments	\$ -	\$ (122)	\$ -	\$ 122
<b>Total sensitivity to equity price risk</b>	<b>\$ -</b>	<b>\$ (122)</b>	<b>\$ -</b>	<b>\$ 122</b>
<b>2013</b>				
<b>Interest rate risk</b>				
<b>Financial assets</b>				
Cash and cash equivalents	\$ (23)	\$ -	\$ 23	\$ -
Trade and other receivables	-	-	-	-
Net settled derivative assets	-	-	-	-
Community loans	-	-	-	-
Other financial instruments	-	-	-	-
<b>Financial liabilities</b>				
Trade and other payables	-	-	-	-
Net settled derivative liabilities	-	-	-	-
Secured loans	11	-	(11)	-
Financial guarantees	-	-	-	-
<b>Total sensitivity to interest rate risk</b>	<b>\$ (12)</b>	<b>\$ -</b>	<b>\$ 12</b>	<b>\$ -</b>
<b>Equity price risk</b>				
<b>Financial assets</b>				
Quoted share investments	\$ -	\$ (122)	\$ -	\$ 122
<b>Total sensitivity to equity price risk</b>	<b>\$ -</b>	<b>\$ (122)</b>	<b>\$ -</b>	<b>\$ 122</b>

## 32 Financial Instrument Risks (continued)

### Explanation of sensitivity analysis

#### Cash and cash equivalents

Cash and cash equivalents include deposits at call totalling \$1,553,000 (2013: \$2,302,000) which are at floating rates. A movement in market interest rates of plus or minus 1% has an effect on interest income of \$16,000 (2013: \$23,000).

#### 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 \$12,000 (2013: \$55,000). 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 (2013: \$1,100,000) 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 (2013: \$11,000).

#### Quoted share investments

Quoted share investments include shares in Alpine Energy Ltd totalling \$12,185,000 (2013: \$12,185,000). A movement in share price of plus or minus 1% has an effect on other equity of \$122,000 (2013: \$122,000). The Council does not hold any listed shares.

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## 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.

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## 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 2013/14 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:

	<b>2014 Actual \$000</b>	<b>2013 Actual \$000</b>	<b>2012 Actual \$000</b>	<b>2011 Actual \$000</b>
Insurance costs	\$ 218	\$ 270	\$ 251	\$ 135

### 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 \$316,804,000. 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 \$3,000 against a reported LTP Budget deficit of \$195,000. The major variances are explained in the following table:

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2014 Var to LTP \$000</b>
NZ Transport Agency government grants	\$ 2,119	\$ 1,857	\$ 1,857	\$ 262
Regulatory revenue	462	310	406	152
Other gains	200	128	143	72
Finance costs	(36)	(83)	(65)	47
Legal expenses	(196)	(27)	(43)	(169)
<b>Sub-total Major Variances</b>	<b>2,549</b>	<b>2,185</b>	<b>2,298</b>	<b>364</b>
All other revenues and expenditure	(2,552)	(2,380)	(2,450)	(172)
<b>Total Surplus/(deficit)</b>	<b>\$ (3)</b>	<b>\$ (195)</b>	<b>\$ (152)</b>	<b>\$ 192</b>

NZ Transport Agency government grants are higher than LTP Budget following additional funding received from the New Zealand Transport Agency from additional emergency roading reinstatement costs following on from the June 2013 flooding event and other flooding events in April 2014.

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

Other gains are above LTP Budget through larger than expected valuation increases in the various forestry blocks. This is despite the devastation that was suffered at several blocks.

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.

Legal expenses are above LTP Budget relating to the defence and final settlement of a court case.

### 36 Events After Balance Date

There are no significant events after balance date.

### Cost of Service Variances for the year ended 30 June 2014

	<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2013</b>
	<b>Actual</b>	<b>LTP Budget</b>	<b>Annual Plan</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Forestry	\$ 25	\$ (172)	\$ 39	\$ 24
Investments and Finance	64	35	35	109
Property	(84)	(80)	(171)	(91)
Building Control	(204)	-	-	(274)
Resource Management	83	42	36	115
Emergency Management	(14)	-	-	(14)
Regulatory Services	(13)	-	-	12
Dog and Animal Control	(14)	-	-	(11)
Community Representation	55	(25)	(23)	18
Strategy	88	11	11	(3)
Managing Services	-	-	-	-
Economic Development and Promotions	25	-	-	27
Community Support	(6)	(100)	(10)	(119)
Library	16	-	-	9
Camping	34	13	(10)	60
Cemeteries	7	-	-	17
Parks and Public Spaces	(18)	1	(26)	(44)
Swimming	(2)	(21)	(21)	10
Roading	(930)	(193)	(432)	(683)
Sewerage and Sewage	74	5	13	106
Stormwater Drainage	32	11	11	51
Waste Management	19	17	17	78
Water Supply	760	261	379	289
<b>Total Surplus/(deficit)</b>	<b>\$ (3)</b>	<b>\$ (195)</b>	<b>\$ (152)</b>	<b>\$ (314)</b>

Employee benefit expenses allocations will vary from the 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 2014

	Key	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Forestry</b>					
Planting costs - various sites/blocks	REP	\$ 27	\$ -	\$ 31	\$ 20
		<b>\$ 27</b>	<b>\$ -</b>	<b>\$ 31</b>	<b>\$ 20</b>
<b>Property</b>					
Local Government Centre - Floor coverings	REP	\$ -	\$ -	\$ 30	\$ -
Local Government Centre - Air conditioning unit	REP	24	21	20	-
Local Government Centre - Office Upgrade	REP	66	-	-	-
Smoke Detectors and Signs	REP	-	-	-	5
Waimate Stadium - Pad protectors	LOS	-	-	-	2
Local Government Centre - sundry	REP	-	3	3	4
		<b>\$ 90</b>	<b>\$ 24</b>	<b>\$ 53</b>	<b>\$ 11</b>
<b>Building Control</b>					
Building officers motor vehicle	REP	\$ -	\$ 26	\$ -	\$ -
Measuring Instrument - Eurotec	REP	1	-	-	-
Moisture Meters	REP	-	-	-	1
		<b>\$ 1</b>	<b>\$ 26</b>	<b>\$ -</b>	<b>\$ 1</b>
<b>Resource Management</b>					
District Planning - Motor Vehicle	REP	\$ -	\$ 26	\$ -	\$ -
		<b>\$ -</b>	<b>\$ 26</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Emergency Management</b>					
Rural Fire - fire tanker (Waihaorunga)	LOS	\$ 55	\$ 57	\$ 55	\$ -
Rural Fire - Smoke Chaser Motor Vehicle	REP	-	16	-	-
Rural Fire - plant	REP	6	6	3	-
Rural Fire - fire tanker (Glenavy)	REP	(1)	-	-	67
Rural Fire - South Canterbury Rural Fire Project	REP	-	-	-	23
		<b>\$ 60</b>	<b>\$ 79</b>	<b>\$ 58</b>	<b>\$ 90</b>
<b>Dog and Animal Control</b>					
Motor Vehicle replacement	REP	\$ -	\$ 11	\$ -	\$ -
		<b>\$ -</b>	<b>\$ 11</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Strategy</b>					
Website Redevelopment	LOS	\$ 35	\$ -	\$ 35	\$ -
		<b>\$ 35</b>	<b>\$ -</b>	<b>\$ 35</b>	<b>\$ -</b>
<b>Managing Services</b>					
Hardware	REP	\$ 19	\$ 91	\$ 109	\$ 57
Motor vehicles	REP	-	62	-	-
Plant	REP	-	-	-	1
Furniture	REP	-	-	-	1
Software	REP	-	-	-	7
		<b>\$ 19</b>	<b>\$ 153</b>	<b>\$ 109</b>	<b>\$ 66</b>



**Capital Expenditure (continued)**  
**for the year ended 30 June 2014**

	Key	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Library</b>					
Library books	REP	\$ 49	\$ 62	\$ 62	\$ 53
Shelving	REP	-	3	4	3
Software	REP	-	-	-	5
		<b>\$ 49</b>	<b>\$ 65</b>	<b>\$ 66</b>	<b>\$ 61</b>
<b>Camping</b>					
Knottingley camp - provide powered camping sites	LOS	\$ -	\$ 22	\$ 22	\$ -
Waitaki - Caretakers Motel	REP	(2)	-	-	92
Victoria Park - Double Ensuite	REP	(3)	-	-	96
Victoria Camp - Beds and Mattresses	REP	-	-	-	3
Victoria Park - Appliances	REP	3	4	5	1
Pump station at Aviemore Lakes	REP	12	-	-	-
		<b>\$ 10</b>	<b>\$ 26</b>	<b>\$ 27</b>	<b>\$ 192</b>
<b>Cemeteries</b>					
Cemetery extension	AD	\$ -	\$ 10	\$ 10	\$ -
		<b>\$ -</b>	<b>\$ 10</b>	<b>\$ 10</b>	<b>\$ -</b>
<b>Parks and Public Spaces</b>					
Morven Reserve - Plant and machinery	LOS	\$ 4	\$ -	\$ -	\$ -
Morven Reserve - Mower replacement	REP	-	-	-	12
Morven Reserve - Fencing	REP	-	-	-	2
Victoria park - mower replacement	REP	58	52	58	-
Victoria park - parks officer motor vehicle	REP	-	-	-	41
Victoria park - parks sundry plant	REP	4	6	5	1
Victoria park - parks trailer	LOS	-	-	-	6
Victoria park - playground extension	AD	28	-	15	-
Victoria park - glasshouse upgrade (roof and walls)	REP	3	54	54	16
Rural Reserves - Wainono Lagoon - Restricted Land	AD	8	-	-	19
		<b>\$ 105</b>	<b>\$ 112</b>	<b>\$ 132</b>	<b>\$ 97</b>
<b>Swimming</b>					
Pump and Sundry Plant Renewal	REP	\$ 4	\$ -	\$ 21	\$ -
Heating of paddling pool	AD	-	-	-	2
		<b>\$ 4</b>	<b>\$ -</b>	<b>\$ 21</b>	<b>\$ 2</b>
<b>Roading Group</b>					
Roads - minor improvements	LOS	\$ 165	\$ 168	\$ 168	\$ 70
Roads - seal widening	LOS	49	84	84	5
Roads - resealing	REP	1,026	851	851	847
Drainage construction	REP	62	62	61	54
Concrete ford culverts	REP	25	46	46	17
Culvert replacements	REP	66	111	111	51
Kerb and channel renewal	REP	115	139	139	29
Pavement rehabilitation	REP	78	180	180	75
Structures component replacement	REP	72	173	172	31
Sign renewal	REP	60	53	53	43
Lighting renewal	REP	-	6	6	-
Footpath renewal	REP	142	93	92	104
Roading development	REP	-	15	-	-
Roads - minor improvements (not subsidised)	REP	3	15	-	-
Traffic Counter	REP	4	-	-	-
		<b>\$ 1,867</b>	<b>\$ 1,996</b>	<b>\$ 1,963</b>	<b>\$ 1,326</b>

**Capital Expenditure (continued)  
for the year ended 30 June 2014**

	Key	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Sewerage and Sewage Group</b>					
Wastewater (John St)	REP	\$ -	\$ 84	\$ 84	\$ -
Wastewater (High St between Shearman - Queen St)	REP	137	-	-	22
Wastewater (King St connection)	AD	6	-	-	-
Motorhome Dump Station	AD	2	-	-	-
SCADA Upgrades	REP	2	-	-	-
Wastewater - renewals/upgrades	REP	-	-	-	12
Tripod reel and harness	REP	-	-	-	5
		<b>\$ 147</b>	<b>\$ 84</b>	<b>\$ 84</b>	<b>\$ 39</b>
<b>Stormwater Drainage Group</b>					
High Street/Manse Street Stormwater Upgrade	LOS	\$ 52	\$ -	\$ 199	\$ 60
Harris Street Stormwater Upgrade	REP	17	199	-	-
		<b>\$ 69</b>	<b>\$ 199</b>	<b>\$ 199</b>	<b>\$ 60</b>
<b>Waste Management Group</b>					
Waste Collection - shelving and doors	REP	\$ -	\$ -	\$ -	\$ 13
		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13</b>
<b>Water Supply Group (Rural and Urban)</b>					
Hook/Waituna - drinking water standards	LOS	\$ 519	\$ 30	\$ 411	\$ 107
Hook/Waituna - renewals	REP	15	21	-	2
Lower Waihao - drinking water standards	LOS	6	11	214	26
Lower Waihao - renewals	REP	3	62	81	10
Otaio/Makikihi - drinking water standards	LOS	711	472	794	343
Otaio/Makikihi - renewals	REP	-	41	82	12
Waihaorunga - drinking water standards	LOS	1	16	41	1
Waihaorunga - renewals	REP	2	15	20	-
Waikakahi - temporary bore source	LOS	7	-	50	12
Waikakahi - renewals	REP	35	5	5	-
Cannington/Motukaika - drinking water standards	LOS	-	42	82	3
Cannington/Motukaika - renewals	REP	6	10	10	-
Urban Supply - water/utility motor vehicle	REP	40	37	36	-
Urban Supply - rising main renewals	REP	69	110	110	47
Urban Supply - cast iron main renewals	REP	27	52	52	29
Urban Supply - VSD for bore pump	REP	27	21	21	-
Urban Supply - utilities/sundry plant	REP	15	6	5	-
SCADA upgrades	REP	2	-	-	-
Downlands	REP	-	102	102	102
Waitaki Bridges - Ducts	REP	33	-	-	-
		<b>\$ 1,518</b>	<b>\$ 1,053</b>	<b>\$ 2,116</b>	<b>\$ 694</b>
<b>Total Capital Expenditure</b>					
		<b>\$ 4,001</b>	<b>\$ 3,864</b>	<b>\$ 4,904</b>	<b>\$ 2,672</b>
<b>Represented by:</b>					
Infrastructural assets		\$ 3,601	\$ 3,332	\$ 4,362	\$ 2,132
Operational assets		400	532	542	540
		<b>\$ 4,001</b>	<b>\$ 3,864</b>	<b>\$ 4,904</b>	<b>\$ 2,672</b>
<b>Categories</b>					
Meets additional demand	AD	\$ 44	\$ 10	\$ 25	\$ 21
Improve level of performance/service	LOS	1,604	902	2,155	635
Replace existing assets	REP	2,353	2,952	2,724	2,016
		<b>\$ 4,001</b>	<b>\$ 3,864</b>	<b>\$ 4,904</b>	<b>\$ 2,672</b>

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

# 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 2014

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 LTP Budget \$000</b>
<b>Sources of operating funding</b>				
General rates, UAGC and rates penalties	\$ 9	\$ 11	\$ 9	\$ 11
Targeted rates	1,737	1,738	1,740	1,603
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	14	25	18	24
Internal charges and overheads recovered	45	34	45	47
Local authority fuel tax, fines, infringement fees other	109	95	103	91
<b>Total sources of operating funding</b>	<b>1,914</b>	<b>1,903</b>	<b>1,915</b>	<b>1,776</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	874	1,028	1,094	995
Finance costs	-	-	10	-
Internal charges and overheads applied	323	238	255	220
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>1,197</b>	<b>1,266</b>	<b>1,359</b>	<b>1,215</b>
<b>Surplus/(deficit) of operating funding</b>	<b>717</b>	<b>637</b>	<b>556</b>	<b>561</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	591	305	461	662
Development and financial contributions	64	32	34	31
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>655</b>	<b>337</b>	<b>495</b>	<b>693</b>
<b>Applications of capital funding</b>				
Capital expenditure - to meet additional demand	-	-	-	-
Capital expenditure - to improve level of service	1,243	570	1,593	1,162
Capital expenditure - to replace existing assets	274	484	524	387
Increase/(decrease) in reserves	(145)	(80)	(1,066)	(295)
Increase/(decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>1,372</b>	<b>974</b>	<b>1,051</b>	<b>1,254</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(717)</b>	<b>(637)</b>	<b>(556)</b>	<b>(561)</b>
<b>Funding balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Internal interest and debt activity:</b>				
Included within Internal charges and overheads recovered is Internal Interest Income of:	\$ 45	\$ 34	\$ 39	\$ 47
Included within Internal charges and overheads applied is Internal Interest Expense of:	97	123	95	110
Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves))	2,193	1,921	2,603	1,774
Increases in Internal Borrowings for the year	257	185	1,052	1,609
Decreases in Internal Borrowings for the year	(121)	(38)	(223)	(1,515)

# 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, 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. These schemes do not comply with New Zealand Drinking Water Standards 2005 (revised 2008).

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

Customer			
Level of Service	Performance Measure	Result	Achievement 2013/14
Council will provide potable water	No complaints for taste and odour Target: Nil complaints	5 justified complaints received for taste and odour. (AF7032, AF6795, AF7201, AF7521, AF7627).	Not Achieved (2013: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 (2013: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 (2013:Achieved)

Customer			
Level of Service	Performance Measure	Result	Achievement 2013/14
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 there after biennially	Next survey to be conducted early 2015.	Not Measured  (2013:Not achieved)
Council maintain adequate pressure within the water supply	Less than 11 complaints per year on inadequate pressure  Target: Less than 11 complaints	4 complaints received (Two related to watermain breaks, two not justified (AF7679, AF7332,AF7279,AF7707)	Achieved  (2013: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	There were no unplanned maintenance interruptions to both urban and rural water supply.	Achieved  (2013: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	50 rural low pressure/ no water complaints (39 justified complaints)	Not Achieved  (2013:Not achieved - 69 complaints)

## Points of Significance

The second stage of the rising main renewal is completed and, alongside the newly installed variable speed drive at the Manchester's Road bore, represents advances towards pressure management / leakage reduction within the township.

The Otaio Makikihi Rural Water Scheme upgrade has been constructed and successfully commissioned.

The SCADA system upgrade to allow for SMS alerts and future hardware upgrades.

Continuous improvements in asset knowledge to better inform renewal programming.

**Service Performance Statement - Water Supply Group (Rural and Urban)**  
for the year ended 30 June 2014

		2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Income</b>					
General rates		\$ 9	\$ 11	\$ 9	\$ 10
Targeted rates		1,737	1,738	1,740	1,603
Revenue from activities		774	457	616	396
Other revenue		48	34	39	39
Total income		<b>2,568</b>	<b>2,240</b>	<b>2,404</b>	<b>2,048</b>
<b>Expenditure</b>					
Employee benefit expenses		-	368	-	-
Depreciation and amortisation		611	714	655	597
Finance expenses		97	123	105	94
Other expenses		1,100	774	1,265	1,068
Total expenditure		<b>1,808</b>	<b>1,979</b>	<b>2,025</b>	<b>1,759</b>
Operating Surplus/(deficit)		<b>\$ 760</b>	<b>\$ 261</b>	<b>\$ 379</b>	<b>\$ 289</b>
<b>Capital Expenditure</b>					
	<b>Key</b>				
Hook/Waituna - drinking water standards	LOS	\$ 519	\$ 30	\$ 411	\$ 107
Hook/Waituna - renewals	REP	15	21	-	2
Lower Waihao - drinking water standards	LOS	6	11	214	26
Lower Waihao - renewals	REP	3	62	81	10
Otaio/Makikihi - drinking water standards	LOS	711	472	794	343
Otaio/Makikihi - renewals	REP	-	41	82	12
Waihaorunga - drinking water standards	LOS	1	16	41	1
Waihaorunga - renewals	REP	2	15	20	-
Waikakahi - temporary bore source	LOS	7	-	50	12
Waikakahi - renewals	REP	35	5	5	-
Cannington/Motukaika - drinking water standards	LOS	-	42	82	3
Cannington/Motukaika - renewals	REP	6	10	10	-
Urban Supply - water/utility motor vehicle	REP	40	37	36	-
Urban Supply - rising main renewals	REP	69	110	110	47
Urban Supply - cast iron main renewals	REP	27	52	52	29
Urban Supply - VSD for bore pump	REP	27	21	21	-
Urban Supply - utilities/sundry plant	REP	15	6	5	-
SCADA upgrades	REP	2	-	-	-
Downlands	REP	-	102	102	102
Waitaki Bridges - Ducts	REP	33	-	-	-
Total Capital Expenditure		<b>\$ 1,518</b>	<b>\$ 1,053</b>	<b>\$ 2,116</b>	<b>\$ 694</b>
<b>Categories</b>					
Meets additional demand	AD	\$ -	\$ -	\$ -	\$ -
Improve level of performance/service	LOS	1,244	571	1,592	492
Replace existing assets	REP	274	482	524	202
		<b>\$ 1,518</b>	<b>\$ 1,053</b>	<b>\$ 2,116</b>	<b>\$ 694</b>

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 favourable compared to the 2013 financial year and to budget. This is the predominantly the result of grants for previously delayed New Zealand Drinking Water Standards upgrade works with \$378,000 additional compared to the 2013 financial year and an additional \$286,000 compared to the LTP Budget.

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.

Depreciation and amortisation is below the LTP Budget following the delays to the New Zealand Drinking Water Standards upgrade works.

Finance expenses are below budget following a review of activity reserve balances during the 2013 financial year, resulting in an lesser allocation of internal interest expense than budgeted.

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

Other expenses are comparable to the 2013 financial year. The increase over 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 and reduced electricity by using the All of Government contract.

Capital expenditure is significantly above budget as the various Drinking Water Standards projects, previously deferred to determine exact specifications, have been undertaken. The Lower Waihao scheme has been further delayed and will be undertaken in the 2015 financial year.



# 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 the following activities:

**Waste Management -** A solid waste collection, processing and disposal system that encourages recycling and waste reduction

## Community Outcomes to which this group of activities primarily contributes

**Waste Management -** Sustainable District and environment  
Safe and healthy people



**Funding Impact Statement - Waste Management Group**  
for the year ended 30 June 2014

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 LTP Budget \$000</b>
<b>Sources of operating funding</b>				
General rates, UAGC and rates penalties	\$ 293	\$ 329	\$ 291	\$ 325
Targeted rates	605	603	600	583
Subsidies and grants for operating purposes	29	24	21	23
Fees and charges	-	-	-	-
Internal charges and overheads recovered	20	6	10	5
Local authority fuel tax, fines, infringement fees other	96	71	73	69
<b>Total sources of operating funding</b>	<b>1,043</b>	<b>1,033</b>	<b>995</b>	<b>1,005</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	857	868	836	854
Finance costs	-	-	-	-
Internal charges and overheads applied	117	91	93	92
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>974</b>	<b>959</b>	<b>929</b>	<b>946</b>
<b>Surplus/(deficit) of operating funding</b>	<b>69</b>	<b>74</b>	<b>66</b>	<b>59</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure - to meet additional demand	-	-	-	-
Capital expenditure - to improve level of service	-	-	-	-
Capital expenditure - to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	69	74	66	59
Increase/(decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>69</b>	<b>74</b>	<b>66</b>	<b>59</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(69)</b>	<b>(74)</b>	<b>(66)</b>	<b>(59)</b>
<b>Funding balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Internal interest and debt activity:</b>				
Included within Internal charges and overheads recovered is Internal Interest Income of:	\$ 20	\$ 6	\$ 9	\$ 5
Included within Internal charges and overheads applied is Internal Interest Expense of:	41	53	36	55
Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves))	660	777	619	797
Increases in Internal Borrowings for the year	-	-	8	797
Decreases in Internal Borrowings for the year	(21)	(21)	(186)	(816)

# Waste Management

## What Do We Do Now?

Provide a range of refuse collection and disposal services for urban and rural areas of the District for homes and businesses. Provide a range of recycling services for urban and rural areas of the 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.

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 2013/14
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 district properties.	Achieved (2013: 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 properties.	Not Achieved (2013 :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 (2013:Achieved - 8 drop offs)
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 there after biennially	Next survey to be conducted early 2015.	Not Measured (2013:Not achieved - 60% were satisfied or very satisfied)
	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 1 education programme through the "paper for trees" programme. (Advertised but not taken up)	Not Achieved (2013:Achieved)
	Reduce waste tonnage to landfill Target: 5% reduction annually	Tonnage to landfill is tracking to date at an increase of 7.8%.	Not Achieved (2013:Not achieved - 1,132 tonne, increase by 12.2%)

Upgrade to the Resource Recovery Building to allow for recyclable drop-off in a safe and clean manner.

		2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Income</b>					
General rates		\$ 293	\$ 329	\$ 291	\$ 324
Targeted rates		605	604	601	590
Revenue from activities		125	95	94	101
Other revenue		20	6	10	14
Total income		<b>1,043</b>	<b>1,034</b>	<b>996</b>	<b>1,029</b>
<b>Expenditure</b>					
Employee benefit expenses		-	45	-	-
Depreciation and amortisation		50	58	48	65
Finance expenses		41	53	37	40
Other expenses		933	861	894	846
Total expenditure		<b>1,024</b>	<b>1,017</b>	<b>979</b>	<b>951</b>
Operating Surplus/(deficit)		<b>\$ 19</b>	<b>\$ 17</b>	<b>\$ 17</b>	<b>\$ 78</b>
<b>Capital Expenditure</b>					
Waste Collection - shelving and doors	Key REP	\$ -	\$ -	\$ -	\$ 13
Total Capital Expenditure		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13</b>
<b>Categories</b>					
Meets additional demand	AD	\$ -	\$ -	\$ -	-
Improve level of performance/service	LOS	-	-	-	-
Replace existing assets	REP	-	-	-	13
		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13</b>

### Significant variations from Long Term Plan 2012 - 2022

Other expenses are above budget and the 2013 financial year principally because of the additional inflation adjusted fees for the contractor managing the landfill and the change in allocation methodology to better reflect distribution, utilisation and allocation of resources. Additionally remediation of the old Hook landfill have been incurred after scouring in June 2014.

# 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 the following activities:

**Stormwater Drainage** - A drainage system for the removal of surface water following rainfall events

## 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 2014

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 LTP Budget \$000
<b>Sources of operating funding</b>				
General rates, UAGC and rates penalties	\$ 71	\$ 84	\$ 70	\$ 97
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	11	-	11	-
Local authority fuel tax, fines, infringement fees other	9	-	-	-
<b>Total sources of operating funding</b>	<b>91</b>	<b>84</b>	<b>81</b>	<b>97</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	10	31	39	31
Finance costs	-	-	-	-
Internal charges and overheads applied	23	7	5	25
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>33</b>	<b>38</b>	<b>44</b>	<b>56</b>
<b>Surplus/(deficit) of operating funding</b>	<b>58</b>	<b>46</b>	<b>37</b>	<b>41</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	1	-	4	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>1</b>	<b>-</b>	<b>4</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure - to meet additional demand	-	-	-	-
Capital expenditure - to improve level of service	52	-	199	189
Capital expenditure - to replace existing assets	17	199	-	-
Increase/(decrease) in reserves	(10)	(153)	(158)	(148)
Increase/(decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>59</b>	<b>46</b>	<b>41</b>	<b>41</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(58)</b>	<b>(46)</b>	<b>(37)</b>	<b>(41)</b>
<b>Funding balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Internal interest and debt activity:</b>				
Included within Internal charges and overheads recovered is Internal Interest Income of:	\$ 11	\$ -	\$ 10	\$ -
Included within Internal charges and overheads applied is Internal Interest Expense of:	-	3	-	20
Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves))	-	380	236	391
Increases in Internal Borrowings for the year	-	-	236	391
Decreases in Internal Borrowings for the year	-	(11)	(391)	-

# 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 4km of gravity stormwater pipes.

It is Council policy to implement programmes for the relocation of stormwater disposal areas from riverbeds, wetlands or the margins of rivers, lakes and the coast.

## 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 expectations will be met.

## How We Measure The Service Provided

Customer			
Level of Service	Performance Measure	Result	Achievement 2013/14
Council manages stormwater scheme wisely	80% of satisfied or very satisfied residents with the overall performance of the stormwater service  Target: 80%, 2012/13 there after biennially	Next survey to be conducted early 2015.	Not Measured  (2013 Not achieved)
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	There was 1 occasion during a flooding event that a habitable floor was flooded.	Not Achieved  (2013: 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	There was 1 blockage to the pipework.	Not Achieved  (2013: Achieved)

## Points of Significance

Stage 1 of the High Street / Manse Street infrastructure upgrade is complete with a noticeable reduction in surface flooding.

Continuous improvements in asset knowledge to better inform renewal programming.

**Service Performance Statement - Stormwater Drainage Group  
for the year ended 30 June 2014**

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>				
General rates	\$ 71	\$ 83	\$ 70	\$ 97
Targeted rates	-	-	-	-
Revenue from activities	10	-	4	1
Other revenue	11	-	10	10
<b>Total income</b>	<b>92</b>	<b>83</b>	<b>84</b>	<b>108</b>
<b>Expenditure</b>				
Employee benefit expenses	-	8	-	-
Depreciation and amortisation	28	34	29	28
Finance expenses	-	3	-	-
Other expenses	32	27	44	29
<b>Total expenditure</b>	<b>60</b>	<b>72</b>	<b>73</b>	<b>57</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ 32</b>	<b>\$ 11</b>	<b>\$ 11</b>	<b>\$ 51</b>
<b>Capital Expenditure</b>				
High Street/Manse Street Stormwater Upgrade	\$ 52	\$ -	\$ 199	\$ 60
Harris Street Stormwater Upgrade	17	199	-	-
<b>Total Capital Expenditure</b>	<b>\$ 69</b>	<b>\$ 199</b>	<b>\$ 199</b>	<b>\$ 60</b>
<b>Categories</b>				
Meets additional demand	AD \$ -	\$ -	\$ -	\$ -
Improve level of performance/service	LOS 52	-	199	60
Replace existing assets	REP 17	199	-	-
	<b>\$ 69</b>	<b>\$ 199</b>	<b>\$ 199</b>	<b>\$ 60</b>

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 and the 2013 financial year with reduced costs and additional recovery revenue expected.

Revenue from activities is above LTP Budget and the 2013 financial year with additional recoveries from Stormwater connections throughout the year.

Other revenue reflects an internal interest income and Finance expenses show as nil due to capital projects being deferred in prior years resulting in the reserve balance being in a positive position rather than as was budgeted to be in a negative position.

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.

As referred above Capital expenditure has been deferred or in some cases is behind schedule.



# 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 the following activities:

**Sewerage and Sewage** - A piped sewer collection system, a sewage treatment plant and disposal system that safely removes sewage from urban homes in Waimate

## 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 2014

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 LTP Budget \$000</b>
<b>Sources of operating funding</b>				
General rates, UAGC and rates penalties	\$ -	\$ -	\$ -	\$ -
Targeted rates	436	435	433	436
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1	-	1	-
Internal charges and overheads recovered	21	-	9	-
Local authority fuel tax, fines, infringement fees other	10	5	5	5
<b>Total sources of operating funding</b>	<b>468</b>	<b>440</b>	<b>448</b>	<b>441</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	94	179	176	176
Finance costs	-	-	-	-
Internal charges and overheads applied	123	90	93	96
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>217</b>	<b>269</b>	<b>269</b>	<b>272</b>
<b>Surplus/(deficit) of operating funding</b>	<b>251</b>	<b>171</b>	<b>179</b>	<b>169</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	20	37	35	35
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>20</b>	<b>37</b>	<b>35</b>	<b>35</b>
<b>Applications of capital funding</b>				
Capital expenditure - to meet additional demand	8	-	-	-
Capital expenditure - to improve level of service	-	-	-	-
Capital expenditure - to replace existing assets	139	84	84	100
Increase/(decrease) in reserves	124	124	130	104
Increase/(decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>271</b>	<b>208</b>	<b>214</b>	<b>204</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(251)</b>	<b>(171)</b>	<b>(179)</b>	<b>(169)</b>
<b>Funding balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Internal interest and debt activity:</b>				
Included within Internal charges and overheads recovered is Internal Interest Income of:	\$ 21	\$ -	\$ 8	\$ -
Included within Internal charges and overheads applied is Internal Interest Expense of:	70	72	68	79
Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves))	1,347	1,166	1,226	1,197
Increases in Internal Borrowings for the year	-	-	60	1,172
Decreases in Internal Borrowings for the year	(64)	(31)	(31)	(1,200)

# Sewerage and Sewage

## What Do We Do Now?

Council operates a waste water 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 and the Local Government Act to protect the health of the community and the environment by collecting treating and appropriately disposing of treated waste water.

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 2013/14
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	Next survey to be conducted early 2015.	Not Measured  (2013:Not achieved - 46% of residents were satisfied or very satisfied)
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 on Naylor Street (AF6857) and Massey Street (AF7207 + AF7218)	Not Achieved  (2013:Not achieved - 1 pipe blockage)
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  (2013:Achieved)
Council will manage community infrastructure in a strategic manner	Improve the sustainability of the Waimate sewerage scheme by conducting a 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  (2013:Achieved)

## Points of Significance

Slee Street pipe renewal project successfully completed.

Various CCTV investigations performed to identify problematic gravity sewer lines and inform the asset management system.

Identification (and rectification) of a significant source of stormwater inflow.

Continuous improvements in asset knowledge to better inform renewal programming.

### Service Performance Statement - Sewerage and Sewage Group for the year ended 30 June 2014

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Income</b>				
General rates	\$ -	\$ -	\$ -	\$ -
Targeted rates	436	435	433	429
Revenue from activities	29	42	41	83
Other revenue	23	-	8	10
<b>Total income</b>	<b>488</b>	<b>477</b>	<b>482</b>	<b>522</b>
<b>Expenditure</b>				
Employee benefit expenses	-	71	-	-
Depreciation and amortisation	197	203	196	164
Finance expenses	70	71	68	69
Other expenses	147	127	205	183
<b>Total expenditure</b>	<b>414</b>	<b>472</b>	<b>469</b>	<b>416</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ 74</b>	<b>\$ 5</b>	<b>\$ 13</b>	<b>\$ 106</b>
<b>Capital Expenditure</b>				
Wastewater (John St)	REP \$ -	\$ 84	\$ 84	\$ -
Wastewater (High St between Shearman - Queen St)	REP 137	-	-	22
Wastewater (King St connection)	AD 6	-	-	-
Motorhome Dump Station	AD 2	-	-	-
SCADA Upgrades	REP 2	-	-	-
Wastewater - renewals/upgrades	REP -	-	-	12
Tripod reel and harness	REP -	-	-	5
<b>Total Capital Expenditure</b>	<b>\$ 147</b>	<b>\$ 84</b>	<b>\$ 84</b>	<b>\$ 39</b>
<b>Categories</b>				
Meets additional demand	AD \$ 8	\$ -	\$ -	\$ -
Improve level of performance/service	LOS -	-	-	-
Replace existing assets	REP 139	84	84	39
	<b>\$ 147</b>	<b>\$ 84</b>	<b>\$ 84</b>	<b>\$ 39</b>

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 below LTP Budget and the 2013 financial year due to a lesser number of sewer connections than expected or significantly less than the 2013 financial year.

Other revenue is above the LTP Budget and the 2013 financial year following larger than expected internal interest income from better than expected reserve balances with less capital expenditure in the 2013 financial 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.

Depreciation expenses are above 2013 financial year due to the increased capital expenditure on High Street during the current financial year.

Other expenses are above LTP Budget predominantly as a result of a change in allocation methodology to better reflect distribution, utilisation and allocation of resources and staff resources, offset in part by savings in from reduced LAPP insurance charges. Other expenses are below the 2013 financial year following savings from maintenance following the capital expenditure incurred in the current year.

# Roading and Footpaths Group

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

Roothing is the largest Council activity, approximately 30% of both rates income and Council's operating expenditure is devoted to this activity. Costs are expected to remain high to ensure that we can deliver the present service level.

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.

The Roothing Group includes the following activity:

<b>Roothing and Footpaths -</b>	This activity includes not only roads but many associated aspects such as bridges, culverts, footpaths, signage, and street lighting
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## Community Outcomes to which this group of activities primarily contributes

<b>Roothing and Footpaths -</b>	Safe and healthy people
	Wealthy community



**Funding Impact Statement - Roading Group**  
for the year ended 30 June 2014

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 LTP Budget \$000</b>
<b>Sources of operating funding</b>				
General rates, UAGC and rates penalties	\$ 2,106	\$ 2,096	\$ 2,091	\$ 1,881
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	1,088	756	756	731
Fees and charges	-	-	-	-
Internal charges and overheads recovered	11	-	3	-
Local authority fuel tax, fines, infringement fees other	15	52	53	50
<b>Total sources of operating funding</b>	<b>3,220</b>	<b>2,904</b>	<b>2,903</b>	<b>2,662</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,401	1,875	1,766	1,821
Finance costs	-	-	-	-
Internal charges and overheads applied	246	133	266	127
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>2,647</b>	<b>2,008</b>	<b>2,032</b>	<b>1,948</b>
<b>Surplus/(deficit) of operating funding</b>	<b>573</b>	<b>896</b>	<b>871</b>	<b>714</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,031	1,100	1,100	937
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>1,031</b>	<b>1,100</b>	<b>1,100</b>	<b>937</b>
<b>Applications of capital funding</b>				
Capital expenditure - to meet additional demand	-	-	-	-
Capital expenditure - to improve level of service	214	251	251	231
Capital expenditure - to replace existing assets	1,653	1,745	1,712	1,420
Increase/(decrease) in reserves	(263)	-	8	-
Increase/(decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>1,604</b>	<b>1,996</b>	<b>1,971</b>	<b>1,651</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(573)</b>	<b>(896)</b>	<b>(871)</b>	<b>(714)</b>
<b>Funding balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Internal interest and debt activity:</b>				
Included within Internal charges and overheads recovered is Internal Interest Income of:	\$ 11	\$ -	\$ -	\$ -
Included within Internal charges and overheads applied is Internal Interest Expense of:	-	11	1	11
Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves))	454	157	256	157
Increases in Internal Borrowings for the year	259	-	240	-
Decreases in Internal Borrowings for the year	-	-	(141)	-



# 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 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 legislation 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 2013/14
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 9 complaints which were responded to within 2 days	Achieved (2013:Achieved)
	Customer complaints and service requests are responded to within 10 working days Target: Complaints responded to within 10 working days	414 out of 417 customer complaints and service requests were repended to within 10 days	Not Achieved (2013: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 2013/14 were \$2532 per km	Achieved (2013:Achieved)

Customer			
Level of Service	Performance Measure	Result	Achievement 2013/14
Provide a safe transport environment	Number of accidents attributed to road factors are declining  Target: Declining trend	In 2013/14 there were 5 accidents (2012/13: 2 on our District roads, excluding State Highways.	Not Achieved (2013:Not achieved)
Provide quality roads and footpaths	Percentage of customers satisfied with roads and footpaths  Target: Roads 75% Footpaths 60% 2012/13 there after biennially	Next survey to be conducted early 2015.	Not Measured  (2013:Roads - Not achieved 67% Footpaths 61% - Achieved)
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  (2013:Achieved - 5.4% resurfaced)
	Resealing programme is completed  Target: 100% completed	Resealing programme 100% complete	Achieved  (2013 Achieved)

## Points of Significance

Rain storms in April 2014 resulted in widespread disruption to the roading network and an emergency repair expense of \$210,000. This received a subsidy from NZTA of 58%.



**Service Performance Statement - Roothing Group  
for the year ended 30 June 2014**

		<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>					
General rates		\$ 2,106	\$ 2,095	\$ 2,092	\$ 1,879
Targeted rates		-	-	-	-
New Zealand Transport Agency Subsidy		2,119	1,857	1,856	1,582
Revenue from activities		15	52	53	49
Other revenue		11	-	-	9
<b>Total income</b>		<b>4,251</b>	<b>4,004</b>	<b>4,001</b>	<b>3,519</b>
<b>Expenditure</b>					
Employee benefit expenses		-	41	-	-
Roothing expenses		2,393	1,792	1,760	1,912
Depreciation and amortisation		2,535	2,189	2,395	2,124
Finance expenses		-	11	1	2
Other expenses		253	164	277	164
<b>Total expenditure</b>		<b>5,181</b>	<b>4,197</b>	<b>4,433</b>	<b>4,202</b>
<b>Operating Surplus/(deficit)</b>		<b>\$ (930)</b>	<b>\$ (193)</b>	<b>\$ (432)</b>	<b>\$ (683)</b>
<b>Capital Expenditure</b>					
	<b>Key</b>				
Roads - minor improvements	LOS	\$ 165	\$ 168	\$ 168	\$ 70
Roads - seal widening	LOS	49	84	84	5
Roads - resealing	REP	1,026	851	851	847
Drainage construction	REP	62	62	61	54
Concrete ford culverts	REP	25	46	46	17
Culvert replacements	REP	66	111	111	51
Kerb and channel renewal	REP	115	139	139	29
Pavement rehabilitation	REP	78	180	180	75
Structures component replacement	REP	72	173	172	31
Sign renewal	REP	60	53	53	43
Lighting renewal	REP	-	6	6	-
Footpath renewal	REP	142	93	92	104
Roothing development	REP	-	15	-	-
Roads - minor improvements (not subsidised)	REP	3	15	-	-
Traffic Counter	REP	4	-	-	-
<b>Total Capital Expenditure</b>		<b>\$ 1,867</b>	<b>\$ 1,996</b>	<b>\$ 1,963</b>	<b>\$ 1,326</b>
<b>Categories</b>					
Meets additional demand	AD	\$ -	\$ -	\$ -	\$ -
Improve level of performance/service	LOS	214	252	252	75
Replace existing assets	REP	1,653	1,744	1,711	1,251
		<b>\$ 1,867</b>	<b>\$ 1,996</b>	<b>\$ 1,963</b>	<b>\$ 1,326</b>

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 2014 financial year has increased compared to the 2013 financial year mainly due to an increased expenditure budget in 2014.

The New Zealand Transport Agency subsidy is above both LTP Budget and the 2013 financial year due to additional recovery of emergency reinstatement costs from repairs conducted in the 2014 financial year after the June 2013 flooding event, and other flooding events in April 2014.

Revenue from activities is below LTP Budget and the 2013 financial year due to lower than expected recoveries and inclusion of two large recoveries in the 2013 financial year that were not repeated in the current year.

Other revenue is above LTP Budget with internal interest income 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 exceed LTP Budget due to emergency reinstatement works carried out for \$425,000 following severe flooding and windstorms during the year. Additionally more road resealing was undertaken than planned. The 2013 financial year expenditure was also exceeded with additional emergency reinstatement works carried of \$86,000, along with additional road seal maintenance, and road resealing.

Depreciation expenses are above both the LTP Budget and the 2013 financial year due to higher than expected charge and the correction of an overcharge from the 2012 financial year that was reversed in the 2013 financial year.

Other expenses are above the LTP Budget and the 2013 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 comparable to the LTP Budget but is above the 2013 financial year where several projects had been deferred, or storm delayed, from the 2013 financial year and roading resealing and minor improvements received greater attention in the current year.

# 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:

<b>Forestry -</b>	A portfolio of forestry blocks
<b>Investments and Finance -</b>	Management of the collection of Council's major revenue sources and controls Council's internal and external cash flows
<b>Property -</b>	A collection of land and buildings owned by Council

## Community Outcomes to which this group of activities primarily contributes

<b>Forestry -</b>	Wealthy community
<b>Investments and Finance -</b>	Wealthy community
<b>Property -</b>	Safe and healthy people



**Funding Impact Statement - Property and Investments Group**  
for the year ended 30 June 2014

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 LTP Budget \$000</b>
<b>Sources of operating funding</b>				
General rates, UAGC and rates penalties	\$ (355)	\$ (322)	\$ (359)	\$ (295)
Targeted rates	71	70	70	70
Subsidies and grants for operating purposes	23	-	20	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	456	340	301	312
Local authority fuel tax, fines, infringement fees other	1,212	1,017	979	1,026
<b>Total sources of operating funding</b>	<b>1,407</b>	<b>1,105</b>	<b>1,011</b>	<b>1,113</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	777	788	695	799
Finance costs	36	83	55	82
Internal charges and overheads applied	412	154	219	150
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>1,225</b>	<b>1,025</b>	<b>969</b>	<b>1,031</b>
<b>Surplus/(deficit) of operating funding</b>	<b>182</b>	<b>80</b>	<b>42</b>	<b>82</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(600)	(35)	-	(36)
Gross proceeds from sale of assets	-	25	25	25
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>(600)</b>	<b>(10)</b>	<b>25</b>	<b>(11)</b>
<b>Applications of capital funding</b>				
Capital expenditure - to meet additional demand	-	-	-	-
Capital expenditure - to improve level of service	-	-	-	-
Capital expenditure - to replace existing assets	117	24	84	38
Increase/(decrease) in reserves	(726)	46	(17)	33
Increase/(decrease) in investments	191	-	-	-
<b>Total applications of capital funding</b>	<b>(418)</b>	<b>70</b>	<b>67</b>	<b>71</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(182)</b>	<b>(80)</b>	<b>(42)</b>	<b>(82)</b>
<b>Funding balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Internal interest and debt activity:</b>				
Included within Internal charges and overheads recovered is Internal Interest Income of:	\$ 217	\$ 91	\$ 62	\$ 77
Included within Internal charges and overheads applied is Internal Interest Expense of:	220	51	44	52
Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves))	1,279	1,589	1,061	1,491
Increases in Internal Borrowings for the year	96	98	450	103
Decreases in Internal Borrowings for the year	(66)	-	(880)	(8)

**Service Performance Statement - Property and Investments Group  
for the year ended 30 June 2014**

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>				
General rates	\$ (399)	\$ (359)	\$ (396)	\$ (330)
Targeted rates	71	70	70	70
Grants and Subsidies	-	-	-	-
Revenue from activities	1,484	1,164	1,285	1,324
Other revenue	395	258	195	361
<b>Total income</b>	<b>1,551</b>	<b>1,133</b>	<b>1,154</b>	<b>1,425</b>
<b>Expenditure</b>				
Employee benefit expenses	5	124	-	3
Depreciation and amortisation	273	216	282	283
Finance expenses	257	134	99	279
Other expenses	1,011	876	870	818
<b>Total expenditure</b>	<b>1,546</b>	<b>1,350</b>	<b>1,251</b>	<b>1,383</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ 5</b>	<b>\$ (217)</b>	<b>\$ (97)</b>	<b>\$ 42</b>
<b>Capital Expenditure</b>				
Planting costs - various sites/blocks	REP \$ 27	\$ -	\$ 31	\$ 20
Local Government Centre - Floor coverings	REP -	-	30	-
Local Government Centre - Air conditioning unit	REP 24	21	20	-
Local Government Centre - Office Upgrade	REP 66	-	-	-
Smoke Detectors and Signs	REP -	-	-	5
Waimate Stadium - Pad protectors	LOS -	-	-	2
Local Government Centre - sundry	REP -	3	3	4
	<b>\$ 117</b>	<b>\$ 24</b>	<b>\$ 84</b>	<b>\$ 31</b>
<b>Categories</b>				
Meets additional demand	AD \$ -	\$ -	\$ -	\$ -
Improve level of performance/service	LOS -	-	-	2
Replace existing assets	REP 117	-	84	29
	<b>\$ 117</b>	<b>\$ -</b>	<b>\$ 84</b>	<b>\$ 31</b>

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?

The Council has a unique mix of forestry assets from large continuous traditional hill country forests to a diverse range of reserve areas spread over flat to rolling land and joint venture forest with local land owners.

### Land Owned By Council

Land underlying Waihao Forests is outright owned by Council, Reserves Forests may reside on freehold or restricted property.

### Land Owned By Other Parties

Land underlying the joint ventures is not owned by Council.

Tree crop stocked area:

Forest	Stocked Area (ha)
Joint Venture	55.3
Reserves	52.1
Waihao Forest	103.3
<b>All Forests</b>	<b>210.0</b>

## 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 provides employment.

## How We Measure The Service Provided

Customer			
Level of Service	Performance Measure	Result	Achievement 2012/13
The community receives up to date information about Council's forestry investments	<p>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</p> <p>Target: Annual Forestry Valuation at 30 June</p>	The forestry valuation from RM Consulting Ltd was received at the end of July 2014 and the values will be used in preparation of the Annual Report for the year ended 30 June 2014. The valuation takes into account the impacts of the September 2013 windstorm.	<p>Achieved</p> <p>(2013:Achieved)</p>

## Points of Significance

With another year of growth recorded an additional \$146,000 of value to the forest was recognised.

On 10 September 2013 the Waimate District suffered a severe storm with high winds. Some Council forests blocks were damaged. The damaged blocks have now been harvested and Council insurance on forests received. The results on the next page reflect the harvesting and insurance claims along with some other blocks that were harvested before the storm.

**Service Performance Statement - Forestry  
for the year ended 30 June 2014**

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>				
General rates	\$ -	\$ -	\$ -	\$ -
Targeted rates	-	-	-	-
Revenue from activities	499	156	170	348
Other revenue	-	-	-	-
<b>Total income</b>	<b>499</b>	<b>156</b>	<b>170</b>	<b>348</b>
<b>Expenditure</b>				
Employee benefit expenses	-	11	-	-
Depreciation and amortisation	-	-	-	-
Finance expenses	30	43	32	32
Other expenses	444	274	99	292
<b>Total expenditure</b>	<b>474</b>	<b>328</b>	<b>131</b>	<b>324</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ 25</b>	<b>\$ (172)</b>	<b>\$ 39</b>	<b>\$ 24</b>
<b>Capital Expenditure</b>				
Planting costs - various sites/blocks	\$ 27	\$ -	\$ 31	\$ 20
<b>Total Capital Expenditure</b>	<b>\$ 27</b>	<b>\$ -</b>	<b>\$ 31</b>	<b>\$ 20</b>

**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 reflects income from harvest of two Reserves blocks and sales income and insurance recovery for several Reserve Blocks and Joint Venture blocks that were destroyed in the September 2013 windstorm. The respective forests have been revalued and a total gain on revaluation for the Waihao Forest, Reserve blocks, and Joint Venture Forests of \$146,000 has been recognised, compared to budgeted gains of \$128,000 and 2013 financial year gains of \$142,000. Additionally the ETS Carbon Credits received of \$23,000 have been recognised compared to \$14,000 in the 2013 financial 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 include the cost/valuation of the two Reserves blocks that were harvested, and the costs to harvest the destroyed blocks, which for the most part has been recovered via the insurance claim.

# 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, which is characterised by four major cash inflows from rates instalments in the months of August, November, February and May of each year, 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 and the cost of borrowed funds is known for the long term with certainty in all market conditions, by the use of interest rate swaps.
3. Managing Council's other financial assets, principally Council's share holding in Alpine Energy Ltd.

## Why Do We Do It?

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

In order to provide for longer term Council borrowing which may be necessary for long term projects and capital expenditures. In order to ensure the Waimate community's voice is heard by Alpine Energy Ltd.

## How We Measure The Service Provided

Customer			
Level of Service	Performance Measure	Result	Achievement 2013/14
Council ensure that Alpine Energy Ltd hears the voice of the Waimate community	<p>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</p> <p>Target: AGM and 1 meeting to be attended annually</p>	<p>The Annual Meeting (25 July 2013) was attended by the Mayor, Councillor Anderson, CEO and CFO. Shareholder meeting (28 November 2013) attended by Mayor and CEO. Additionally the Annual Meeting of Line Trust South Canterbury (29 November 2013) was attended by the Mayor, and CEO. Meeting to discuss some issues in the Alpine Energy Annual Report (pre the Annual meeting) held on 25 June 2014 attended by Mayor, Councillor O'Connor and CFO</p> <p>The Alpine Energy CEO was onsite 11 September 2013 following the 10 September windstorm to coordinate local efforts following major electricity network failures from damage.</p>	<p>Achieved</p> <p>(2013:Achieved)</p>
Share holding in Alpine Energy provides positive returns	<p>Dividend return on Alpine Energy shareholding does not drop below 16 cents per share</p> <p>Target: Dividend return not below 16 cents per share</p>	<p>Dividends received or receivable for the year are at the same level as last year being approximately 18.3 cents per share.</p>	<p>Achieved</p> <p>(2013 Achieved)</p>



## Points of Significance

Due to having strong cash reserves available an amount of \$600,000 of external debt was repaid leaving total external debt now of \$500,000.

### Service Performance Statement - Investments and Finance for the year ended 30 June 2014

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Income</b>				
General rates	\$ (523)	\$ (427)	\$ (520)	\$ (410)
Targeted rates	-	-	-	-
Revenue from activities	578	578	576	579
Other revenue	377	171	183	324
Total income	<b>432</b>	<b>322</b>	<b>239</b>	<b>493</b>
<b>Expenditure</b>				
Employee benefit expenses	-	21	-	-
Depreciation and amortisation	-	-	-	-
Finance expenses	217	91	55	210
Other expenses	151	175	149	174
Total expenditure	<b>368</b>	<b>287</b>	<b>204</b>	<b>384</b>
Operating Surplus/(deficit)	<b>\$ 64</b>	<b>\$ 35</b>	<b>\$ 35</b>	<b>\$ 109</b>

### Significant variations from Long Term Plan 2012 - 2022

General Rates for Investments and Finance are intended to equate Income (exclusive of Rates Penalties) and Expenses initially from a budget perspective. With a larger income than expenditure this generally results in a negative rates calculation. The 2014 financial year requirement is markedly different to the 2013 financial year requirement principally because of internal interest differences.

Other revenue has increased both on LTP Budget and the 2013 financial year following recognition of Internal Interest income charged to the various internal loans. Additionally Rate Penalties income for the 2014 financial year is above the 2013 financial year following the refund of penalties in the 2013 financial year only as a result of the technical irregularity when setting rates for the 2012/13 financial 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.

Finance expenses have increased against budget following the separate recognition of interest income 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 principally because of a reduction to Bank Fees and less Rates remissions than expected. Against the 2013 financial year Other expenses have decreased because of lower 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 pensioner housing. Property consists of land and buildings as follows:

- Twenty seven pensioner 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 and the Library building provides Council's administrative service centre, partially occupied by town'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 pensioner 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 2012/13
Council provides pensioner 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 pensioner 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  (2013: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	Next survey to be conducted early 2015.	Not Measured  (2013:Not achieved - Survey: 54% of residents were satisfied or very satisfied)
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  (2013 Achieved)

## Points of Significance

Following confirmation that council was not able to sell the existing stadium or land, Council resolved the stadium project would focus on the current site. Following significant consultation in prior years a Special Consultation Procedure (SCP) took place Feb-May 2014 and Council resolved to proceed with the project. A targeted rate has been introduced which is providing funding for redevelopment of the existing stadium. Council is working through options for upgrading the stadium, and it is expected this project will begin in 2015. During the year public toilets at the Waitaki rest area were upgraded, however the cost of repairing ongoing vandalism places a question mark over the provision of facilities in remote areas.

## Service Performance Statement - Property for the year ended 30 June 2014

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Income</b>				
General rates	\$ 124	\$ 68	\$ 124	\$ 80
Targeted rates	71	70	70	70
Grants and Subsidies	-	-	-	-
Revenue from activities	407	430	539	397
Other revenue	18	87	12	37
<b>Total income</b>	<b>620</b>	<b>655</b>	<b>745</b>	<b>584</b>
<b>Expenditure</b>				
Employee benefit expenses	5	92	-	3
Depreciation and amortisation	273	216	282	283
Finance expenses	10	-	12	37
Other expenses	416	427	622	352
<b>Total expenditure</b>	<b>704</b>	<b>735</b>	<b>916</b>	<b>675</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ (84)</b>	<b>\$ (80)</b>	<b>\$ (171)</b>	<b>\$ (91)</b>
<b>Capital Expenditure</b>				
Local Government Centre - Floor coverings	REP \$ -	\$ -	\$ 30	\$ -
Local Government Centre - Air conditioning unit	REP 24	21	20	-
Local Government Centre - Office Upgrade	REP 66	-	-	-
Smoke Detectors and Signs	REP -	-	-	5
Waimate Stadium - Pad protectors	LOS -	-	-	2
Local Government Centre - sundry	REP -	3	3	4
<b>Total Capital Expenditure</b>	<b>\$ 90</b>	<b>\$ 24</b>	<b>\$ 53</b>	<b>\$ 11</b>

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 both the LTP Budget and the 2013 financial year following recognition of rates for Council owned

Other revenue includes internal interest income which is unfavourable compared to LTP Budget and the 2013 financial year.

Following a review of activity reserve balances during the year, the allocation of internal interest income 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 prepared prior to this change.

Depreciation charges are unfavourable to LTP Budget following building revaluations which were applied from 1 July 2012. The sale of the old Post Office building has resulted in reduced depreciation for the 2014 financial year.

Finance expenses are up on budget following a review of activity reserve balances during the year, resulting in an allocation of internal interest expense for the Property activity where no allocation was budgeted.

Capital expenditure – The Local Government Centre office area was upgraded to provide both a security system as well as improve the general conditions within the office.

# 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:

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

## Community Outcomes to which this group of activities primarily contributes

<b>Camping -</b>	Wealthy community
	Active and supportive people
<b>Cemeteries -</b>	Safe and healthy people
<b>Parks and Public Spaces -</b>	Safe and healthy people
	Active and supportive people
<b>Swimming -</b>	Safe and healthy people
	Active and supportive people



**Funding Impact Statement - Parks and Recreation Group**  
for the year ended 30 June 2014

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 LTP Budget \$000</b>
<b>Sources of operating funding</b>				
General rates, UAGC and rates penalties	\$ 646	\$ 570	\$ 642	\$ 551
Targeted rates	-	3	3	3
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	338	300	290	291
Internal charges and overheads recovered	82	46	88	52
Local authority fuel tax, fines, infringement fees other	93	64	76	58
<b>Total sources of operating funding</b>	<b>1,159</b>	<b>983</b>	<b>1,099</b>	<b>955</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	878	807	861	816
Finance costs	-	-	-	-
Internal charges and overheads applied	86	54	89	52
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>964</b>	<b>861</b>	<b>950</b>	<b>868</b>
<b>Surplus/(deficit) of operating funding</b>	<b>195</b>	<b>122</b>	<b>149</b>	<b>87</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure - to meet additional demand	37	10	25	25
Capital expenditure - to improve level of service	4	22	22	58
Capital expenditure - to replace existing assets	79	115	142	104
Increase/(decrease) in reserves	75	(25)	(40)	(100)
Increase/(decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>195</b>	<b>122</b>	<b>149</b>	<b>87</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(195)</b>	<b>(122)</b>	<b>(149)</b>	<b>(87)</b>
<b>Funding balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Internal interest and debt activity:</b>				
Included within Internal charges and overheads recovered is Internal Interest Income of:	\$ 71	\$ 46	\$ 77	\$ 52
Included within Internal charges and overheads applied is Internal Interest Expense of:	7	-	6	-
Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves))	333	-	597	-
Increases in Internal Borrowings for the year	77	-	597	-
Decreases in Internal Borrowings for the year	(40)	-	-	-

**Service Performance Statement - Parks and Recreation Group  
for the year ended 30 June 2014**

		<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>					
General rates		\$ 646	\$ 569	\$ 642	\$ 551
Targeted rates		-	3	3	3
Revenue from activities		430	364	365	382
Other revenue		71	46	77	83
Total income		<b>1,147</b>	<b>982</b>	<b>1,087</b>	<b>1,019</b>
<b>Expenditure</b>					
Employee benefit expenses		64	452	72	69
Depreciation and amortisation		174	127	181	156
Finance expenses		7	-	6	7
Other expenses		881	410	885	744
Total expenditure		<b>1,126</b>	<b>989</b>	<b>1,144</b>	<b>976</b>
Operating Surplus/(deficit)		<b>\$ 21</b>	<b>\$ (7)</b>	<b>\$ (57)</b>	<b>\$ 43</b>
<b>Capital Expenditure</b>					
	<b>Key</b>				
Knottingley camp - provide powered camping sites	LOS	\$ -	\$ 22	\$ 22	\$ -
Waitaki - Caretakers Motel	REP	(2)	-	-	92
Victoria Park - Double Ensuite	REP	(3)	-	-	96
Victoria Camp - Beds and Mattresses	REP	-	-	-	3
Victoria Park - Appliances	REP	3	4	5	1
Pump station at Aviemore Lakes	REP	12	-	-	-
Cemetery extension	AD	-	10	10	-
Morven Reserve - Plant and machinery	LOS	4	-	-	-
Morven Reserve - Mower replacement	REP	-	-	-	12
Victoria park - mower replacement	REP	58	52	58	-
Victoria park - parks officer motor vehicle	REP	-	-	-	41
Victoria park - parks sundry plant	REP	4	6	5	1
Victoria park - parks trailer	LOS	-	-	-	6
Victoria park - playground extension	AD	28	-	15	-
Victoria park - glasshouse upgrade (roof and walls)	REP	3	54	54	16
Rural Reserves - Wainono Lagoon - Restricted Land	AD	8	-	-	19
Pump and Sundry Plant Renewal	REP	4	-	21	-
Heating of paddling pool	AD	-	-	-	2
		<b>\$ 119</b>	<b>\$ 148</b>	<b>\$ 190</b>	<b>\$ 289</b>
<b>Categories</b>					
Meets additional demand	AD	\$ 36	\$ 10	\$ 25	\$ 21
Improve level of performance/service	LOS	4	22	22	6
Replace existing assets	REP	79	116	143	262
		<b>\$ 119</b>	<b>\$ 148</b>	<b>\$ 190</b>	<b>\$ 289</b>

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 minutes walk from the centre of town.
- Tennant Street Camp 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 is located on Lake Aviemore, 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 2013/14
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	One complaint was received regarding blocked access to a water tap at the camping ground.	Achieved  (2013 Achieved - 2 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 there after biennially	Next survey to be conducted early 2015.	Not Measured (2013 Achieved)

## Points of Significance

To facilitate management and collection of Waitaki Lakes camping revenue a Caretakers Facility was constructed during the end of the financial year 2012/13 and was operational for the 2013/14 lakes season.

Camping revenue is steadily increasing each year which suggests that affordable camping holidays are becoming more popular.



## Service Performance Statement - Camping for the year ended 30 June 2014

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Income</b>				
General rates	\$ -	\$ -	\$ -	\$ -
Targeted rates	-	-	-	-
Revenue from activities	274	227	226	258
Other revenue	19	5	22	22
<b>Total income</b>	<b>293</b>	<b>232</b>	<b>248</b>	<b>280</b>
<b>Expenditure</b>				
Employee benefit expenses	21	59	17	20
Depreciation and amortisation	62	25	62	58
Finance expenses	7	-	5	5
Other expenses	169	135	174	137
<b>Total expenditure</b>	<b>259</b>	<b>219</b>	<b>258</b>	<b>220</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ 34</b>	<b>\$ 13</b>	<b>\$ (10)</b>	<b>\$ 60</b>
<b>Capital Expenditure</b>				
Knottingley camp - provide powered camping sites	LOS \$ -	\$ 22	\$ 22	\$ -
Waitaki - Caretakers Motel	REP (2)	-	-	92
Victoria Park - Double Ensuite	REP (3)	-	-	96
Victoria Camp - Beds and Mattresses	REP -	-	-	3
Victoria Park - Appliances	REP 3	4	5	1
Pump station at Aviemore Lakes	REP 12	-	-	-
<b>Total Capital Expenditure</b>	<b>\$ 10</b>	<b>\$ 26</b>	<b>\$ 27</b>	<b>\$ 192</b>

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 income which is favourable against budget by \$45,000 which is the result of Waitaki Lakes camping revenue above budget by \$25,000 and Victoria Park camping revenue above budget by \$20,000. Total revenue is slightly above the actual 2013 financial year.

Other Revenue has an increased internal interest income compared to the budgeted allocation following a review of activity reserve balances during the 2013 financial year.

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: Small credits were received for work on the buildings undertaken in the 2013 financial year at the Waitaki Lakes and Victoria Park.

# 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 Huru Huru 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. There are nine cemeteries in the District. Those in the; Hakataramea area, Esk Valley and Waihao Downs are run by local community boards.

## 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 2013/14
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 there after biennially	Next survey to be conducted early 2015.	Not Measured  (2013 Achieved)
Safe cemetery facilities are provided	No safety incidents occur in cemeteries  Target: No safety incidents	No hazards reported	Achieved  (2013: 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	1 complaint was received regarding the untidiness of the grounds.	Achieved  (2013 Achieved - 2 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  (2013 Achieved - no complaints)

## Points of Significance

Council's Parks and Reserves department continues to manage the operation of the Waimate cemeteries. Some work has been completed on sunken graves by topping up with soil and sowing of grass to enhance their appearance.

To facilitate additional cremation graves a new beam is being constructed which will be completed in the next financial year.

**Service Performance Statement - Cemeteries  
for the year ended 30 June 2014**

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>				
General rates	\$ 34	\$ 32	\$ 34	\$ 40
Targeted rates	-	-	-	-
Revenue from activities	44	49	40	38
Other revenue	-	2	-	-
<b>Total income</b>	<b>78</b>	<b>83</b>	<b>74</b>	<b>78</b>
<b>Expenditure</b>				
Employee benefit expenses	-	36	11	13
Depreciation and amortisation	2	9	1	2
Finance expenses	-	-	1	1
Other expenses	69	38	61	45
<b>Total expenditure</b>	<b>71</b>	<b>83</b>	<b>74</b>	<b>61</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ 7</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17</b>
<b>Capital Expenditure</b>				
Cemetery extension	\$ -	\$ 10	\$ 10	\$ -
<b>Total Capital Expenditure</b>	<b>\$ -</b>	<b>\$ 10</b>	<b>\$ 10</b>	<b>\$ -</b>

**Key**  
AD

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 lower than LTP Budget resulting from less burials than budgeted, however more burials have been undertaken in the 2014 financial year reflected in the increase over the 2013 financial year.

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, glass house showhouse and nursery/small glasshouse.

**Victoria Park** displays 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 e.g. 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 and 2 km from the town centre. The 33.59 ha have been extensively planted, which 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

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

This includes thresholds to 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/farming, 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, 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 2013/14
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 there after biennially	Next survey to be conducted early 2015.	Not Measured  (2013 Achieved)
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  (2013 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  (2013 Achieved)

## Points of Significance

A skatepark and climbing net situated at Boland Park was constructed in April 2013 by the Waimate Skatepark Committee. Council's Parks and Reserves Department cleared a section of trees surrounding the Skatepark on Queen Street so that the area is open and visual to the public. Rotary Club have donated and installed fit room equipment.

The Friends of Knottingley Park group have continued planting varieties of trees and daffodils as they have in prior years.

Waimate Trackways group have completed all the major tracks within Knottingley Park with further minor tracks to be established in the next financial year.

The glass house situated at Victoria Park is currently under re-construction and this project will be completed in the next financial year.

A number of birds, including a Cockatoo, have been donated to Council's aviary at Victoria Park.

**Service Performance Statement - Parks and Public Spaces  
for the year ended 30 June 2014**

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>				
General rates	\$ 507	\$ 435	\$ 503	\$ 405
Targeted rates	-	3	3	3
Revenue from activities	92	64	76	61
Other revenue	39	26	45	51
<b>Total income</b>	<b>638</b>	<b>528</b>	<b>627</b>	<b>520</b>
<b>Expenditure</b>				
Employee benefit expenses	4	298	4	4
Depreciation and amortisation	85	76	93	71
Finance expenses	-	-	-	1
Other expenses	567	153	556	488
<b>Total expenditure</b>	<b>656</b>	<b>527</b>	<b>653</b>	<b>564</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ (18)</b>	<b>\$ 1</b>	<b>\$ (26)</b>	<b>\$ (44)</b>
<b>Capital Expenditure</b>				
Morven Reserve - Plant and machinery	LOS \$ 4	\$ -	\$ -	\$ -
Morven Reserve - Mower replacement	REP -	-	-	12
Morven Reserve - Fencing	REP -	-	-	2
Victoria park - mower replacement	REP 58	52	58	-
Victoria park - parks officer motor vehicle	REP -	-	-	41
Victoria park - parks sundry plant	REP 4	6	5	1
Victoria park - parks trailer	LOS -	-	-	6
Victoria park - playground extension	AD 28	-	15	-
Victoria park - glasshouse upgrade (roof and walls)	REP 3	54	54	16
Rural Reserves - Wainono Lagoon - Restricted Land	AD 8	-	-	19
<b>Total Capital Expenditure</b>	<b>\$ 105</b>	<b>\$ 112</b>	<b>\$ 132</b>	<b>\$ 97</b>

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 both the 2013 financial year and LTP Budget. This increase is predominantly due to the change in allocation methodology noted below at Other expenses.

Revenue from activities has increased against both the LTP Budget and the 2013 financial year predominately due to increased rental income from reserves.

Other Revenue has an increased internal interest income compared to the LTP Budget following a review of activity reserve balances during the 2013 financial year.

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 both LTP Budget and the 2013 financial year 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.

# 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 0.12 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 26-30°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 disabled and elderly people. Learning to swim is important for people's safety.

## How We Measure The Service Provided

Customer			
Level of Service	Performance Measure	Result	Achievement 2013/14
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 (2013:Achieved)
	Rules and conditions of use of pool are visible at all times Target: 100% visible	Signs with rules and conditions of pool are 100% visible around the pool area.	Achieved (2013:Achieved)
Opening hours are convenient for customers	No complaints regarding the pool facilities opening hours Target: Nil complaints	No complaints received.	Achieved (2013: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 on par with neighbouring pools Temuka and Pleasant Point.	Achieved (2013: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 there after biennially	Next survey to be conducted early 2015.	Not Measured (2013:Achieved)

## 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.

**Service Performance Statement - Swimming  
for the year ended 30 June 2014**

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>				
General rates	\$ 105	\$ 102	\$ 105	\$ 106
Targeted rates	-	-	-	-
Revenue from activities	20	24	23	25
Other revenue	13	13	10	10
<b>Total income</b>	<b>138</b>	<b>139</b>	<b>138</b>	<b>141</b>
<b>Expenditure</b>				
Employee benefit expenses	39	59	40	32
Depreciation and amortisation	25	17	25	25
Finance expenses	-	-	-	-
Other expenses	76	84	94	74
<b>Total expenditure</b>	<b>140</b>	<b>160</b>	<b>159</b>	<b>131</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ (2)</b>	<b>\$ (21)</b>	<b>\$ (21)</b>	<b>\$ 10</b>
<b>Capital Expenditure</b>				
Pump and Sundry Plant Renewal	\$ 4	\$ -	\$ 21	\$ -
Heating of paddling pool	-	-	-	2
<b>Total Capital Expenditure</b>	<b>\$ 4</b>	<b>\$ -</b>	<b>\$ 21</b>	<b>\$ 2</b>

**Key**  
REP  
AD

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 2013 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 comparable to the 2013 financial year but below the LTP Budget. The LTP Budget included painting of the exterior buildings but due to the weather this was not completed in the 2014 financial year, partially offset by the change in allocation methodology to better reflect distribution, utilisation and allocation of resources.



# Governance and Leadership Group

## What is Governance and Leadership 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.

The Governance and Leadership Group includes the following activities:

<b>Community Representation -</b>	Elected members provide a governance role
<b>Strategy -</b>	To plan for the future of the Waimate District
<b>Managing Services -</b>	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

<b>Community Representation -</b>	Active and supportive community
<b>Strategy -</b>	Safe and healthy people
	Active and supportive community
<b>Managing Services -</b>	Safe and healthy people



**Funding Impact Statement - Governance and Leadership Group**  
for the year ended 30 June 2014

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 LTP Budget \$000</b>
<b>Sources of operating funding</b>				
General rates, UAGC and rates penalties	\$ 1,381	\$ 1,429	\$ 1,372	\$ 1,391
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	2,147	1,119	1,733	1,067
Local authority fuel tax, fines, infringement fees other	401	402	-	354
<b>Total sources of operating funding</b>	<b>3,929</b>	<b>2,950</b>	<b>3,105</b>	<b>2,812</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,917	2,379	2,253	2,264
Finance costs	-	-	-	-
Internal charges and overheads applied	737	477	779	453
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>3,654</b>	<b>2,856</b>	<b>3,032</b>	<b>2,717</b>
<b>Surplus/(deficit) of operating funding</b>	<b>275</b>	<b>94</b>	<b>73</b>	<b>95</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	101	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>101</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure - to meet additional demand	-	-	-	-
Capital expenditure - to improve level of service	35	-	35	-
Capital expenditure - to replace existing assets	19	153	109	101
Increase/(decrease) in reserves	322	(59)	(71)	(6)
Increase/(decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>376</b>	<b>94</b>	<b>73</b>	<b>95</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(275)</b>	<b>(94)</b>	<b>(73)</b>	<b>(95)</b>
<b>Funding balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Internal interest and debt activity:</b>				
Included within Internal charges and overheads recovered is Internal Interest Income of:	\$ 49	\$ 110	\$ 43	\$ 111
Included within Internal charges and overheads applied is Internal Interest Expense of:	-	1	-	1
Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves))	43	37	377	37
Increases in Internal Borrowings for the year	15	-	340	-
Decreases in Internal Borrowings for the year	(28)	-	-	-

**Service Performance Statement - Governance and Leadership Group**  
for the year ended 30 June 2014

	<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2013</b>
	<b>Actual</b>	<b>LTP Budget</b>	<b>Annual Plan</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Income</b>				
General rates	\$ 1,381	\$ 1,428	\$ 1,372	\$ 1,389
Targeted rates	-	-	-	-
Revenue from activities	378	402	363	355
Other revenue	1,718	1,119	1,758	1,628
<b>Total income</b>	<b>3,477</b>	<b>2,949</b>	<b>3,493</b>	<b>3,372</b>
<b>Expenditure</b>				
Employee benefit expenses	2,697	1,417	2,676	2,458
Depreciation and amortisation	118	107	152	141
Finance expenses	-	1	-	6
Other expenses	519	1,438	677	752
<b>Total expenditure</b>	<b>3,334</b>	<b>2,963</b>	<b>3,505</b>	<b>3,357</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ 143</b>	<b>\$ (14)</b>	<b>\$ (12)</b>	<b>\$ 15</b>
<b>Capital Expenditure</b>				
Website Redevelopment	LOS \$ 35	\$ -	\$ 35	\$ -
Hardware	REP 19	91	109	57
Motor vehicles	REP -	62	-	-
Plant	REP -	-	-	1
Furniture	REP -	-	-	1
Software	REP -	-	-	7
	<b>\$ 54</b>	<b>\$ 153</b>	<b>\$ 144</b>	<b>\$ 66</b>
<b>Categories</b>				
Meets additional demand	AD \$ -	\$ -	\$ -	\$ -
Improve level of performance/service	LOS 35	-	35	-
Replace existing assets	REP 19	153	109	66
	<b>\$ 54</b>	<b>\$ 153</b>	<b>\$ 144</b>	<b>\$ 66</b>

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?

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

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.

## Why Do We Do It?

To ensure good governance and good decision-making, and to meet legal requirements. To allow residents of the 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 2013/14
Council provides opportunities for the community to raise local issues	Council provides a time slot for public forum in the agenda of each of it's ordinary council meetings  Target: Provide 11 public forums	11 Council meetings were held with 10 offering a public forum. The October meeting was allocated to the official ceremony for the new Council.	Not Achieved  (2013 Achieved - 11 public forums held)
Provide high quality Governance	80% of residents are satisfied or very satisfied with mayor and councillors performance  Target: 80%, 2012/13 there after biennially	Next survey to be conducted early 2015.	Not Measured  (2013 Not achieved)
	80% of residents are satisfied or very satisfied with the way we spend their rates  Target: 80%, 2012/13 there after biennially	Next survey to be conducted early 2015.	Not Measured  (2013 Not achieved - 65% of residents are satisfied or very satisfied)

## Points of Significance

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

**Service Performance Statement - Community Representation  
for the year ended 30 June 2014**

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>				
General rates	\$ 885	\$ 926	\$ 879	\$ 895
Targeted rates	-	-	-	-
Revenue from activities	25	40	-	4
Other revenue	-	-	-	5
<b>Total income</b>	<b>910</b>	<b>966</b>	<b>879</b>	<b>904</b>
<b>Expenditure</b>				
Employee benefit expenses	130	434	129	122
Depreciation and amortisation	1	3	2	2
Finance expenses	-	1	-	6
Other expenses	724	553	771	756
<b>Total expenditure</b>	<b>855</b>	<b>991</b>	<b>902</b>	<b>886</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ 55</b>	<b>\$ (25)</b>	<b>\$ (23)</b>	<b>\$ 18</b>

**Significant variations from Long Term Plan 2012 - 2022**

The general rate requirement for the 2014 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, however this is partially offset by the costs of the Local Body Election in October 2013.

# Strategy

## What Do We Do Now?

This activity comprises those processes that support Council's decision-making, for example, strategic planning, policy development, and monitoring and reporting.

Long Term Plans are produced 3-yearly, while Annual Plans are produced in the intervening two years. These plans are rigorously examined by both Council representatives and the community, who may comment by way of submission.

The Annual Report summarises the financial performance of Council every 30 June, and is supported throughout the year by quarterly reports.

## Why Do We Do It?

To plan for the future of the 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 2013/14
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 summary Annual Plan 2014/15 was delivered to every household in the Waimate District by the Waimate Trader on Thursday 27 February 2014.	Achieved  (2013 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 2013 was available in hard copy and on the website within one week of adoption (22 October 2013).	Achieved  (2013 Achieved)

## Points of Significance

The Annual Plan 2014/15 was produced and the major issue for consultation was the redevelopment of the existing Stadium.

The Annual Report 2012/13 received a clear opinion.

**Service Performance Statement - Strategy  
for the year ended 30 June 2014**

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>				
General rates	\$ 496	\$ 502	\$ 493	\$ 494
Targeted rates	-	-	-	-
Revenue from activities	-	-	-	-
Other revenue	4	10	3	4
<b>Total income</b>	<b>500</b>	<b>512</b>	<b>496</b>	<b>498</b>
<b>Expenditure</b>				
Employee benefit expenses	123	249	158	164
Depreciation and amortisation	-	-	-	-
Finance expenses	-	-	-	-
Other expenses	289	252	327	337
<b>Total expenditure</b>	<b>412</b>	<b>501</b>	<b>485</b>	<b>501</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ 88</b>	<b>\$ 11</b>	<b>\$ 11</b>	<b>\$ (3)</b>
<b>Capital Expenditure</b>				
Website Redevelopment	35	-	35	-
<b>Total Capital Expenditure</b>	<b>35</b>	<b>-</b>	<b>35</b>	<b>-</b>

**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**

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. A staff member was on Maternity Leave for a large part of the 2014 financial year and tasks absorbed within existing staff over that period.

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 reduction compared to the 2013 financial year is a result of reduced overhead costs.

# 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** - District Planning, Building, Environmental, Animal Control and Emergency Management.
- **Asset Management Engineers and Utilities Staff** - Sewer, Stormwater, Waste Management, Water - Rural and Urban and Roding
- **Parks Officer and Staff** - Parks and Public Spaces, Swimming Pool, Camping and Cemetery.

## Why Do We Do It?

This activity supports all of Council's activities.

## How We Measure The Service Provided

Customer			
Level of Service	Performance Measure	Result	Achievement 2013/14
Accurate information about Council services is readily available	Council website is available to public 365 days a year Target: Website available 365 days	Council website was accessible to public every day of the year.	Achieved (2013 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 24/7, during opening hours and through TAS (answer service) after hours.	Achieved (2013 Achieved)

## Points of Significance

A major redevelopment of Council's website content management system was completed.



**Service Performance Statement - Managing Services  
for the year ended 30 June 2014**

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>				
General rates	\$ -	\$ -	\$ -	\$ -
Targeted rates	-	-	-	-
Revenue from activities	353	362	363	351
Other revenue	1,714	1,109	1,755	1,619
<b>Total income</b>	<b>2,067</b>	<b>1,471</b>	<b>2,118</b>	<b>1,970</b>
<b>Expenditure</b>				
Employee benefit expenses	2,444	734	2,389	2,172
Depreciation and amortisation	117	104	150	139
Finance expenses	-	-	-	-
Other expenses	(494)	633	(421)	(341)
<b>Total expenditure</b>	<b>2,067</b>	<b>1,471</b>	<b>2,118</b>	<b>1,970</b>
Operating Surplus/(deficit)	\$ -	\$ -	\$ -	\$ -
<b>Capital Expenditure</b>				
Hardware	REP \$ 19	\$ 91	\$ 109	\$ 57
Motor vehicles	REP -	62	-	-
Plant	REP -	-	-	1
Furniture	REP -	-	-	1
Software	REP -	-	-	7
<b>Total Capital Expenditure</b>	<b>\$ 19</b>	<b>\$ 153</b>	<b>\$ 109</b>	<b>\$ 66</b>

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 2014 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 income reflected within Other revenue.



# 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

- Building Control** -
  - Wealthy community
  - Safe and healthy people
- Resource Management** - Sustainable District and environment
- Emergency Management** - Safe and healthy people
- Regulatory Services** - Safe and healthy people
- Dog and Animal Control** - Safe and healthy people



**Funding Impact Statement - Environmental Services Group**  
for the year ended 30 June 2014

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 LTP Budget \$000
<b>Sources of operating funding</b>				
General rates, UAGC and rates penalties	\$ 646	\$ 610	\$ 641	\$ 584
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	586	407	514	394
Internal charges and overheads recovered	12	28	19	37
Local authority fuel tax, fines, infringement fees other	16	3	-	3
<b>Total sources of operating funding</b>	<b>1,260</b>	<b>1,048</b>	<b>1,174</b>	<b>1,018</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	861	814	895	854
Finance costs	-	-	-	-
Internal charges and overheads applied	558	164	230	156
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>1,419</b>	<b>978</b>	<b>1,125</b>	<b>1,010</b>
<b>Surplus/(deficit) of operating funding</b>	<b>(159)</b>	<b>70</b>	<b>49</b>	<b>8</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	49	21	21	20
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>49</b>	<b>21</b>	<b>21</b>	<b>20</b>
<b>Applications of capital funding</b>				
Capital expenditure - to meet additional demand	-	-	-	-
Capital expenditure - to improve level of service	55	57	55	-
Capital expenditure - to replace existing assets	6	85	3	144
Increase/(decrease) in reserves	(171)	(51)	12	(116)
Increase/(decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>(110)</b>	<b>91</b>	<b>70</b>	<b>28</b>
<b>Surplus/(deficit) of capital funding</b>	<b>159</b>	<b>(70)</b>	<b>(49)</b>	<b>(8)</b>
<b>Funding balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Internal interest and debt activity:</b>				
Included within Internal charges and overheads recovered is Internal Interest Income of:	\$ 12	\$ 28	\$ 15	\$ 37
Included within Internal charges and overheads applied is Internal Interest Expense of:	26	2	14	1
Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves))	713	72	236	33
Increases in Internal Borrowings for the year	225	40	203	13
Decreases in Internal Borrowings for the year	(6)	-	-	-

**Service Performance Statement - Environmental Services Group  
for the year ended 30 June 2014**

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>				
General rates	\$ 645	\$ 610	\$ 641	\$ 584
Targeted rates	-	-	-	-
Revenue from activities	652	430	535	578
Other revenue	12	28	15	14
<b>Total income</b>	<b>1,309</b>	<b>1,068</b>	<b>1,191</b>	<b>1,176</b>
<b>Expenditure</b>				
Employee benefit expenses	303	495	288	273
Depreciation and amortisation	52	47	25	32
Finance expenses	27	2	14	9
Other expenses	1,089	482	828	1,034
<b>Total expenditure</b>	<b>1,471</b>	<b>1,026</b>	<b>1,155</b>	<b>1,348</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ (162)</b>	<b>\$ 42</b>	<b>\$ 36</b>	<b>\$ (172)</b>
<b>Capital Expenditure</b>				
Building officers motor vehicle	REP \$ -	\$ 26	\$ -	\$ -
Measuring Instrument - Eurotec	REP 1	-	-	-
Moisture Meters	REP -	-	-	1
District Planning - Motor Vehicle	REP -	26	-	-
Rural Fire - fire tanker (Waihaorunga)	LOS 55	57	55	-
Rural Fire - Smoke Chaser Motor Vehicle	REP -	16	-	-
Rural Fire - plant	REP 6	6	3	-
Rural Fire - fire tanker (Glenavy)	REP (1)	-	-	67
Rural Fire - South Canterbury Rural Fire Project	REP -	-	-	23
Motor Vehicle replacement	REP -	11	-	-
	<b>\$ 61</b>	<b>\$ 142</b>	<b>\$ 58</b>	<b>\$ 91</b>
<b>Categories</b>				
Meets additional demand	AD \$ -	\$ -	\$ -	\$ -
Improve level of performance/service	LOS 55	57	55	-
Replace existing assets	REP 6	85	3	91
	<b>\$ 61</b>	<b>\$ 142</b>	<b>\$ 58</b>	<b>\$ 91</b>

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 s.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 2013/14
That builders and designers are keep 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	No newsletters sent 2013/2014 Financial year.	Not Achieved  (2013 Not achieved - 3 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	337 out of 340 consents were issued within 20 working days. 99.12%.	Not Achieved  (2013 Not achieved - 233 out of 256 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 there after biennially	Next survey to be conducted early 2015.	Not Measured  (2013 Not achieved)

## Points of Significance

Expenditure for the Building Control Department has exceeded budget by a large amount due to legal costs and the use of consultants to assist during staff shortages to process mainly outstanding Code of Compliance certificates and Building Consents.

The Building Control Department has processed a large building consent for the establishment of a milk processing plant at Glenavy.

**Service Performance Statement - Building Control  
for the year ended 30 June 2014**

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>				
General rates	\$ 93	\$ 91	\$ 92	\$ 88
Targeted rates	-	-	-	-
Revenue from activities	396	281	331	305
Other revenue	-	-	-	-
<b>Total income</b>	<b>489</b>	<b>372</b>	<b>423</b>	<b>393</b>
<b>Expenditure</b>				
Employee benefit expenses	175	227	163	164
Depreciation and amortisation	6	16	-	4
Finance expenses	23	2	11	6
Other expenses	489	127	249	493
<b>Total expenditure</b>	<b>693</b>	<b>372</b>	<b>423</b>	<b>667</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ (204)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (274)</b>
<b>Capital Expenditure</b>				
Building officers motor vehicle	REP \$ -	\$ 26	\$ -	\$ -
Measuring Instrument - Eurotec	REP 1	-	-	-
Moisture Meters	REP -	-	-	1
<b>Total Capital Expenditure</b>	<b>\$ 1</b>	<b>\$ 26</b>	<b>\$ -</b>	<b>\$ 1</b>

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 LTP Budget and the 2013 financial year due to increased consent fees.

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.

Other expenses are unfavourable to LTP Budget predominately due to legal fees, for defence of a court case and resulting settlement, and additional consultancy fees. The use of consultants was for staff shortages and to process outstanding code compliance certificates and building consents.

Capital expenditure for the building officers motor vehicle was deferred.

# 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 (RMA) 1991 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. It also provides a framework of rules and procedures, within which the public and businesses operated in regard to District Planning.

## How We Measure The Service Provided

Customer			
Level of Service	Performance Measure	Result	Achievement 2013/14
Respond to customer complaints and request in a timely manner	Council responds to all environmental complaints within 10 days  Target: Respond to complaints within 10 days	Council responded to all 8 environmental complaints within 10 days.	Achieved  (2013 Not achieved - 14 of 15 complaints responded to within timeframe)
That consents are actioned promptly	That all resource consents are actioned within the statutory time frame  Target: Actioned within statutory timeframes Non notified 20 days Notified 70 days	50 of the 54 resource consents were actioned within the statutory timeframe. Achieving 92.5% compliance.  No notified applications have been processed.	Not Achieved  (2013 Achieved)

## Points of Significance

Councils 2nd generation District Plan became operative in February 2014.

Council were involved in land use consents for a new dairy factory near Glenavy and the new Waitaki bridges at Kurow.



**Service Performance Statement - Resource Management  
for the year ended 30 June 2014**

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>				
General rates	\$ 162	\$ 164	\$ 161	\$ 160
Targeted rates	-	-	-	-
Revenue from activities	97	52	52	150
Other revenue	10	20	10	10
<b>Total income</b>	<b>269</b>	<b>236</b>	<b>223</b>	<b>320</b>
<b>Expenditure</b>				
Employee benefit expenses	83	117	86	86
Depreciation and amortisation	-	1	-	-
Finance expenses	-	-	-	-
Other expenses	103	76	101	119
<b>Total expenditure</b>	<b>186</b>	<b>194</b>	<b>187</b>	<b>205</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ 83</b>	<b>\$ 42</b>	<b>\$ 36</b>	<b>\$ 115</b>
<b>Capital Expenditure</b>				
District Planning - Motor Vehicle	\$ -	\$ 26	\$ -	\$ -
<b>Total Capital Expenditure</b>	<b>\$ -</b>	<b>\$ 26</b>	<b>\$ -</b>	<b>\$ -</b>

**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 exceeds LTP Budget due to larger reserve contributions being received during the year which was not anticipated when the budget was set. The 2013 financial year had a one-off \$100,000 reserve contribution.

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.

Capital expenditure for the planning manager's motor vehicle was deferred.

# 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 2013/14
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 18 June 2013 the Timaru Herald published an article on flooding, on the 13 September 2013 the Oamaru Mail published an article on the windstorm. Flood warnings to campers published in the Courier in 19 December 2013.	Achieved  (2013 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 'Farm Safety Day' at Waihao Downs School on 18 September 2013, and a Waimate Principals meeting on 7 November 2013, Provided St John Cadets CDEM training 5 March 2014. Provided Kea CDEM training 2nd April, attended meeting with South Canterbury Rural Trust 16 May 2014.	Achieved  (2013 Achieved)
	That Emergency Management Co-ordinator meet with sector post volunteers at least twice each year  Target: Meet twice a year	Met with 14 of the 18 sector posts once during year. Met with 6 sector posts twice or more during year.	Not Achieved  (2013: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 there after biennially	Next survey to be conducted early 2015	Not Measured  (2013 Not achieved -75% of residents were satisfied or very satisfied)
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## Points of Significance

Council CDEM team responded to two major events, a rain event and a severe wind event both of these events caused major property damage district wide.

### Service Performance Statement - Emergency Management for the year ended 30 June 2014

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Income</b>				
General rates	\$ 232	\$ 240	\$ 231	\$ 223
Targeted rates	-	-	-	-
Revenue from activities	6	-	-	-
Other revenue	-	2	4	3
<b>Total income</b>	<b>238</b>	<b>242</b>	<b>235</b>	<b>226</b>
<b>Expenditure</b>				
Employee benefit expenses	22	65	22	2
Depreciation and amortisation	44	26	24	26
Finance expenses	4	-	3	3
Other expenses	182	151	186	209
<b>Total expenditure</b>	<b>252</b>	<b>242</b>	<b>235</b>	<b>240</b>
Operating Surplus/(deficit)	<b>\$ (14)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (14)</b>
<b>Capital Expenditure</b>				
Rural Fire - fire tanker (Waihaorunga)	LOS \$ 55	\$ 57	\$ 55	\$ -
Rural Fire - Smoke Chaser Motor Vehicle	REP -	16	-	-
Rural Fire - plant	REP 6	6	3	-
Rural Fire - fire tanker (Glenavy)	REP (1)	-	-	67
Rural Fire - South Canterbury Rural Fire Project	REP -	-	-	23
<b>Total Capital Expenditure</b>	<b>\$ 60</b>	<b>\$ 79</b>	<b>\$ 58</b>	<b>\$ 90</b>

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.

Capital expenditure - the replacement Smoke Chaser vehicle was deferred.

# 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 staff and Environmental Health Contractors, Timaru District Council carry 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 and Health Amendment Act 1993, including failed on-site effluent systems
- Respond, investigate and report on noise nuisance complaints
- Regulatory, advisory licencing, 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
- Provide technical assistance and report on resource consent applications
- Report on building consent applications for premises required to be registered under the Health Act
- 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, 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, unsanitary 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 and Health Amendment Act 1993, Resource Management Act 1991, Food Act 1981 and 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 2013/14
Respond to customer complaints and request in a timely manner	Council actions food hygiene related complaints within 48 hours Target: Complaints actioned within 48hrs	1 complaint which was actioned within 48 hours.	Achieved (2013 Achieved)
	Council actions noise complaints in the case of late night party noise within 2 hours Target: Party noise complaints actioned within 2hrs	57 noise complaints, TAS advised First Security of after hours calls. Complaints were actioned within 2 hours.	Achieved (2013 Achieved )
	Other noise complaints actioned within 72 hours Target: Other noise complaints actioned within 72hrs	3 Industrial, 2 daytime music, 2 vehicle, 1 chainsaw, All actioned within 72hrs.	Achieved (2013 Achieved)

Customer			
Level of Service	Performance Measure	Result	Achievement 2012/13
Respond to customer complaints and request in a timely manner	Council responds to all regulatory service complaints within 10 days Target: Complaints responded to within 10 days	10 complaints re untidy sections. All sites visited within 10 days.	Achieved (2012:Not measured)
All cow crossing have the appropriate permits	Council reviews every cow crossing permit annually Target: Review all permits annually	Out of 36 cow crossings permits, 33 have active licences and 3 have expired (under action).	Not Achieved (2012:Not measured)

## Points of Significance

The Regulatory Department has been involved in work associated with the new Local Alcohol legislation mainly around Local Alcohol Policies and Local Alcohol Committees.

### Service Performance Statement - Regulatory Services for the year ended 30 June 2014

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Income</b>				
General rates	\$ 92	\$ 95	\$ 91	\$ 92
Targeted rates	-	-	-	-
Revenue from activities	28	-	44	31
Other revenue	1	2	-	-
Total income	121	97	135	123
<b>Expenditure</b>				
Employee benefit expenses	-	34	-	-
Depreciation and amortisation	-	1	-	-
Finance expenses	-	-	-	-
Other expenses	134	62	135	111
Total expenditure	134	97	135	111
Operating Surplus/(deficit)	\$ (13)	\$ -	\$ -	\$ 12

### Significant variations from Long Term Plan 2012 - 2022

Revenue from activities exceeds LTP Budget due to liquor license fee income being separately disclosed. The budget was originally netted off against the expenditure in Other Expenses.

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.

With the recognition of the liquor licensing revenue separate from the associated costs, coupled with the allocation methodology change Other expenses exceeds LTP Budget.

# Dog and Animal Control

## What Do We Do Now?

Council Animal Control carries out the following tasks:

- Investigating and acting upon dog and animal related complaints
- Enforcing Council's bylaws pertaining to dogs
- 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 and Dog Control Amendment Act 2003 are:

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 Council Dog Control Bylaws and Policies. The bylaw 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 2013/14
Known dogs are registered each year	Council advertises dog registration requirements each year Target: Advertise annually	Dog registration was advertised in the Waimate Trader, Newsline, Courier and the Council website in June.	Achieved (2013: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 257 wandering dogs and 80 wandering stock complaints. Responded to within 2 hours.	Achieved (2013 Achieved - 517 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 19 attacks on animal/stock and 6 attacks on people. All complainants and owners were interviewed within 2 hours.	Achieved (2013 Achieved - 21 complaints all interviews within timeframe)

## Points of Significance

There have been large increases in the number of reported animal control related issues.

Council employed an after-hours Animal Control Officer to ease the workload of Council's part time Animal Control Officer.

### Service Performance Statement - Dog and Animal Control for the year ended 30 June 2014

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Income</b>				
General rates	\$ 66	\$ 20	\$ 66	\$ 21
Targeted rates	-	-	-	-
Revenue from activities	125	97	108	92
Other revenue	1	4	1	1
Total income	192	121	175	114
<b>Expenditure</b>				
Employee benefit expenses	23	52	17	21
Depreciation and amortisation	2	3	1	2
Finance expenses	-	-	-	-
Other expenses	181	66	157	102
Total expenditure	206	121	175	125
Operating Surplus/(deficit)	\$ (14)	\$ -	\$ -	\$ (11)
<b>Capital Expenditure</b>				
Motor Vehicle replacement	\$ -	\$ 11	\$ -	\$ -
Total Capital Expenditure	\$ -	\$ 11	\$ -	\$ -

**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

General rates have increased against the LTP Budget and the 2013 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.

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.

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

- Economic Development and Promotions -** Wealthy community
  - Safe and healthy people
  - Active and supportive community
- Community Support -** Active and supportive community
- Library -** Safe and healthy people
  - A place of culture and learning



**Funding Impact Statement - Community Services Group**  
for the year ended 30 June 2014

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 LTP Budget \$000</b>
<b>Sources of operating funding</b>				
General rates, UAGC and rates penalties	\$ 548	\$ 580	\$ 544	\$ 544
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	20	20	20	20
Fees and charges	12	12	13	12
Internal charges and overheads recovered	3	1	2	1
Local authority fuel tax, fines, infringement fees other	27	32	27	43
<b>Total sources of operating funding</b>	<b>610</b>	<b>645</b>	<b>606</b>	<b>620</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	341	425	378	414
Finance costs	-	-	-	-
Internal charges and overheads applied	186	158	193	152
Other operating funding applications	-	100	-	-
<b>Total applications of operating funding</b>	<b>527</b>	<b>683</b>	<b>571</b>	<b>566</b>
<b>Surplus/(deficit) of operating funding</b>	<b>83</b>	<b>(38)</b>	<b>35</b>	<b>54</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure - to meet additional demand	-	-	-	-
Capital expenditure - to improve level of service	-	-	-	-
Capital expenditure - to replace existing assets	50	65	66	68
Increase/(decrease) in reserves	33	(103)	(31)	(14)
Increase/(decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>83</b>	<b>(38)</b>	<b>35</b>	<b>54</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(83)</b>	<b>38</b>	<b>(35)</b>	<b>(54)</b>
<b>Funding balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Internal interest and debt activity:</b>				
Included within Internal charges and overheads recovered is Internal Interest Income of:	\$ 3	\$ 1	\$ 2	\$ 1
Included within Internal charges and overheads applied is Internal Interest Expense of:	-	1	-	1
Internal borrowings at 30 June (Internal Loans and other negative Reserves included within Special separate and trust funds (restricted reserves))	-	18	32	18
Increases in Internal Borrowings for the year	-	-	32	5
Decreases in Internal Borrowings for the year	-	-	(18)	-

**Service Performance Statement - Community Services Group  
for the year ended 30 June 2014**

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>				
General rates	\$ 548	\$ 580	\$ 544	\$ 544
Targeted rates	-	-	-	-
Revenue from activities	58	63	60	72
Other revenue	4	2	2	3
<b>Total income</b>	<b>610</b>	<b>645</b>	<b>606</b>	<b>619</b>
<b>Expenditure</b>				
Employee benefit expenses	166	201	177	177
Depreciation and amortisation	48	62	45	48
Finance expenses	-	1	-	-
Other expenses	361	481	394	477
<b>Total expenditure</b>	<b>575</b>	<b>745</b>	<b>616</b>	<b>702</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ 35</b>	<b>\$ (100)</b>	<b>\$ (10)</b>	<b>\$ (83)</b>
<b>Capital Expenditure</b>				
Library books	\$ 49	\$ 62	\$ 62	\$ 53
Shelving	-	3	4	3
Software	-	-	-	5
<b>Total Capital Expenditure</b>	<b>\$ 49</b>	<b>\$ 65</b>	<b>\$ 66</b>	<b>\$ 61</b>
<b>Categories</b>				
Meets additional demand	AD \$ -	\$ -	\$ -	\$ -
Improve level of performance/service	LOS -	-	-	-
Replace existing assets	REP 49	65	66	61
<b>Total Categories</b>	<b>\$ 49</b>	<b>\$ 65</b>	<b>\$ 66</b>	<b>\$ 61</b>

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 2013/14
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	Data for current website unavailable. New website under construction.	Not Achieved  (2013 Achieved)
Provide high quality information services	85% of customers are satisfied or very satisfied with Information Centre services  Target: 85%, 2012/13 thereafter biennially	Next survey to be conducted early 2015.	Not Measured  (2013 Achieved)
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 business as finalists.	Achieved  (2013 Achieved for funding, N/A for business awards)

## Points of Significance

The construction of a new dairy factory at Glenavy was completed which is providing significant employment for the region.

The Waimate District featured in several national magazines and newspaper articles.

**Service Performance Statement - Economic Development and Promotions  
for the year ended 30 June 2014**

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>				
General rates	\$ 140	\$ 148	\$ 139	\$ 143
Targeted rates	-	-	-	-
Revenue from activities	25	25	25	32
Other revenue	2	-	-	-
<b>Total income</b>	<b>167</b>	<b>173</b>	<b>164</b>	<b>175</b>
<b>Expenditure</b>				
Employee benefit expenses	54	74	57	57
Depreciation and amortisation	-	1	-	-
Finance expenses	-	1	-	-
Other expenses	88	97	107	91
<b>Total expenditure</b>	<b>142</b>	<b>173</b>	<b>164</b>	<b>148</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ 25</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27</b>

**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 2013/14
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' and 'The Timaru Herald' and/or 'The Courier' (Newsline).  Applications are permanently on the Council website under Community Grants and also available at the Council's Information Centre.	Achieved  (2013 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 – Funding round held in November 2013. 10 applicants were allocated a total of \$10,000 from an available fund of \$11,120. (\$1,120 carried forward from 2013).	Achieved  (2013 Not achieved - \$1,120 carried forward to 2014)
		Creative NZ - First funding round held in November 2013. 3 applications were allocated \$3,550 from an available fund pool of \$5000.08. Second Funding round held in May 2014. 4/4 applications were allocated \$5,967.10 from an available fund pool of \$6,372.08. (Advertising cost 368.58). \$36.38 carried forward to next funding round in October 2014.	Achieved  (2013 Achieved)
		Sport NZ Rural Travel Fund – First Funding round held in November 2013. 6 applicants were allocated a total of \$3,440 from an available fund of \$4,512.50. (Refund from Cave Tennis Club, \$500 (CaveTC yet to refund another \$250) and Waimate Junior Soccer Club, \$730). \$6,815 available for second funding round. Second Funding round held in May 2014. 4/4 applicants were turned down as none of them fully met Sport NZ Travel Fund criteria. Funds available, \$6,815. Third (SPECIAL) Funding round held June 2014. 4/5 applicants were allocated 6,780 from an available fund pool of 6,815. \$35.00 to be carried forward to next funding round in October 2014.	Achieved  (2013 Achieved)

Customer			
Level of Service	Performance Measure	Result	Achievement 2013/14
Grants criteria meet the need of the community	All grants administered by Waimate District Council are fully subscribed	Waimate District Council Community Grant funding round was held in February 2014. A total of 11 applications were received with 9 successful applications granted a total of \$8,326.64.	Not Achieved (2013 Achieved)
	Target: All grants fully subscribed	Heritage Fund - A total of 3 applications were granted \$3,160 from an available fund of \$10,596.85. Balance carried forward is \$7436.85.	Not Achieved (2013 Achieved)

### Service Performance Statement - Community Support for the year ended 30 June 2014

	2014 Actual \$000	2014 LTP Budget \$000	2014 Annual Plan \$000	2013 Actual \$000
<b>Income</b>				
General rates	\$ 103	\$ 135	\$ 102	\$ 119
Targeted rates	-	-	-	-
Revenue from activities	20	20	19	25
Other revenue	1	1	-	1
Total income	<b>124</b>	<b>156</b>	<b>121</b>	<b>145</b>
<b>Expenditure</b>				
Employee benefit expenses	-	12	-	-
Depreciation and amortisation	-	-	-	-
Finance expenses	-	-	-	-
Other expenses	130	244	131	264
Total expenditure	<b>130</b>	<b>256</b>	<b>131</b>	<b>264</b>
Operating Surplus/(deficit)	<b>\$ (6)</b>	<b>\$ (100)</b>	<b>\$ (10)</b>	<b>\$ (119)</b>

### 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.

Other expenses LTP Budget is inclusive of a community grant of \$100,000 for the Waimate Skatepark Grant which was incurred in the 2013 financial year with the completion of the Skatepark at Boland Park.

# 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.

On-line services provided to members to include e-books and catalogue searches.

## Why Do We Do It?

The library collection provides resources 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 2013/14
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 (2013 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 3888, an increase of 6.06%.	Achieved (2013 Achieved - total members 3,666, increase of 5%)
Provide high quality library services	85% of customers are satisfied or very satisfied with library services Target: 85%, 2012/13 thereafter biennially	Next survey to be conducted early 2015.	Not Measured (2013 Achieved)

## Points of Significance

This year the library contracted Aoraki Peoples Network Kaharoa (APNK) to provide free internet services including wi-fi accessible with the building and directly outside.



**Service Performance Statement - Library  
for the year ended 30 June 2014**

	<b>2014 Actual \$000</b>	<b>2014 LTP Budget \$000</b>	<b>2014 Annual Plan \$000</b>	<b>2013 Actual \$000</b>
<b>Income</b>				
General rates	\$ 305	\$ 297	\$ 303	\$ 282
Targeted rates	-	-	-	-
Revenue from activities	13	18	16	15
Other revenue	1	1	2	2
<b>Total income</b>	<b>319</b>	<b>316</b>	<b>321</b>	<b>299</b>
<b>Expenditure</b>				
Employee benefit expenses	112	115	120	120
Depreciation and amortisation	48	61	45	48
Finance expenses	-	-	-	-
Other expenses	143	140	156	122
<b>Total expenditure</b>	<b>303</b>	<b>316</b>	<b>321</b>	<b>290</b>
<b>Operating Surplus/(deficit)</b>	<b>\$ 16</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9</b>
<b>Capital Expenditure</b>				
Library books	\$ 49	\$ 62	\$ 62	\$ 53
Shelving	-	3	4	3
Software	-	-	-	5
<b>Total Capital Expenditure</b>	<b>\$ 49</b>	<b>\$ 65</b>	<b>\$ 66</b>	<b>\$ 61</b>

**Key**

REP  
REP  
REP

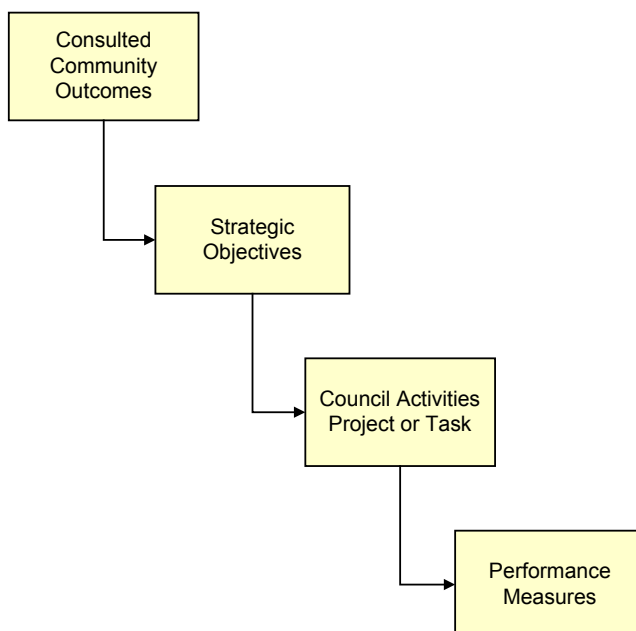
Key: AD = Meets additional demand, LOS = Improve level of performance/service, REP = Replace existing assets

**Significant variations from Long Term Plan 2012 - 2022**

Depreciation expenses for the 2014 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

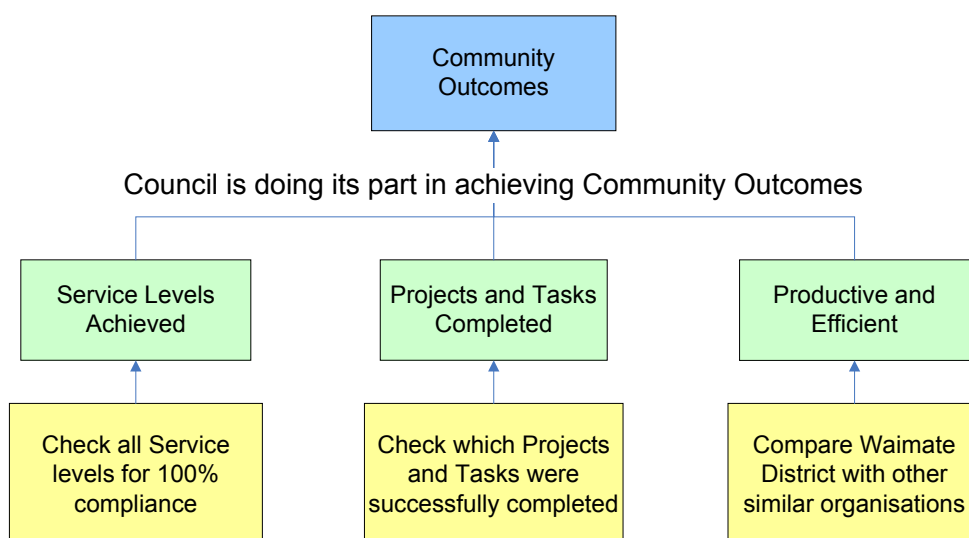
Waimate District's Long Term Plan (LTP), which is reviewed 3 yearly, provides direction and long term focus for routine tasks and one-off projects, within Council's areas of activity by setting them within a framework of strategic objectives that are derived from our community's consulted, desired outcomes.



## 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 race, colour, ethnic or national origin, gender, disability, religion, sexual orientation, age, marital status, family responsibilities or political opinion.

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 a workplace chaplain 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 take note of all issues that may have special importance to Maori as outlined in its Policy document 301, 'Significance Policy', and seek Community consultation on all matters that fit these criteria.
- The Council will continue to invite Maori participation by all Maori groups, in all meetings of its Community Panel which provides direct community advice to the Council elected members and staff.
- The Council will meet with representatives of Maori groups within the District at least twice a year, to discuss current issues and the progress of the Long-Term Council Community 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.