

Waitomo District Council

Annual Report 2008-2009

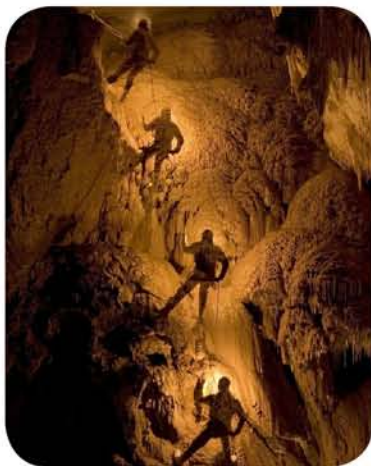


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Section One: Introduction



1.1 Message from the Mayor and Chief Executive

We are pleased to present the Annual Report for the year ended 30 June 2009. It provides a record of our activities, achievements and financial performance for the 2008/09 year.

This year our Report mirrors the format of the 2008/09 Annual Plan. We have done this by including a community outcomes section that defines the scope of Council's planning process. This flows into our Groups of Activities section that records Council's key achievements and service performance.

A significant achievement was the adoption of the 2009-2019 Long Term Plan which received an unqualified Audit Opinion from the Auditor General. This rewarded Waitomo District Council's two years of concerted effort in addressing the shortcomings inherent in the 2006-2016 LTP. The LTP process included the implementation of a new Revenue and Financing Policy and significant change, in the delivery of services at the Waitomo District Landfill and Te Kuiti Visitor Information Centre, to improve service and outcomes.

The adoption of Council's Solid Waste Management and Minimisation Plan (SWaMMP) was another significant achievement. This introduced a combination of pricing and waste minimisation strategies along with community education to ensure that rubbish disposal to landfill is the last choice for residents. This direction has been supported by the recent move to provide all households currently receiving the Kerbside Recycling Collection Service, access to recycling containers.

Council's sewerage disposal and treatment activity provides for efficient, environmentally safe and sustainable urban wastewater systems. Significant improvements were completed during the year including refurbishment of the existing Te Kuiti pump station and the associated installation of larger storage tanks thereby allowing Council to better manage for "shock" loadings that in the past have adversely affected the performance of our Te Kuiti treatment system.

The upgrade of the Benneydale water supply in 2008, means the community now has a much improved water system providing high quality drinking water. The upgrade included an auxiliary bore supply which is available for use during spikes in turbidity in the raw surface water supply which sometimes follows heavy rainfall events.

A new charging system for the disposal of Trade Waste was developed and applied to commercial customers in Te Kuiti. Council's plans to fully implement this change in a phased manner over four years. The charging system will be a substantial increase in their contribution; therefore Council intends to continue with the rates contribution made by Ratepayers towards the cost of disposing of trade waste throughout the phase in period.

A new sewerage scheme committed for Piopio is currently delayed pending resolution of an appeal against the resource consents. Progress forward will be determined by the Environment Court process. Council will continue to work through the Consent process in the most timely and effective manner possible.

Waitomo District Council produced a good financial result for the 2008/09 year. Council's performance was within overall LTP budget forecasts and records a pleasing outcome given the economic environment. The financial performance of Council's wholly owned subsidiary, Inframax Construction Limited, changed this positive result to a negative one when the outcomes of the two entities was combined for Group reporting. One of the outcomes of that financial performance was the need to write down the investment value of Inframax Construction Limited.

In the year under report, WDC has taken action to assist Inframax to return to being a positive contributor to its ratepayer owners. This has included a refresh of its Board and Executive.

The 2008/09 financial year was a challenging time for WDC. The response of some parts of the Waitomo Community reflected the impact of Council's continued drive for financial prudence and an improvement in the fairness of the allocation of rates burden. Significant resource was dedicated to maintaining community communication through this time and as WDC continued to build capability in terms of its own operating efficiency and improving asset condition.

The process of implementing Council's Revenue and Financing Policy included a review of the Rating Information Database (RID). This review was necessary to ensure the RID accurately recorded all separately used or Inhabited Parts (SUIP's) of properties in the Waitomo District. As a result of this, the rates liability for some properties previously undercharged for services, was increased. This process ensured alignment with Council's Revenue and Financing Policy ensuring wherever possible, users of services, paid for that usage.

Inevitably in order to make rates more affordable, a number of Council services has been reduced. One of these affordability changes is the reduction in the length of the Te Kuiti Swimming Pool Season from 12 months to 7 months of the year.

Council has used the 2008/09 year to develop and adopt a Long Term Plan that ensures that appropriate levels of service are maintained. As an organisation, WDC has made significant progress and continues on the pathway of prudent financial management essential for a sustainable future.



Mayor
Mark Ammon



Chief Executive Officer
Chris Ryan

1.2 Statement of Compliance and Responsibility

Responsibility

The Council and the Management of Waitomo District Council accept the responsibility for the preparation of the annual Financial Statements and the judgements used in them.

The Council and the Management of Waitomo District Council also accept the responsibility for establishing and maintaining the internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and the Management of Waitomo District Council, the annual Financial Statements for the year ended 30 June 2009 fairly reflect the financial position and operations of Waitomo District Council.

Compliance

The Council and Management of Waitomo District Council certify that all the statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.



Mark Ammon
Mayor



Chris Ryan
Chief Executive

Date: 28 October 2009

1.3 Report on Long Term Plan, Annual Plan and Financial Policies

1.3.1 Waitomo District Council Performance against the 2006-16 Long Term Council Community Plan (LTCCP)

Background

The Long Term Council Community Plan (LTCCP) herein referred to as the Long Term Plan (LTP) identifies the community outcomes that are important to the Waitomo District Community and the Significant Activities of the Waitomo District Council. It is designed to assist in the co-ordination of resources and decision-making of Council in response to community Outcomes. The plan provides a long term focus for decisions and a basis of accountability to the community.

The Local Government Act 2002 specifies that every local authority must provide in its annual report sufficient information to enable a comparison of the actual activities and performance of the local authority in any given year against the intended level of performance for that year as forecast in the relevant LTCCP. This section of the 2008/09 Annual report is designed to provide that comparison.

Overall Performance

Long Term Plan

Waitomo District Council would have recorded a pleasing financial performance result had it not been obligated to record an impairment loss on its investment in Inframax Construction Limited for the year. Council's own performance was within overall LTP budget and better than expected given the challenging economic environment and not receiving any investment income. It should be noted that the 2006 – 16 LTCCP forecast for the 2008/09 financial year is similar to the 2008/09 Annual Plan budget despite the changes in the financial strategy.

Waitomo District Council reported a net deficit after tax of \$2.2 million compared to a LTP budgeted surplus of \$1.8 million. This result, although regrettable is attributable to the less than satisfactory performance of Council's wholly owned subsidiary; Inframax Construction Limited. In addition to not receiving any investment income as budgeted for, Council incurred a further loss of \$3.3 million for the write down of value of this investment. The LTP provided for both investment income to be received and the value of Council's investment to increase.

Despite this setback, results from Council's own operations were inline with the results projected in the third year of the 2006 – 2016 LTCCP. It should be noted that the 2009 -2019 LTP has been adopted but that plan will relate to the 2009/10 financial year onwards.

The major variances in overall performance are explained below:

Revenue

Revenue and other gains and losses were \$2.8 million less than LTP budget due to the following factors;

- No dividend and subvention revenue was received from Inframax Construction Ltd for the 2008/09 financial year and in addition the value of Councils investment in the company was written down incurring a further loss of \$3.3 million. The LTP forecast provided for investment income to be received and it did not anticipate an investment write.
- A gain on revaluation of investment properties contributed \$0.5 million in a one off gain due to revaluing these assets to fair value. Some of these assets were previously recognised at their historic cost, which was very low and this gain was not projected in the LTP.
- Roading subsidy was budgeted to be greater in the LTP. The LTP provided for more operational and capital expenditure on the road network than that actually undertaken during the year.
- Other revenues also increased and were more than the LTP forecast due to Council resuming direct management and operation of the Waitomo District Landfill and the Te Kuiti Information Centre. These changes resulted in Council receiving all the operating revenues (and also responsibility for all of the expenses) associated with these two activities. These changes were not forecast in the 2006-16 LTCCP.
- Against the trends listed above rates revenue has been increased to fund more operational capacity and substitute loan funding for Land Transport operating costs as part of Council's strategy to become financially sustainable.

Expenditure

Expenditure was \$1.3 million more than the 2006-16 LTCCP forecast and is due to the following factors;

- Council's decision to increase organisational capacity as per the advice provided from the independent review panel in December 2006. Organisational capacity was required to deliver on the requirements of the Local Government Act 2002 and to focus on increased service performance in response to mandated Community Outcomes.
- The 2006-16 LTCCP provided for \$0.9 million more in interest costs than was actually expended during the year. This reduction in interest cost was due to lower than forecast levels of public debt and the low interest rate environment during the year.
- Council resumed direct management of the Waitomo District Landfill at the beginning of the financial year and the Te Kuiti Information Centre from November 2008 and became responsible for all of the associated operating costs. These changes in mode of service delivery were not planned for in the 2006-16 LTCCP.

Balance Sheet

Total equity was projected to be \$265.8 million in the 2006-16 LTCCP, actual Total equity is \$34.9 million less due mainly to the valuation of Council's wholly owned subsidiary Inframax Construction Limited and increases in property, plant and equipment revaluation reserves not occurring as forecast.

Public debt at 30 June was \$35.0 million whereas the 2006-16 LTCCP projected public debt to be \$46.0 million. Reduced reliance on loan funding for Land Transport operations and renewals has been the most significant departure between the forecasts contained in the 2006-16 LTCCP and actual results.

Capital Expenditure

Total capital expenditure was \$2.9 million less than the 2006-16 LTCCP forecast for the 2008/09 financial year.

Roading expenditure was \$2.1 million less than forecast due to less roading works being carried out compared to the forecast work programme. No seal extensions were completed during the year and there was a reduced level of road resealing, pavement rehabilitation and reconstruction than what was originally forecast for in the LTP.

Sewerage expenditure was \$1.1 million more than forecast for the 2008/09 financial year due to the Te Kuiti sewerage treatment plant upgrade being advanced and new projects for upgrading sewer mains and SCADA telemetry across all plants and pump stations being undertaken that were not included in the LTP.

Water expenditure was \$1.8 million less than forecast due to the deferral of Te Kuiti water treatment plant improvements.

1.3.2 Waitomo District Council Performance against the 2008/2009 Annual Plan

Group of Activities

In September 2007, Council adopted a new output activity structure to better reflect the alignment between the activities undertaken by Council with the four elements of community well-being – social, cultural, environmental and economic. There are eleven significant activities under the three Groups of Activities.

Community and Cultural Sustainability

The activities comprised in this Group are Leadership, Community Facilities, Community Development and Regulation and Safety. This Group contributes to all community outcomes. There have been no significant negative effects identified on the social, economic, environmental or cultural well-being of the community.

Environmental Sustainability

The activities comprised in this Group are Solid Waste Management, Stormwater, Resource Management and Sewerage. This Group contributes to the following community outcomes: cultural heritage and social harmony, visitors and tourism, wastewater and sewage, land use, farming, forestry and mining, manufacturing process and service industries, retail, urban development, housing and accommodation, transport, preserving the environment, coastline, parks and reserves and waste. There have been no significant negative effects identified on the social, economic, environmental or cultural well-being of the community.

Economic Sustainability

The activities comprised in this Group are Water Supply, Land Transport and Investments. This Group contributes to the following community outcomes: water supplies, manufacturing process and service industries, retail, urban development, transport, preserving the environment, coastline, parks and reserves, and image. There have been no significant negative effects identified on the social, economic, environmental or cultural well-being of the community.

Overall Performance

Annual Plan

Waitomo District Council would have recorded a pleasing financial performance result had it not been obligated to record an impairment loss on its investment in Inframax Construction Limited for the year. Council's own performance was better than expected, within overall budget and a very successful outcome given the challenging economic environment and not receiving any investment income as provided for in the 2008/09 Annual Plan.

Waitomo District Council reported a net deficit after tax of \$2.2 million compared to a budgeted surplus of \$1.7 million. This result, although regrettable is attributable to the less than satisfactory performance of Council's wholly owned subsidiary; Inframax Construction Limited. In addition to not receiving any investment income as budgeted for, Council incurred a further loss of \$3.3 million for the write down of value of this investment.

Despite this setback, results from Council's own operations were reasonably close to budgeted forecasts, as further explained below;

Revenue

Revenue and other gains/ losses were \$3.8 million less than budget due to five factors;

- No dividend and subvention revenue was received from Inframax Construction Limited for the 2008/09 financial year

and in addition to this the value of Councils investment in the company was also written down incurring a further loss of \$3.3 million.

- Subsidy revenue for Mokau Water and Piopio Sewerage was not received as planned because the capital works for which the subsidy relates to was not started or completed. Part of subsidy income recognised as revenue last year for Piopio Sewerage had to be reversed this year. This was due to some costs of the scheme not being eligible for subsidy whereas previously it was anticipated they would be.
- Roading subsidy was also greater than expected due to subsidy being received for emergency reinstatement work that was carried out as a result of flood damage repairs. Emergency reinstatement work is subsidised at a greater rate than other classes of work carried on the road network.
- A gain on revaluation of investment properties contributed \$0.5 million in a one off gain due to revaluing these assets to fair value. These assets were previously recognised at their historic cost, which was very low.
- Revenues also increased and were more than budget due to Council's resumption of management of the Waitomo District Landfill and the Te Kuiti Information Centre. These changes resulted in Council being responsible for all the operating revenues (and also all the expenses) associated with these two activities and was not budgeted for in the Annual Plan.

Expenditure

Expenditure was \$223,000 more than budget and is due to the following factors;

- Council resumed direct management of the Waitomo District Landfill at the beginning of the financial year and the Te Kuiti Information Centre from November 2008 and became responsible for all of the operating costs of these activities. These changes in mode of service delivery were not planned for in the Annual Plan.
- Losses on disposal of assets due to them being replaced were also incurred during the year and these were not budgeted for.
- Water and sewerage operational costs increased due to the contract with Council's principal service provider United Water contract entering its second operational phase part way through the year.
- Significant savings were achieved in the Community Facilities activity because maintenance expenditure was only spent as and when required.
- Finance costs were less than budget due to the low interest rate environment enjoyed during the financial year.

Balance Sheet

Council's total equity was \$16.7 million less than projected in the Annual Plan 2008/09. The net deficit reported for the year contributed to Retained Earnings being \$4.0 million less than budgeted. More significantly Council Reserves were reduced due the fair value write down of Council's investment in its wholly owned subsidiary Inframax Construction Limited.

Current liabilities were \$1.4 million more than budget due to use of Councils' Wholesale Advance facility at year end that was not planned for in the Annual Plan. \$4.8 million of term loans were due for refinancing and are therefore classed as current at year end.

Non current assets were \$15.9 million less than projected in the Annual Plan primarily due to the decrease in the value of investment in Inframax Construction Ltd which saw a reduction in Other Financial Assets to \$6.4 million from what was budgeted to be \$22.8 million. Against this trend, Investment property increased by \$0.5 million due to a revaluation gain.

With respect to certain income streams, in particular income from Council Controlled Organisations, Council is a taxpayer. Against this income is tax deductions can be made for certain expenses. Council has incurred tax losses during the year that are able to be carried forward to offset future taxable income; these tax losses are recognised as a deferred tax asset. No deferred tax asset was recognised in the Annual Plan.

During the year additional borrowings of \$7.8 million was undertaken. These funds were used to fund Councils capital works programme, the reimbursement of Inframax Construction Limited for the landfill, part funding of land transport operating costs, and funding other Council costs that would otherwise have been funded by investment income. The Annual Plan provided for \$6.7 million loans to be raised to fund Council's capital programme and part of Land Transport operating costs.

1.3.3 2008/2009 Group Performance

The Group reporting entity consists of Waitomo District Council and its 100% owned subsidiary Inframax Construction Ltd and Inframax Construction Ltd's 100% owned subsidiary Independent Roadmarkers Taranaki Ltd.

Overall Performance

The Group's overall performance for the year was a \$4.0 million deficit.

Whilst the Waitomo District Council would have reported a relatively good final outcome had it not been for the write down of Goodwill, the result for the Group was further eroded by the less than satisfactory result from Inframax Construction Limited. The subsidiary suffered a particularly difficult year with a lower than expected trading result which in turn leads to the impairment of goodwill the company had purchased. Further impairment loss was recorded for Parkside Subdivision and a loss made on financial derivatives. These results combine with Council's net deficit to form the Group result.

The Group recorded a taxation credit for the year primarily due to Inframax Construction Limited recording a taxation loss. This credit leads to the creation of a deferred tax asset which reduce the incidence of taxation in the future.

Balance Sheet

Total equity for the Group was \$230.8 million. There was a \$3.7 million decrease in equity from the previous year which reflects the deficit for the Group and the write down of the investment.

Current assets decreased by \$7.0 million during the year due to a decrease in the level of trade and other receivables and inventories.

Current liabilities increased by \$7.1 million during the year as a result of an increase in the portion of borrowings recognised as current liabilities. Current liabilities were more than anticipated as a result of Inframax Construction Ltd breaching its banking covenants. This required all Inframax Construction Ltd's borrowings to be recognised as current liabilities.

Non current assets increased by \$4 million between 30 June 2008 and 30 June 2009 as a result of asset additions purchased during the year.

Non current liabilities decreased by \$7 million between 30 June 2008 and 30 June 2009 due to reduction in group overdraft, trade and other payables and current portion of borrowings.

1.3.4 Revenue and Financing Policy

Background

The Revenue and Finance Policy, as outlined in the 2008/09 Annual Plan, is designed to ensure that wherever possible the people or groups benefitting from the function meet the allocation of costs by function, either wholly or in part.

Overall Performance

Council reviews its funding mix on an annual basis. Whilst Council has yet to achieve the exact planned mix of funding, there have been no significant variations between the actual funding mix Achieved for 2008/2009 and those prescribed in the Revenue and Financing Policy.

1.3.5 Policy on Investments

Background

The Policy on Investments provides the policy framework for all of Council's treasury functions and the volume of investments that the Council will be involved with. The mix of investments between current and non current is determined according to the Council's working capital needs.

Overall Performance

There have been no significant variations or material departures from the Council's Policy on Investment.

1.3.6 Policy on Liability Management

Background

The main function of the Policy on Liability Management is to ensure that the Council's borrowing and its associated risks are maintained at prudent levels. Refer to the LTP for a detailed outline of the policy.

Overall Performance

There were no significant variations or material departures from the Council's Policy on Liability Management.

Specific Borrowing Limits

Targets	Result
Total interest expense will not exceed 40% of total annual revenue excluding subsidy and CCO revenue	Achieved – 15%
Total borrowing does not exceed 30% of ratepayer equity	Achieved – 15%
No more than 35% total debt refinanced during the year	Achieved – 13%
Access to committed lines of credit no less than \$3 million	Not Achieved – \$0.7 million available at 30 June
Floating rate profile must not exceed 50% of total debt	Achieved – 4%

1.3.7 Iwi Consultation

Council consulted with Iwi:

- About resource consents for water and wastewater schemes.
- As an identified stakeholder group for LTCCP consultation.

1.4 Summary of Council's Equal Employment Opportunities Programme

Waitomo District Council prides itself on being an Equal Opportunity Employer. We have set ourselves several objectives and targets as performance measurement criteria. The Council believes that it has to provide leadership and also be a model to the District in this regard.

Objectives	Targets	Result
To foster a positive climate in the workplace aimed at encouraging employees to develop their potential and to remove discriminatory barriers to employment.	No complaints upheld	100% successful
All employment policies and practices will have regard to the principles of the Treaty of Waitangi and will comply with the provisions of the Human Rights Act 1993, the Equal Pay Act 1972 and the Employment Relations Act 2000 and other relevant statutes.	No complaints upheld	100% successful
Employment decisions will continue to be made solely upon merit, qualifications and work history relating to the position to be filled.	No complaints upheld	100% successful
Opportunities for training, transfer and promotion will be made available to all employees.	No complaints upheld	100% successful
To promote a workplace free of discrimination and harassment.	No complaints upheld	100% successful

Section Two: Community Outcomes



2.1 Background and Process

Community outcomes and priorities represent the collective aspirations of the District community. They are the starting point in Council's planning processes by defining the future scope and form of community well-being. They inform and guide the priority setting for Council's activities and those of other relevant organisations, and form the reference point for measuring the effectiveness of these activities in achieving the community's outcomes.

Community outcomes are defined through a Council facilitated process once every six years. Council first undertook a process to identify community outcomes in 2004. Considerable consultation with the community and stakeholders was undertaken which was then translated into a set of community outcome statements for the Waitomo District. Through a process of internal brainstorming and consultation with identified stakeholders, broad outcome areas were identified and refined.

The results obtained from this process were then used to develop a draft Community Outcomes Discussion Document which was sent to every ratepayer and identified stakeholder so that the community could debate and be informed of the whole package. Responses were collated and changes were made to the outcome statements based on these. The community outcomes thus articulated were then included in the Draft 2006-16 LTCCP for further consultation along with the LTCCP document.

For the 2006-16 LTCCP, the 2004 community outcomes were re-tested with the general community by way of a survey. Some stakeholder consultations were also carried out to reconfirm the outcomes. No direct relationship was established with the four well-beings for the development of the 2006-16 LTCCP.

The community outcomes used in this Annual Report have been drawn from the 2006-16 LTCCP.

One of the service performance targets in the annual plan was in relation to surveying customer satisfaction. The target in the annual plan was set as good or above. After the adoption of the annual plan it was decided to change to a 4-point scale to ensure that residents gave a clear indication as to the perceived satisfaction with the services provided, that is, they were required to decide if they were happy or unhappy with the service, rather than give a rating of good which provides less clarity around their perception of the service.

For the 2009 Customer Satisfaction Survey "Satisfied" and "Very Satisfied" have been determined to be the same as "Good" and "Excellent", which are the ratings included in the annual plan.

The Community Outcomes are:

Community Outcome No.	Community Outcomes
CO1	Cultural Heritage and Social Harmony A District that is enriched by the values of all it's people and in particular Maori heritage, culture, beliefs and way of life are an inherent and valued part of community life.
CO2	Communications and Information The District has a communication network equivalent to that of main urban centres and a community that is conversant in the use of modern communication technology.
CO3	Visitors and Tourism The image and attraction value of tourism is maximised to aid in bringing new business and new residents to Waitomo.
CO4	Water Supplies High quality water supply provisions in all urban centres greater than 200 population.
CO5	Wastewater and Sewage Availability of reliable and functional sewage systems for urban communities greater than 200 population.
CO6	Land Use, Farming, Forestry and Mining Planned 'intensification' and diversity of use to achieve the best economic benefit of land in productive use.
CO7	Manufacturing Process and Service Industries A District that has primary sector value-added businesses and an infrastructure of commerce that competes in the global market and provides local jobs and local wealth.
CO8	Retail To be seen as a destination for shopping offering choice and convenience.
CO9	Urban Development To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.

Community Outcome No.	Community Outcomes
CO10	Housing and Accommodation Availability of choice in housing and visitor accommodation to meet the needs of all people who wish to reside or visit the District, in a way that contributes to the District appeal and image.
CO11	Transport Movement of goods and people is efficient, safe, competitive and convenient so that commercial and community social needs are able to support the quality of life expected or chosen by the community.
CO12	Preserving the Environment Preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
CO13	Energy Minimise energy consumption through efficient use and investment in energy development/capacity is carried out in a manner consistent with a sustainable environment.
CO14	Coastline, Parks and Reserves To preserve the natural character of the District's coastline and reserves. Ensuring public access to the coastline and reserves.
CO15	Waste A District that works towards minimising the impact of waste on the environment.
CO16	Image Work towards creating a readily prosperous, identifiable and attractive image to the world outside Waitomo based on a strong internal sense of pride, self-image and self-esteem.
CO17	Employment Collaboratively work towards creating a wide range and number of employment opportunities in the region.
CO18	Health To pursue personal, social and cultural well-being supported by locally available health services.
CO19	Education To be a community where the level of education of all residents is high enough to take advantage of opportunities that improve the quality of life for the community.
CO20	Recreation and Social Amenities A District where the community is able to enjoy social, cultural and spiritual well-being, through community amenities, facilities, recreation, sports, and arts activities that provide for a full quality of life and choice of enjoyment for all residents.
CO21	Government Services To ensure the community has appropriate and timely access to services provided by Central Government.

The outcomes have been organised to show the linkage between the community outcomes and the four well-beings (cultural, economic, environmental and social) that Council has a broad role in promoting.

Section Three: Groups of Activities



3.1 Introduction

In September 2007, Council adopted a new output activity structure to better reflect the alignment between the activities undertaken by Council with the four elements of community wellbeing – social, cultural, environmental and economic. The new structure now comprises eleven significant activities, shown as follows:

Community Well-being		
Community (Social) and Cultural Sustainability	Environmental Sustainability	Economic Sustainability
Leadership	Solid Waste Management	Water Supply
Community Facilities	Stormwater	Land Transport
Community Development	Resource Management	Investments
Regulation and Safety	Sewerage	

The Cost of Service Statements for each group of activities have been presented to reflect the new structure.



3.2 Community and Cultural Sustainability

Outcomes and Activities

The Community and Cultural Sustainability group of activities promote outcomes that focus on building and developing cohesive and functional communities in the Waitomo District. Council provides a range of services and facilities to the various communities in the Waitomo District, in order to achieve this.

Activities Comprised in this Group:

- Leadership
- Community Facilities
- Community Development
- Regulation and Safety

The following tables summarise Council's contribution made to furthering the community's outcomes by each activity contained within this Group of Activities.

Leadership
Outcomes the Activity Contributes to (Refer to Section 2.1)
CO1, CO2, CO3, CO4, CO5, CO6, CO7, CO8, CO9, CO10, CO11, CO12, CO13, CO14, CO15, CO16, CO17, CO18, CO19, CO20, CO21

Community Facilities
Outcomes the Activity Contributes to (Refer to Section 2.1)
CO1, CO7, CO8, CO9, CO10, CO14, CO16, CO18, CO20

Community Development
Outcomes the Activity Contributes to (Refer to Section 2.1)
CO1, CO2, CO3 CO7, CO9, CO16, CO17, CO18, CO20, CO21

Regulation and Safety
Outcomes the Activity Contributes to (Refer to Section 2.1)
CO6, CO8, CO9, CO10, CO11, CO12, CO13, CO14, CO15, CO18

Leadership

Description

The Leadership significant activity provides for:

- Council's governance at a District level.
- Conduct of elections.
- Council's advocacy on issues that impact on the Waitomo District's Community Outcomes.
- Planning and Policy development.
- Monitoring and Reporting.

This Activity includes the preparation of policies guiding strategic direction and strategic financial decisions for presentation to the Community for feedback.

Activities

There are three activities under this significant activity:

- Representation
- Strategic Planning and Policy Development
- Monitoring and Reporting

Representation

This activity involves the provision of leadership and governance for the District through the Mayor's Office and the Council/Committee structure. The Mayor is elected "at large" by the District as a whole, irrespective of the existence of wards, and chairs the meetings of full Council.

In the interests of efficiency, and to provide separation between the Council's regulatory and non-regulatory roles, the Council may choose to establish committees. Representation on, and delegations to, committees is decided by the Council, usually after each triennial election. A committee chairperson is responsible for presiding over meetings of a committee and ensuring that the committee acts within the powers delegated by Council.

The Waitomo District Council has established two committees for the current triennium, being the Hearings Committee and the Inframax Construction Limited Relationship Committee.

A fundamental role of the Council is to represent its electors. Representation encompasses being accessible to the community to receive and understand their views, and if appropriate explain Council's reasoning behind a particular decision or policy, to those who might be interested. Representation also includes representation of Council through membership on various Council and community organisations.

Strategic Planning and Policy Development

This involves carrying out long term and annual planning for the District and producing plans which reflect the Council's role and level of involvement in helping to achieve the Community Outcomes. The Long Term Plan is produced on a three yearly cycle.

Communicating and consulting with the community is fundamental to the Council's strategic planning role. Apart from the formal consultation required before certain decisions can be made, the trigger for the extent of consultation is determined by Council based on the extent to which the Council is already aware of the issues and interests of those affected by a particular proposal, having regard to the circumstances in which a decision is being made.

The activity also involves planning and strategy development around urban and district growth to ensure growth is sustainable and infrastructural planning for the future can be carried out with certainty within clearly defined boundaries. Reviews of the Council's District Plan are included in this activity. Policy development arising from this activity provides the framework for the community's strategic direction.

Monitoring and Reporting

Monitoring of Community Outcomes takes place on a three yearly cycle. The objective is to measure the impact of Council's role and programmes on achieving the outcomes, and to report on the progress made.

After each financial year the Council is also required to prepare an Annual Report setting out information on the level of achievement against the key financial and performance targets for the year ended 30 June. The Annual Plan identifies what the Council plans to do over the next 12 months. The Annual Report explains what actually took place and the financial position at year end.

Key Achievements for 2008/09

The key Leadership projects for 2008/09 include:

- Completion of the Annual Report for 2008/09,
- The planning, consultation and adoption of the 2009–2019 LTP with an unqualified audit opinion,
- The development, consultation and adoption of the Solid Waste Asset Minimisation and Management Plan.

Statements of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
The provision of democratic decision-making by duly elected representatives, in accordance with the Local Government Act 2002.	Decision making in compliance with provisions of the Local Government Act 2002.	Number of challenges to the process for decision-making. Target = 0	Achieved - no challenges received.
Consult with the community to confirm community views on the governance and direction of WDC into the future.	Conduct customer focus groups, ratepayer associations and other mechanisms to ensure ratepayers' views are heard.	Number of consultations with interested parties and public groups. Target = 10 parties per consultation	Achieved - Council received an average of 24 submission on each consultation process undertaken throughout the 2008/09 financial year.
	Provision of public information and consultation on key issues affecting the District.	Customer satisfaction survey rating on 'Inform You'. Target = >35% good or above	Achieved - 69% of respondents to the July 2009 resident satisfaction survey were "satisfied or very satisfied" with Council's "ability to inform you" service. (See page 11)
Council is cost effective and efficient.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = < 5% variance.	Not achieved - 42%



Cost of Service Statement

	2009 Council Budget \$000's	2009 Council Actual \$000's	2008 Council Actual \$000's
Revenue			
Representation	10	11	78
Treasury Management and Overhead Accounts	0	32	22
Total Revenue	10	43	100
Expenditure			
Representation	640	605	653
Strategic Planning and Policy Development	514	479	489
Monitoring and Reporting	591	657	585
Treasury Management and Overhead Accounts	(145)	(722)	(408)
Total Expenditure	1,600	1,019	1,319
Net Operating Cost/(Surplus)	1,590	976	1,219
Net Operating Cost Funded by:			
General Rate	722	662	718
Uniform Annual General Charge	723	778	719
Rates Penalties	145	221	170
Transfer from/(to) Reserves	0	(685)	(388)
Total Operational Funding	1,590	976	1,219
Development and Renewal Expenditure			
Development	0	149	488
Renewal	0	22	44
Total Development and Renewal Expenditure	0	171	532
Development and Renewal Expenditure Funded by:			
Loans	0	0	0
Transfer from/(to) Reserves	0	171	532
Total Capital Funding	0	171	532

Variations from Annual Plan

Revenue

Revenue was in line with the budget for the year for the Leadership activity apart from additional external interest that was received.

Expenditure

The negative expenditure in Treasury Management and Overhead Accounts was due to unplanned economic conditions that resulted in external interest rates falling to historic levels, and below those provided for in the 2008/09 Annual Plan Budgets. This negative expenditure will be returned (by way of journal) to those Significant Activities (and therefore beneficiaries) in the new financial year.

The presentation of budget figures differs from that in the Annual Plan 2008/09 due to rates penalty revenue being shown as a funding source rather than revenue for the Representation Activity. In addition to that, budgeted negative expenditure for Treasury Management was netted off the funding source (rates requirement) in the Annual Plan 2008/09 whereas in the Annual Report 2008/09 it is shown separately.

Community Facilities

Description

Council provides recreation and community facilities with the aim of ensuring that recreational activities are available to meet the present and future needs of the Community, and that Council meets its statutory obligations under such acts as the Reserves Act 1977 and Burials and Cremations Act 1964.

Public amenities are necessary to ensure that public health and safety is maintained.

Activities

There are four activities comprising this significant activity as follows:

- Parks and Reserves
- Housing and Other Property
- Recreation and Culture
- Public Amenities

Parks and Reserves

Active Reserves

The provision of areas for organised sporting activity and other recreational activity for residents and visitors to the District.

Passive Reserves

The provision of open space, including public gardens, to enhance the visual amenity of the locality and to provide informal and impromptu recreational activities.

Esplanade Reserves

Esplanade reserves control/reduce the risk from natural hazards, protect conservation values and promote/improve recreational opportunities along the District's principal waterways.

Leased Reserves

Land held by Council but not currently used by Council as reserves, but is land-banked for future recreational purposes should the need arise.

Playgrounds

Provision of playground equipment to provide opportunities for recreation and physical development of children.

Housing and Other Property

Elderly Persons Housing

Provision of affordable housing for the elderly. There are currently 20 pensioner units owned by Council, all located in Te Kuiti and on one site.

Community Halls

Provision and maintenance of rural halls through the support of Hall Committees throughout the District. It includes 11 rural halls owned by the Council, plus the hall in Piopio township.

Other Land and Buildings

Maintenance and management of other miscellaneous Council owned properties, including:

- Three formal camping grounds at Te Kuiti, Marokopa and Piopio (Note: The informal camping areas at Mangaokewa Reserve and Brook Park are included in the Parks and Reserves activity).
- 20 buildings and structures.
- 8 residential houses, located in Te Kuiti and Piopio.
- 4 commercial buildings, all located in Te Kuiti and Piopio.
- The dog pound.

Recreation and Culture

District Libraries

Provision of library services to support culture, education, economic and personal development in the District. The main library is located at Te Kuiti with assisted voluntary community libraries at Awakino, Mokau and Benneydale.

District Swimming Pool

Provision and maintenance of aquatic facilities for leisure and competitive recreation opportunities for the community. Current swimming pool assets are limited to the public swimming pool in Te Kuiti.

Arts, Culture and Heritage

Maintenance and management of Culture and Heritage Buildings in the District including the Cultural and Arts Centre in Te Kuiti.

Aerodrome

Provision of an aerodrome facility in Te Kuiti to provide leisure and recreational opportunities for residents and visitors to the District. Provision of a base for commercial aerial activities.

Public Amenities

Public Toilets

Provision of public toilet facilities in the District to ensure visitors and residents have access to safe, clean and sanitary facilities. The Council presently owns and maintains 18 public toilets located throughout the District.

Cemeteries

Provision and maintenance of cemeteries in the District as required under the provisions of the Burials and Cremations Act 1964. The Council is responsible for 7 cemeteries, located at Te Kuiti, Piopio, Aria, Mokau and Te Waitere as well as the closed cemeteries at Mapiu and Kiritehere.

Street Furniture

Provision and maintenance of street furniture, bins and other structures to visually enhance the town environments and provide facilities for people to relax and enjoy the environment.

Public Carparks

Provision and maintenance of carpark areas to ensure residents and visitors to the District can access conveniently located off street parking in our towns.

Key Achievements for 2008/09

Parks and Reserves

- An independent annual audit was completed for all playground equipment.
- Playground safety improvements were undertaken including "Category 1" safety and compliance issues identified in the audit.

Housing and Other Property

- Renewal and upgrade work was completed for Elderly Person Housing which included an upgraded laundry and refurbishment of three housing units.
- A study funded by Housing New Zealand, was started to identify the needs for modernising the existing pensioner housing stock. Unfortunately midway through the project funding was halted and the study remains incomplete.
- Investigations were completed for wharf and jetty conditions to establish maintenance and renewal priorities, for inclusion in the Asset Management Plans.
- The development of procedures for the strategic review of property assets commenced and when completed will form a basis for reviewing all property holdings.

Recreation and Culture

- Sustainable level of service and closer management of the Te Kuiti Swimming Pool assisted in bringing the operation of the pool in line with budget expectations.
- Library books stock was renewed within an increased budget.
- The contractual process for installing a new library data management system which includes cataloguing and book issuing was started and is due to be fully implemented within the next financial year.
- The three year programme of refurbishment of the Cultural and Arts Centre was to be started in the 2008/09 financial year but was delayed due to further community consultation through the Long Term Plan 2009 -2019 process.

Statements of Service Performance

Parks and Reserves

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
Continue to meet present and future needs of the community by development and implementation of management plans.	All playground equipment and structures are provided and maintained in accordance with New Zealand Playground Equipment Safety Standard NZS 5828.	Percentage compliance with existing contract standards. Target = 100%	Not Achieved - 50% compliance with NZS 5828.
Provide quality sports grounds and parks for the community.	Provision of sports grounds/parks facilities for the community.	Customer satisfaction survey rating on "Sports Grounds" question. Target = >35% good or above	Achieved - 86% of respondents to the July 2009 resident satisfaction survey were "satisfied or very satisfied" with Council's parks and sports grounds services. (See page 11)
	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = <5% variance	Not Achieved – 20% less than budget deficit. Savings were Achieved in maintenance expenditure.
Maintain District parks, reserves and gardens to aesthetically pleasing standards.	Mowing and gardening contracts to achieve compliance with existing contract standards.	No more than 5 non-performance notices per contract per year.	Achieved – no notices received.

Housing and other property

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
To ensure council property meet standards of fitness for use.	Maintain buildings at a safe and healthy environment for building users.	Public buildings requiring a warrant of fitness are compliant. Target = 100%	Achieved 100%
Manage cemeteries in accordance with Council's legal obligations.	All operations with accordance with Councils Bylaw and the Burials and Crematoria Act 1964.	Compliance complaints/ investigations Target = 0	Not Achieved - one complaint received to date in relation to Piopio Cemetery.
Provide and maintain pensioner housing that meets the needs of the tenants.	Provision of effective housing service for the community.	Customer satisfaction survey rating on 'Pensioner Housing'. Target = >45% good or above.	Not Achieved - 31% of respondents to the July 2009 resident satisfaction survey were "satisfied or very satisfied" with Council's pensioner housing services. Community awareness of Council's older persons housing function is very low. (See page 11)

Recreation and Culture

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
1. Cultural and Arts Centre			
To provide a facility that can be a focal point for use by cultural, art, recreational, commercial and social groups.	Promote the use of the centre for events, private functions and community benefit activities.	Sustain the level of bookings. Target = 105	Not Achieved - only 67 bookings to date, due to reduction of hire hours at the end of 2008 and early 2009.
	Provision of effective facilities for the community.	Upgrade and modernise facility within budget.	This performance target is no longer relevant as the project is not going ahead due to a realignment of priorities given other funding pressures.
		Customer satisfaction survey rating on "Civic Centre Services". Target = >45% good or above	Achieved - 86% of respondents to the July 2009 resident satisfaction survey were "satisfied or very satisfied" with Council's civic centre services. (See page 11)
To provide a sustainable facility for the community.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = < 5% variance	Achieved - 3% less than budget deficit
2. District Swimming Pool			
To provide a safe pool facility.	Water quality meets safety standards.	Microbiological testing of pool water quality that does not comply with NZS 5826:2000 Standards. Target = < 5	Achieved - 42 samples were taken during the year of which one failed the microbiological test.
	Pool staff to be suitably qualified and trained to ensure the safety of pool patrons at all times.	Percentage of staff holding National Pool Life Guard certification. Target = 100%	Achieved - 100% staff holding certification
	Pool facility to meet safety requirements.	Complex achieves ACC Pool Safe accreditation. Target = Achieved	Achieved - complex Achieved ACC Pool Safe accreditation.
To have a pool strategy that guides the improvement of the swimming pool services for input to the 2009 LTP.	To have a pool strategy that guides the improvement of the swimming pool services for input to the 2009 LTP.	Pool strategy reviewed and implemented. Target = Strategy completed	Achieved - Strategy was received. Pool issues were workshopped as part of the 2008/09 Annual Plan development process. Long term requirements agreed and KPI's included in AMP.
	Provision of effective pool facilities for the community.	Customer satisfaction survey rating on 'Swimming Pool' questions. Target = >35% good or above	Achieved - 62% of respondents to the July 2009 resident satisfaction survey were "satisfied or very satisfied" with Council's swimming pool services. (See page 11)
	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = < 5% variance	Not Achieved- 19% less than budget deficit. Cost savings mainly Achieved through reduced maintenance expenditure.

2. District Libraries			
To provide library information centres to the District.	To have a library strategy that guides the improvement of the information services.	Complete review of library strategy. Target = Review completed	Achieved - review completed December 2008.
	Provision of comprehensive library facilities for the community.	Customer satisfaction survey rating on "Libraries" question. Target =>35% good or above	Achieved - 84% of respondents to the July 2009 resident satisfaction survey were "satisfied or very satisfied" with Council's library services. (See page 11)
Cost effective library service.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = <5% variance	Not Achieved- 6% less than budget deficit. Cost savings mainly Achieved through reduced maintenance expenditure.

Public Amenities

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
To ensure council property meets standards of fitness for use and is managed within approved budgets.	Maintain buildings at a safe and healthy environment for building users.	Number of non-performance notices issued for toilet cleaning contracts. Target = < 5 per year	Achieved – 4 notices issued to date.
	Services will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/(Deficit) for the activity from the annual budget. Target = <5% variance	Not Achieved- 11% less than budget deficit. Cost savings was mainly achieved through reduced maintenance expenditure.
Manage cemeteries within Councils legal obligations.	All operations in accordance with Councils Bylaw and the Burials and Crematoria Act 1964.	Compliance with legal obligations. Target = 100%	Achieved - 100% compliance with legal obligations.
Provide and maintain public toilet facilities that meet the needs of the community and visitors.	Provision of effective sanitary facilities for the community.	Customer satisfaction survey rating on 'Public toilets'. Target = >45% good or above	Achieved - 76% of respondents to the July 2009 resident satisfaction survey were "satisfied or very satisfied" with Council's public toilets. (See page 11)



Cost of Service Statement

	2009 Council Budget \$000's	2009 Council Actual \$000's	2008 Council Actual \$000's
Revenue			
Parks and Reserves	8	5	7
Housing and Other Property	118	636	121
Recreation and Culture	78	111	127
Public Amenities	17	30	31
Total Revenue	221	782	286
Expenditure			
Parks and Reserves	679	542	589
Housing and Other Property	716	508	694
Recreation and Culture	1,366	1,300	1,292
Public Amenities	668	610	511
Total Expenditure	3,429	2,960	3,086
Net Operating Cost/(Surplus)	3,208	2,178	2,800
Net Operating Cost Funded by:			
General Rate	1,493	1,448	1,355
Uniform Annual General Charge	1,350	1,236	1,229
Targeted Rates	398	399	277
Transfer from/(to) Reserves	(33)	(905)	(61)
Total Operational Funding	3,208	2,178	2,800
Development and Renewal Expenditure			
Development	337	188	145
Renewal	205	71	181
Total Development and Renewal Expenditure	542	259	326
Development and Renewal Expenditure Funded by:			
Loans	92	61	0
Transfer from Reserve	450	198	326
Total Capital Funding	542	259	326

Variations from Annual Plan

Revenue

A revaluation gain for Council's Investment Properties was recognised this year. Revenue was more than budget due to Cemetery fees, Portaloo hire, Swimming Pool and Library income being higher than budget due to increased use. Rental income for Council's rental properties was above budget as a result of better control over rental billings for rental properties, and rent increases.

Expenditure

Maintenance expenditure for Parks and Reserves, Housing and Other Property, Recreation and Culture and Public Amenities was held where possible during the year to assist Council's overall financial position.

This impacted on the ability to complete some key achievement targets.

Community Development

Description

The Community Development Activity works to ensure that individuals living in the Waitomo District have access to a range of services and facilities to increase their quality of life, and promote community well-being.

Activities

There are 4 activities under Community Development, namely:

Community Support

Community Support includes strategy development and grant funding to assist community groups and organisations that provide services benefitting local residents. Access to community information via Council's website, providing local events (e.g. the annual Christmas Parade), monitoring, advocacy and facilitation of the community's health related issues, funding of "Get Active" recreation programmes for youth and other residents and liaison with NZ Police on community safety issues and projects, are all part of Council's involvement in this activity.

Economic Development

Economic Development includes economic growth opportunities including Sister City relationships, urban infrastructure, business programmes, employment initiatives, and new business development are well documented catalysts for economic growth. Of these, continuation of Council's current Sister City relationship with Tatsuno in the Nagano province of Japan and consultation with the business sector during the development of urban structure plans are the main areas of the Council's current strategic focus.

Regional Tourism

Regional Tourism is facilitated through the Council's visitor information centre in Te Kuiti, major event coordination (e.g. the Great NZ Muster), and strategy development. At a regional level, the strategy is to promote regional tourism growth at both domestic and international levels, using Waikato regional branding rather than individual district brands. Local tourism products and experiences are coordinated through the regional approach in partnership with Tourism NZ and other tourist organisations.

Agencies

This activity aims to facilitate community access to government services through a combination of monitoring, advocating and providing. With regard to the latter, the Council currently acts as an agency for the Automobile Association (AA), including provision of driver licensing services.

Key Achievements for 2008/09

- Completion of the Community Development Strategy which identifies Council's opportunities and commitment to the community. This strategy was adopted by Council on the 25 March 2008.
- Establishment of a new Community Development Fund policy. This policy was adopted by Council on 25 November 2008.
- Change in the service delivery method for the Te Kuiti Visitor Information Centre, which involves Council implementing a restructure of the Te Kuiti Visitor Information Centre from 1 November 2008.
- Continued membership of Great New Zealand Touring Route which is part of the strategy to increase visitor numbers to the Waitomo District.

Statements of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
To promote the District.	Four District events held by 30 June 2008 within budget.	Number of events held. Target = 4	Achieved – Events completed include: - Parliamentary Special - Garden Competition - Te Kuiti Xmas Parade - Mayoral Challenge - Earth Hour - Great NZ Muster - ITO Graduation Ceremony - Rally of Waitomo
	Identify and action marketing opportunities that will promote the District and community based activities.	Number of marketing opportunities identified and put into action. Target = 4	Achieved: - Hamilton/Waitomo visitors guide - Explore Waitomo brochure reprint - AA Visitors Guide - A-Z Business Directory - Rotary Community Telephone Book - Ultimate Guide - Arrival Magazine - Great New Zealand Touring Route
To provide appropriate incentives to encourage development and facilitate economic growth.	Policy in place for allocation of new Community Development Fund.	All approved grants to be paid to recipients. Target = 100% paid by 31 January 2009.	Not Achieved – All but one grant paid by 31 January 2009. All approved grants paid by 30 June 2009.
To facilitate information sharing between Council, community groups, and the wider community.	Establish a database of community groups, resources and events.	Database of community groups and events established Target = 31 March 2009.	Not Achieved - Ongoing Development of information.
	Council web site developed to include page for community information.	Community web page available on Council site. Target = web page available by 31 March 2009.	Not Achieved.
Council is cost effective and efficient.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = < 5% variance	Not Achieved- 9% less than budget deficit. Net operating cost was reduced by additional revenues received from the i-site and sales of a joint visitor guide.



Cost of Service Statement

	2009 Council Budget \$000's	2009 Council Actual \$000's	2008 Council Actual \$000's
Revenue			
Community Support	0	27	0
Economic Development	0	5	74
Regional Tourism	11	182	13
Agencies	19	23	21
Total Revenue	30	237	108
Expenditure			
Community Support	369	394	323
Economic Development	27	26	31
Regional Tourism	478	581	365
Agencies	24	26	22
Total Expenditure	898	1,027	741
Net Operating Cost/(Surplus)	868	790	633
Net Operating Cost Funded by:			
General Rate	428	441	457
Uniform Annual General Charge	440	431	457
Transfer from/(to) Reserves	0	(82)	(281)
Total Operational Funding	868	790	633
Development and Renewal Expenditure			
Development	0	0	0
Renewal	0	0	0
Total Development and Renewal Expenditure	0	0	0
Development and Renewal Expenditure Funded by:			
Loans	0	0	0
Transfer from/(to) Reserves	0	0	0
Total Capital Funding	0	0	0

Variations to Annual Plan

Revenue

Revenue was greater than budgeted due to Council's decision to operate the Te Kuiti Visitor Information Centre directly rather than by way of contract, expenses incurred in establishing the joint visitor brochure, and rate remissions being more than budget. In addition to this a grant was received from Environment Waikato to be distributed as a contribution to retrofitting of insulation into eligible dwellings and a new initiative for joint regional promotion which generated unbudgeted advertising sales.

Expenditure

Expenditure was also greater than that budgeted due to Council's decision to operate the Te Kuiti Visitor Information Centre directly rather than by way of contract, expenses incurred in establishing the joint visitor brochure, and rate remissions being more than budget. As above this decision was then subsequent to the adoption of the 2008/09 Annual Plan and therefore associated direct operating costs were not budgeted for.

Regulation and Safety

Description

The Regulation and Safety Activity works towards the goal of seeking to effectively and efficiently provide a safe and sustainable environment through the administration and enforcement of Central Government Legislation.

Activities

The activities include:

- Regulation
- Safety

Regulation

There are three functions making up the regulation activity, namely:

Environmental Health

Provision of environmental health services, including food premises licensing, liquor licensing and noise control. The Council has specific statutory responsibilities under each of these functions.

Animal Control

Provision of an animal control service for the District, including wandering livestock, dog registration and control.

Building Control Services

Provision of building control services, including issuing and monitoring of building consents.

Safety

The Safety activity comprises:

Emergency Management

Provision of emergency response capability, including public education and administration of the Civil Defence and Emergency Management Act 2002.

Rural Fires

Provision of rural fire fighting capability and support for the Tainui Rural Fire Party.

Key Achievements for 2008/09

- Investigation of resourcing options for environmental health, sale of liquor and noise control functions.
- Ongoing review of all Council bylaws as required by the Local Government Act 2002.
- Completion of the building accreditation process as required by the Building Act 2004. (Accreditation is necessary to allow the Council to continue to process and issue building consents as a Building Consent Authority.)

Statements of Service Performance

Environmental Health

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
To effectively and efficiently administer the statutes, regulations and bylaws, including: <ul style="list-style-type: none"> • Environmental Health. • Liquor control. • Noise control. 	All food and liquor retail premises that are required are appropriately registered and licensed.	Percentage of registration or licensing of food and liquor retail premises completed. Target = 100%	Not Achieved - 98% of food and liquor retail premises inspected.
	To provide a noise control service using experienced and competent contractor personnel in line with Council's noise control policy provisions.	Response time to noise complaints by contractor. Target = 1 hour	Achieved - all after hour's calls have been completed within required timeframe.
To ensure health and safety is protected.	Provision of effective environmental health service for the community.	Customer satisfaction survey rating on 'Environmental Health Service'. Target = >35% good or above	Achieved - 72% of respondents to the July 2009 resident satisfaction survey were "satisfied or very satisfied" with Council's environmental health services. (See page 11)
To provide a cost effective environmental health service.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/(Deficit) for the activity from the annual budget. Target = < 5% variance	Not Achieved- Additional health inspection resource was engaged.

Animal Control

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
To meet the statutory requirements of the Dog Control Act 1996, WDC Bylaws and the Stock Impounding Act 1955.	Level of inspection of dog owners' properties in urban and rural areas.	Percentage of dog owners' properties inspected per year. Target = Urban 100%, Rural 100%	Not Achieved - 100% of dog owners properties in the urban area inspected, however only 15% of dog owners properties in the rural area inspected.
To provide an animal and stock control service using experienced and competent contractor personnel in line with Council's policy provisions.	Contractor to provide immediate response to public safety complaints.	Time of contractors' response to the incident. Target = <1 hr for greater than 30% of events	Achieved - All after hour's calls have been completed within required timeframe.
	Provision of effective animal control service for the community.	Customer satisfaction survey rating on 'Animal Control'. Target = >35% good or above	Achieved - 74% of respondents to the July 2009 resident satisfaction survey were "satisfied or very satisfied" with Council's animal control service. (See page 11)
Council is cost effective and efficient.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/(Deficit) for the activity from the annual budget Target = < 5% variance	Achieved - 0% variance to budget deficit.

Building Control

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
Effectively and efficiently administering the provisions of the Building Act 2004.	Building consents and project information memoranda issued within fifteen working days.	Percentage of building consents and project information memoranda issued within fifteen working days of receipt of application. Target = 90%	Not Achieved - 38% of consents currently issued within 15 working days. Accreditation process diverted resources.
	To have Waitomo District Council Accredited as a Building Consent Authority in the Building Act 2004.	Appropriate accreditation confirmed by due date.	Achieved - Accreditation
To provide a customer focused service which will facilitate development within the District.	Provision of effective building control service to the community.	Customer satisfaction survey rating on 'Building Control'. Target = >35% good or above	Achieved - 41% of respondents to the July 2009 resident satisfaction survey were "satisfied or very satisfied" with Council's building control services. (See page 11)
Protecting the health and safety of building users by ensuring compliance with building consent conditions.	Monitoring compliance with building consent conditions.	Percentage of building consent conditions where compliance can be demonstrated through monitoring. Target = 80%	Not Achieved - Compliance can be demonstrated for 77% of building consents.
Council is cost effective and efficient.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/(Deficit) for the activity from the annual budget. Target = < 5% variance	Not Achieved- 8% less than budget deficit. Building control revenue received was greater than budget.
	Level of total administration cost recovered from applicants.	Percentage of total administration cost recovered from applicants. Target = >50%	Not Achieved – revenue received was 34% of costs. The budget provided for revenue to be 19% of costs.

Rural Fire and Emergency Management (Civil Defence)

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
To ensure that Council has a rural fire fighting capability as required by the Forest and Rural Fires Act 1977, the Fire Service Act 1975 and Rural Fire Management Code of Practice.	Tainui Rural Fire Party (Mokau) is resourced in accordance with the Rural Fire Management Code of Practice.	Training provided and fire equipment assessed once per year to ensure compliance with Rural Fire Management Code of Practice. Target = 100% compliance with code	Achieved – 100% compliance with code
To provide a cost effective regulatory service.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/(Deficit) for the activity from the annual budget. Target = < 5% variance	Not Achieved- 7% less than budget deficit.
To administer the provisions of the Civil Defence Emergency Management Act 2002.	Council equipped to manage emergency event through one (1) major training exercise involving Civil Defence Headquarters staff, emergency services and other key personnel.	Percentage of Council staff receiving training per year. Target = 100%	Not Achieved - 17% of Council staff received training.
To represent Council's interests on any Civil Defence Emergency Management Group established to cover the Waikato Region.	Attendance of Council Staff member(s) on Emergency Management Group meetings.	Percentage of Emergency Management Group meetings with Council representation. Target = 100%	Achieved - 100% representation at Emergency Management Group Meetings.
To ensure community education takes place to prepare the community in the case of an emergency event.	Educational visits to schools or community groups.	Number of educational visits per year. Target = 6	Achieved - 6 Educational visits have been undertaken.



Cost of Service Statement

	2009 Council Budget \$000's	2009 Council Actual \$000's	2008 Council Actual \$000's
Revenue			
Regulation	254	356	268
Safety	1	1	1
Total Revenue	255	357	269
Expenditure			
Regulation	824	966	801
Safety	59	55	55
Total Expenditure	883	1,021	856
Net Operating Cost/(Surplus)	628	664	587
Net Operating Cost Funded by:			
General Rate	472	486	410
Uniform Annual General Charge	156	152	153
Transfer from/(to) Reserves	0	26	24
Total Operational Funding	628	664	587
Development and Renewal Expenditure			
Development	0	0	0
Renewal	0	0	0
Total Development and Renewal Expenditure	0	0	0
Development and Renewal Expenditure Funded by:			
Loans	0	0	0
Transfer from/(to) Reserves	0	0	0
Total Capital Funding	0	0	0

Variations to Annual Plan

Revenue

Revenue was greater than budget due to the oncharging of consultant's fees for building consent applications and an increase in Health Act licence fees charged.

Expenditure

Expenditure for the Regulation and Safety activity was greater than budget due to costs associated with accreditation as a Building Consent Authority and additional processing costs of building consents through Hamilton City Council.

3.3 Environmental Sustainability

Outcomes and Activities

The Environmental Sustainability group of activities promotes Community Outcomes that target environmental well-being. These activities aim to minimise the impact of community's lifestyles and growth on the natural environment. The broad issues relating to the environment are primarily managed by Regional Councils, however it is the responsibility of every local authority to carry out activities that promote sustainable management and protection of the environment.

Activities Comprised in this Group:

- Solid Waste Management
- Stormwater
- Resource Management
- Sewerage

The following table summarises Council's contribution to be made to furthering the community's outcomes as defined by the strategic goals decided for each significant activity in the group:

Solid Waste Management
Outcomes the Activity Contributes to (Refer to Section 2.1)
CO3, CO7, CO9, CO12, CO15

Stormwater
Outcomes the Activity Contributes to (Refer to Section 2.1)
CO3, CO9, CO11, CO12

Resource Management
Outcomes the Activity Contributes to (Refer to Section 2.1)
CO1, CO3, CO6, CO7, CO8, CO9, CO10, CO11, CO12, CO14

Sewerage
Outcomes the Activity Contributes to (Refer to Section 2.1)
CO3, CO5, CO7, CO9, CO12

Solid Waste Management

Description

The Solid Waste Activity manages the refuse collection of residual wastes, disposal and recycling services for the Waitomo District. The solid waste network involves a series of recycling and transfer stations throughout the District. Residual waste is deposited at the Waitomo District Landfill in Te Kuiti.

The community generates non-recyclable waste each day and the current trend of increasing amounts of packaging and waste material results in an ongoing challenge for waste management. If waste is not managed in an appropriate manner it may result in serious public and environmental health concerns.

Activities

The Solid Waste Activity comprises the following:

Collection

Collection includes a kerbside collection of residual waste for the residents of Te Kuiti, Piopio, Mokau and Waitomo Village (part only) and the provision of a kerbside recycling service for the residents of Te Kuiti, Piopio, Mokau, Mahoenui and Waitomo Village.

Recycling stations are located at Marokopa, Waitomo Village, Benneydale, Piopio, Kinohaku and at the Waitomo District Landfill in Te Kuiti.

Management

Management includes maintenance and management of the Waitomo District Landfill in Te Kuiti by a contractor, and transfer stations at urban settlements in the District by local contractors.

Management also includes waste minimisation activities to help preserve the environment and minimise potentially negative effects of solid waste disposal. It includes education programmes aimed at drawing attention to the benefits of waste minimisation and recovery.

Key Achievements for 2008/09

- Continuation of existing services while the current Waste Management Strategy is reviewed, leading to preparation of a new Waste Management Plan for inclusion in the 2009-2019 LTP.
- The cancellation (by mutual agreement) of the Landfill Management Deed with Inframax Construction Limited (ICL) and direct control and management of the Waitomo District Landfill by WDC.
- Development, consultation and adoption of the Solid Waste Minimisation and Management Plan (SWaMMP).



Statements of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
Comply with the Resource Management Act 1991 (RMA) for closed and operating landfills.	Monitoring of landfill at Te Kuiti to ensure it is operated in manner in compliance with resource consent.	Percentage compliance with resource consent conditions. Target = 85%	Achieved- 100% compliance.
	Aftercare of closed landfills is in compliance with resource consents.	Percentage compliance with resource consent conditions. Target = 100%	Achieved - 100% compliance.
Encourage waste minimisation.	Waste minimisation education reduces household waste.	Establish a waste stream monitoring project to quantify refuse collected from residents serviced by weekly kerbside collection and from transfer and recycling stations.	Achieved - Waste stream monitoring process in place.
To provide a cost sustainable waste service	Waste operating costs are self funding.	Financial revenue and expenditure budget for waste disposal is neutral. Target = Expenditure does not exceed revenue	Achieved – Expenditure for kerbside collection and recycling and waste minimisation did not exceed revenue (including rates).
	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/(Deficit) for the activity from the annual budget. Target = < 5% variance	Not Achieved: Additional interest and depreciation expenditure on additional, unbudgeted capital for the resumption of direct management of Landfill.
To provide an efficient and effective waste service.	Kerbside collection available to all premises in urban zones.	Percentage of urban premises that have access to kerbside collection. Target = >90%	Achieved- 90%
	Waste management strategy is reviewed and consulted.	Review is conducted and completed every two years. Target = Strategy reviewed and consulted on.	Achieved - SWaMMP completed and adopted.
	Provision of effective waste service for the community.	Customer satisfaction survey rating on 'Refuse'. Target = >35% good or above	Achieved - 63% of respondents to the July 2009 resident satisfaction survey were "satisfied or very satisfied" with Council's solid waste services. (See page 11)

Cost of Service Statement

	2009 Council Budget \$000's	2009 Council Actual \$000's	2008 Council Actual \$000's
Revenue			
Collection	15	28	22
Management	101	635	44
Total Revenue	116	663	66
Expenditure			
Collection	319	365	345
Management	621	1,441	736
Total Expenditure	940	1,806	1,081
Net Operating Cost/(Surplus)	824	1,143	1,015
Net Operating Cost Funded by:			
General Rate	36	37	29
Uniform Annual General Charge	66	65	58
Targeted Rates	722	730	596
Transfer from/(to) Reserves	0	311	332
Total Operational Funding	824	1,143	1,015
Development and Renewal Expenditure			
Development	82	358	1,521
Renewal	0	0	0
Total Development and Renewal Expenditure	82	358	1,521
Development and Renewal Expenditure Funded by:			
Loans	72	297	1,521
Transfer from/(to) Reserves	10	61	0
Total Capital Funding	82	358	1,521

Variations to Annual Plan

Revenue

Revenue exceeded budget for the year as the budget was set on the basis that the management of the landfill was undertaken as per the Landfill Management Deed with Inframax Construction Limited. Council has now resumed full management of the landfill and therefore receives and is responsible for all landfill operating revenues.

Expenditure

Expenditure exceeded budget for the year as the budget was set on the basis that the management of the landfill was undertaken as per the Landfill Management Deed with Inframax Construction Limited. Council has now resumed full management of the landfill and is therefore responsible for all associated operating costs. In addition to this increased costs were also incurred for the purchase of rubbish bags, a CPI adjustment paid to the contractor and increased expenditure to meet higher levels of demand during the Christmas period at Marokopa and Kinohaku.

Stormwater

Description

Stormwater runoff occurs after rainfall. Rain that does not soak into the ground flows downhill until it reaches a water course or is collected by a pipe system. Where there is development, runoff from properties and roads flows into stormwater systems. The greater the level of development in a catchment, the greater the conversion of rainfall into runoff. If this runoff is not managed well, it can cause flooding. Generally stormwater is channelled onto roads or into open watercourses, then down streams and rivers to lakes and the sea.

The stormwater drainage system manages runoff by collecting and removing the runoff, eventually disposing of it into natural streams, lakes or the sea. The Stormwater Activity involves providing, maintaining and expanding the capacity of the existing drainage systems and advocating for the appropriate management of rivers and streams within the Waitomo District.

Activities

Stormwater Reticulation and Disposal

This entails providing, maintaining and expanding Council's urban stormwater disposal systems.

Key Achievements for 2008/09

- Completion of asset inventory and condition assessment for Asset Management Purposes.
- Preparation of a programme for the replacement and extension of stormwater pipe networks, having regard to urban areas where high inflow/infiltration of the existing sewerage reticulation network is an ongoing concern.
- Upgrading of drain capacity in identified areas, including the junction of Carroll Street and Awakino Road stormwater and Rata Street was renewed and extended.



Statements of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
Comply with legislative requirements relating to the storm-water network, including resource consents.	Compliance with resource consent conditions.	Percentage compliance with resource consent conditions. Target = 70%	Achieved- 100% compliance.
To have strategy for the storm-water network included in a Storm-water Management Plan (SMP).	Implement a functional Storm-water Asset Management Plan	Percentage of Stormwater Asset Management Plan developed. Target = Basic Plan completed	Achieved - Completed in June 2008
Review storm-water system current networks to urban areas to assess ability to cope with 1 in 2 year flood.	Storm-water system assessment undertaken.	Percentage of network assessed. Target = 100%	Not achieved - 0% completed. This assessment has not been undertaken. No resource.
Maintain drainage system in a cost effective manner.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/(Deficit) for the activity from the annual budget. Target = < 5% variance	Achieved: 1% less than budget deficit.
	Contractor meets service levels for repairing blockages and restoring network operation.	Number of shutdown hours compared to total network availability hours. Target = < 80 hours	Achieved - 28 hours.

Cost of Service Statement

	2009 Council Budget \$000's	2009 Council Actual \$000's	2008 Council Actual \$000's
Revenue			
Reticulation and Disposal Urban	0	11	0
Reticulation and Disposal Rural	0	0	0
Total Revenue	0	11	0
Expenditure			
Reticulation and Disposal Urban	222	246	355
Reticulation and Disposal Rural	59	44	41
Total Expenditure	281	290	396
Net Operating Cost/(Surplus)	281	279	396
Net Operating Cost Funded by:			
Targeted Rates	281	282	267
Transfer from/(to) Reserves	0	(3)	129
Total Operational Funding	281	279	396
Development and Renewal Expenditure			
Development	212	204	0
Renewal	65	0	0
Total Development and Renewal Expenditure	277	204	0
Development and Renewal Expenditure Funded by:			
Loans	212	204	0
Transfer from/(to) Reserves	65	0	0
Total Capital Funding	277	204	0

Variations to Annual Plan

Revenue

Revenue was greater than budget due to revenue being received for stormwater connections during the year. There was no budget set for this revenue.

Expenditure

Expenditure was greater than budget due to the depreciation for this activity being slightly over-estimated in the 2008/09 Annual Plan. Maintenance work was also kept to minimum and driven by need.

Resource Management

Description

The Resource Management Activity works towards the goal of seeking to effectively and efficiently provide a safe and sustainable environment through the administration and enforcement of the Resource Management Act and District Plan.

Activities

Resource Management

Administration and application of the District Plan, including the issue of resource consents for land use and subdivisional consents and monitoring consents for compliance with conditions.

Key Achievements for 2008/09

- Continued commitment to the "Shore Futures Project" – a collaborative planning approach between Environment Waikato, Otorohanga District Council, Waikato District Council and this Council for the integrated management of Kawhia Harbour.
- Formal adoption of the Waitomo District Plan in March 2009.

Statements of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
To efficiently and effectively administer the provisions of the Resource Management Act 1991.	Notified resource consent applications processed within eighty (80) working days of receipt.	Percentage of notified resource consent applications processed within timeframe. Target = 90%	Not Achieved - Of the 62 resource consent application received, 1 notified resource consent was process in 90 days.
	Non-notified resource consent applications processed within twenty (20) working days of receipt.	Percentage of non-notified resource consent applications processed within timeframe. Target = 90%	Achieved - 94% of resource consents processed within timeframe.
	Ensure that potential adverse effects are avoided by monitoring and enforcement of resource consent conditions.	A system is established for monitoring compliance with resource consents. Target = System in place by 30 June 2009	Not Achieved
To implement a fully operational District Plan that promotes the sustainable management of natural and physical resources within the District.	Resolution of all outstanding references to the District Plan lodged with the Environment Court.	Number of outstanding references to the District Plan resolved. Target = 2	Achieved - All outstanding references have been resolved.
Council is cost effective and efficient.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = < 5% variance	Not Achieved: 71% Consultant and legal costs were more than budgeted for mainly for appeals to the Environment Court.
	To recover a portion of the total cost of administering the provisions of the Resource Management Act 1991 directly from applicants.	Percentage of total administration cost recovered from applicants. Target = > 60%	Not Achieved – Additional expenditure on consultant and legal costs were incurred in relation to appeals to the Environment Court.

Cost of Service Statement

	2009 Council Budget \$000's	2009 Council Actual \$000's	2008 Council Actual \$000's
Revenue			
District Plan Administration	80	66	67
Total Revenue	80	66	67
Expenditure			
District Plan Administration	176	230	229
Total Expenditure	176	230	229
Net Operating Cost/(Surplus)	96	164	162
Net Operating Cost Funded by:			
General Rates	48	49	39
Uniform Annual General Charges	48	47	39
Transfer from/(to) Reserves	0	68	84
Total Operational Funding	96	164	162
Development and Renewal Expenditure			
Development	0	0	0
Renewal	0	0	0
Total Development and Renewal Expenditure	0	0	0
Development and Renewal Expenditure Funded by:			
Loans	0	0	0
Transfer from/(to) Reserves	0	0	0
Total Capital Funding	0	0	0

Variations to Annual Plan

Revenue

Revenue was lower than expected for the Resource Management activity. Both LIM revenue and resource consent revenue was less than budget. Revenue for these items is driven by demand.

Expenditure

Expenditure was higher than budget due to consultant and legal fees being incurred for resolving issues associated with an appeal at the Environment Court for the Taharoa wind farm consent. Included in these expenses was the cost of engaging the services of a reputable ornithologist.

Sewerage

Description

The purpose of the Wastewater Activity is to collect and dispose of wastewater in an effective and environmentally acceptable manner. Effective and efficient wastewater collection and disposal is essential to protect the environment, maintain public health and to facilitate economic development.

Activities

In order to ensure the effective disposal of sewage in an environmentally sustainable manner and to promote and protect public health, the Council provides sewerage schemes at Te Kuiti, Te Waitere and Benneydale. A new scheme is also planned for Piopio.

Key Achievements for 2008/09

Te Kuiti Sewerage

- Preliminary work was completed for the reconfiguration and upgrade of the Te Kuiti wastewater treatment plant.
- The main pump station located near Te Kuiti Primary was completed.
- New resource consent for discharge of treated effluent from the Te Kuiti wastewater treatment plant was lodged with Environment Waikato.
- Implementation of a new fees and charges regime under Council's Trade Wastes Bylaw was completed.
- An ongoing replacement programme for sewer reticulation which is at the end of its useful life continued.

Piopio Sewerage

- Progress was made on getting necessary resource consents for the new sewerage scheme at Piopio but the consent hearing process is still before the Environment Court.

Te Waitere Sewerage

- An assessment was made of the work to be done to provide waste water services to Te Waitere community.

Benneydale Sewerage

- The application for a new resource consent for Benneydale communities was lodged.
- Installation of SCADA equipment to monitor the sewerage treatment plant remotely was completed.

Waitomo Village Sewerage

- An assessment of the condition and performance of the Waitomo Village sewerage scheme was completed to determine the work required to bring the scheme up to an acceptable standard prior to consideration by the Council for possible take-over.

Statements of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
To provide a wastewater and sewerage collection, treatment and disposal system at Te Kuiti, Benneydale, Te Waitere and Waitomo.	Treated effluent discharge test results are in accordance with resource consent conditions.	Percentage of test results in accordance with resource consent conditions. Target = 100%	Not Achieved - 60-90% of test results in accordance with resource consent conditions. Significant plant upgrades are required to meet consent limits.
To ensure trade waste disposed of according to Council trade waste bylaw.	To implement and monitor compliance with bylaw.	Level of compliance with bylaw by trade waste consent holders. Target = 80%	Achieved - 80% compliance with bylaw.
Provide wastewater systems to communities where community has been consulted and agreed to the implementation.	A wastewater system to be installed and operational in Piopio.	Percentage wastewater system completed and fully operational by June 2009. Target = 100% progress to completion.	Not Achieved - 40% of wastewater system completed by December 2010. Delayed - discharge consent has been appealed by Environment Court.
Cost effectively operate and maintain wastewater networks.	Minimise wastewater and sewer overflows and blockages.	Number of overflows and/or blockages across all wastewater schemes. Target = <25 reported events per year	Not Achieved - 61 events
	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = < 5% variance	Not Achieved - 81% more than budget deficit. Government subsidy budgeted for capital works was not received.

Cost of Service Statement

	2009 Council Budget \$000's	2009 Council Actual \$000's	2008 Council Actual \$000's
Revenue			
Te Kuiti	403	511	312
Piopio	398	(269)	1,562
Total Revenue	801	242	1,874
Expenditure			
Mokau	1	0	0
Te Kuiti	1,493	1,714	1,613
Benneydale	59	87	73
Te Waitere	18	21	20
Piopio	190	156	39
Total Expenditure	1,761	1,978	1,745
Net Operating Cost/(Surplus)	960	1,736	(129)
Net Operating Cost Funded by:			
Targeted Rates	1,257	1,280	1,317
Transfer from/(to) Reserves	0	456	116
Total Operational Funding	1,257	1,736	1,433
Total Operating Costs/Funding	(297)	0	(1,562)
Development and Renewal Expenditure			
Development	2,092	1,805	844
Renewal	118	138	212
Total Development and Renewal Expenditure	2,210	1,943	1,056
Development and Renewal Expenditure Funded by:			
Loans	1,694	2,074	722
Subsidies	297	(269)	1,562
Transfer from/(to) Reserves	219	138	(1,228)
Total Capital Funding	2,210	1,943	1,056

Variations to Annual Plan

Revenue

Revenue for the Sewerage activity was overall less than budget for the year.

The reduction in revenue was due to subsidy income not being received because capital works for which the subsidy relates to was not undertaken for the Piopio scheme. Due to Environment Court action over granting of resource consents no capital work was undertaken. Further to that subsidy income recognised for Piopio in the last financial year was based on the assumption that all capital expenditure would be subsidised. This position has now changed and Environment Court and resource consent costs will not be subsidised. As such more income was recognised last financial year than should have been, to make the correction the excess subsidy income has been reversed in this financial year.

However an increase in trade waste revenue for Te Kuiti was received. Trade waste revenue is based on volume discharged by the two meat companies and more volume was discharged than budgeted.

Expenditure

Expenditure was higher than budget for the year due to operational cost overruns in Te Kuiti and Benneydale. Experimentation with different chemicals at the Te Kuiti plant to improve the quality of discharged was undertaken. The result of the experimentation was that the benefit did not warrant the cost and the trials were discontinued. The United Water contract also entered its second operational phase during the last financial year which has resulted in contract cost increases. Additional sampling is also required by the new discharge consent granted for Benneydale Sewerage. Piopio sewerage operational costs were less than budget due to the scheme not yet being operational.



3.4 Economic Sustainability

Outcomes and Activities

The Economic Sustainability group of activities promotes outcomes that focus on providing the necessary infrastructure that enables communities throughout the urban environment to prosper and to ensure that the District as a whole is able to transport their produce and necessities to and from the marketplace. The growth and maintenance of tourism, farming and other commerce and industry is dependent on the provision of a reliable transport network. The provision of Council services throughout the District requires considerable financial resources and hence, in order to relieve the burden on the ratepayers, Council undertakes various investment activities.

Activities Comprised in this Group:

- Water Supply
- Land Transport
- Investments

The following table summarises Council's contribution to be made to furthering the community's outcomes as defined by the strategic goals decided for each significant activity in the group:

Water Supply
Outcomes the Activity Contributes to (Refer to Section 2.1)
CO4, CO7, CO9, CO12, CO16

Land Transport
Outcomes the Activity Contributes to (Refer to Section 2.1)
CO7, CO8, CO9, CO11, CO12, CO14

Investments
Outcomes the Activity Contributes to (Refer to Section 2.1)
CO7, CO9, CO11

Water Supply

Description

The purpose of the Water Supply Activity is to supply safe water to the communities in the Waitomo District. Water supply is essential for maintaining public health, provides fire fighting capacity in urban areas and facilitates economic growth. The Council is committed to providing a water supply service that meets the diverse needs of the Waitomo Community.

Activities

The activities involve extraction, treatment and supply of public water supplies at Te Kuiti, Benneydale, Mokau and Piopio.

Key Achievements for 2008/09

Across the water supply schemes of Te Kuiti, Piopio Benneydale and Mokau, Public Health Risk Management Plans were undertaken, completed and approved. These plans are required to support funding applications to the Ministry of Health.

Te Kuiti Water Supply

- Increase in security of supply by providing a reticulation linkage between the Hetet and Hospital Hill Reservoirs to enable load sharing between storage facilities was planned for the year but was deferred pending the outcome of Ministry of Health subsidy application for this work.
- Ongoing mains renewal programme continued but only carried out as required.
- Implementation of Year one of the three year SCADA (Supervisory Control and Data Acquisition) programme across the District was started and is 50% complete with SCADA installations complete for Mokau Water, Benneydale Water and Benneydale Sewerage. This technology will allow the automatic gathering of data in real time from all treatment facilities including remote locations in order to improve control of treatment plant equipment and operating conditions and to meet the requirements of the Drinking Water Act. Data will be stored at a central base station at the Council offices.
- Planning for the upgrade of treatment plant in accordance with new drinking water standards was put on hold pending the outcome of Ministry of Health subsidy application for this work.

Benneydale Water Supply

- Operation of water supply continued following upgrades completed in last financial year to the treatment plant.
- Installation of SCADA equipment to monitor the water treatment plant remotely was completed.

Piopio Water Supply

- A decision was made to defer the Stage 1 replacement of old 50mm diameter asbestos cement water main as planned because the pipe did not fail during the year as had been expected.
- Investigation of options for increased storage capacity and remedy backwash capacity of supply filter was deferred until work on the outcome of the Public Health Risk Management Plan was completed and approved. The outcome of MoH funding applications are known.

Mokau Water Supply

- An investigation into options for supplementary raw water storage to improve supply security was completed. Work has been deferred pending the outcome of the MoH subsidy application.
- The planning for inclusion of mains replacement programme in LTP which was subject to Ministry of Health subsidy was also deferred.
- Installation of SCADA equipment to monitor the water treatment plant remotely was completed.

Statements of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
To maintain and improve quality of water supply treatment plant and network system.	To monitor drinking water supplies to comply with New Zealand Drinking Water Standards (NZDWS: 2000).	Percentage of Microbiological waters tests meet standard of NZDWS: 2000. Across all schemes. Target = 95%	Achieved – 95% meet standard across all schemes.
	Level of compliance of water supply plants and networks with resource consent conditions.	Percentage of compliance with resource consent conditions. Target = 85%	Achieved – 90% comply with resource consent conditions.
	Water treatment plant and network maintained at an acceptable Ministry of Health Grade.	Plant and network meeting Ministry of Health grade specified. Across all schemes. Target = Cd Grading	Not Achieved The majority of schemes are yet to be graded by the Ministry of Health.
To have a long term water supply infrastructure plan in place.	Review asset management plan for water supply infrastructure be approved by Council.	Asset management plan review completed and operational. Target = Plan review completed	Achieved
Provide sufficient, reliable reticulated water supply to communities.	Provision of effective water service for the community.	Customer satisfaction survey rating on "Water" question. Target = >35% good or above	Achieved - 72% of respondents to the July 2009 resident satisfaction survey were "satisfied or very satisfied" with Council's water supply service. (See page 11)
	Water supply network is fully operational and available to community.	Number of shutdown hours at each scheme compared to total network availability hours. Target = < 80 hours per year.	Not Achieved. 180 shutdown hours.
	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = < 5% variance	Not Achieved: Government subsidy budgeted for capital works was not received.



Cost of Service Statement

	2009 Council Budget \$000's	2009 Council Actual \$000's	2008 Council Actual \$000's
Revenue			
Te Kuiti	460	454	530
Mokau	904	85	4
Benneydale	6	9	510
Piopio	294	161	6
Total Revenue	1,664	709	1,050
Expenditure			
Te Kuiti	1,105	1,167	1,269
Mokau	256	349	272
Benneydale	176	156	347
Piopio	170	200	188
Total Expenditure	1,707	1,872	2,076
Net Operating Cost/(Surplus)	43	1,163	1,026
Net Operating Cost Funded by:			
Targeted Rates	1,188	1,203	1,115
Transfer from/(to) Reserves	0	40	414
Total Operational Funding	1,188	1,243	1,529
Total Operating Costs/Funding	(1,145)	(80)	503
Development and Renewal Expenditure			
Development	1,514	401	286
Renewal	912	853	387
Total Development and Renewal Expenditure	2,426	1,254	673
Development and Renewal Expenditure Funded by:			
Loans	1,281	1,006	37
Subsidies	1,145	236	503
Transfer from/(to) Reserves	0	12	133
Total Capital Funding	2,426	1,254	673

Variations to Annual Plan

Revenue

Revenue was lower than budget for the year due to subsidy revenue not being received for the Piopio and Mokau scheme upgrades. The scope of the capital works undertaken was largely dependent on government subsidy funding available. Much of the applications were completed but not approved and subsidy will only be received once the work is carried out.

Expenditure

Expenditure was higher than budget for the year due to the loss on disposal of old redundant pipe assets that were replaced at Mokau which was not budgeted for.

There were also increased costs across all the water supply schemes serviced under the United Water Contract which entered its second operational phase of three years after the first phase of three years having been completed.

Land Transport

Description

The Land Transport activity involves the maintenance and development of roads, kerbs and channels, bridges, street lighting, footpaths and street cleaning for all of the Waitomo District, with the exception of the State Highways. The latter are managed by New Zealand Transport Agency (NZTA) HNO. The Council maintains its roads under contract to a standard that provides safe and comfortable driving within the limitations of available funding.

Activities

Subsidised Roading

NZTA the national road funding authority, provides a subsidy for works that meet the criteria for subsidy. The Activities currently subsidised by NZTA are:

- Sealed Pavement Maintenance
- Unsealed Pavement Maintenance
- Routine Drainage Maintenance
- Structures Maintenance
- Environmental Maintenance
- Traffic Services Maintenance
- Level Crossing Warning Devices
- Emergency Reinstatement
- Network & Asset Management
- Professional Services
- Pavement Rehabilitation
- Sealed Surfacing
- Structures Replacements
- Drainage Renewals
- CFA
- Associated Improvements
- Minor Improvements
- Traffic Services Renewals
- Unsealed Road Metaling

Unsubsidised Roading

These are activities carried out to ensure safe and efficient travel within and through the district as necessary for road or pedestrian safety and convenience but are not subsidised by NZTA. The Council has sole financial responsibility for this activity. The functions include:

- Footpath Maintenance
- Footpath Renewals
- Amenity Lights
- Unsubsidised Miscellaneous Work
- Street Cleaning
- Carpark Maintenance (other than kerbside parking)
- Unsubsidised Roading

Key Achievements for 2008/09

- Implementation of the Traffic Counting Programme completed.
- Replacement of the Papakauri Road Armco culvert (\$200,000) completed.
- Replacement of the Ngakakore Road Bridge (\$75,000) completed.
- Renewal of structural components at Te Matai Bridge (\$90,000) completed.
- Continue footpath replacement programme including Waitete Road Footpath completed.
- Installation of new streetlights in new developments and replace existing lights as required with energy efficient fittings, Bayne Street completed.
- Reseal 44 km of road throughout the District completed.
- Shape correction on Mangarino Road, Waimiha Road, Taharoa Road, Rangitoto Road (x2 sites) completed.
- Minor safety improvements at Rangitoto Road, Papakauri Road and Totoro Road completed.
- Deliver road safety programme targeting driver licensing, use of child restraints, driver fatigue and intersection controls completed.
- Completion of flood damage repairs, 9 sites (\$562,000 Works, \$100,000 Investigate).
- Completion of the Pukeroa Road/ Kiwi Street construction (\$200,000).



Statements of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
Provide safe roads.	Improvement in road safety to continue the reducing trend in the number of injury accidents.	Percentage of injury accidents due to road factors. Target = < 38%	This information is not available at present.
	Work with the NZ Police and the Land Transport Safety Authority promoting and enforcing the safer use of roads.	Number of road safety promotions. Target = 3 per year	Achieved - completed Aug/ Sep 08- x3
Maintain roads in an effective manner.	Kilometres of road network sealed, resealed within annual budget.	Percentage of total sealed road network resealed within annual budget Target = > 8%	Achieved - 44km resealed = 8.8%
	Kilometres of sealed road network reconstructed within annual budget.	Percentage of total sealed road network reconstructed within annual budget. Target = < 3%	Achieved - 5.8km reconstructed = 1.3%
	Kilometres of unsealed road network reconstructed within annual budget.	Percentage of total unsealed road network reconstructed within annual budget. Target = < 3%	Achieved - Completed 10.2km = 1.8%
	Contractors' performance meets agreed standard of work within budget.	Percentage of Contractor work that meets standard within budget. Target = 100%	Not Achieved - some contractor issues. 90% for 2008/09.
	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = < 5% variance	Not Achieved: 38% less than budget deficit. More subsidy was received than budget because Emergency Reinstatement works attract subsidy at a higher rates than other work streams.
	Unsealed roads are maintained in cost effective manner.	Cost of maintenance of unsealed roads per km of road length. Target = <\$2,500 per km	Not Achieved - Was greater than \$2,500 per km
	Road network is fully operational and available to community.	Number of emergency road closure hours. Target = <400 hours	Achieved
	Quality of road network meets Land Transport NZ standards for pavement integrity, smooth travel exposure.	Average across the total sealed network of the measured road roughness. Target = rating of 94 in NAASRA	Achieved - Completed May 2009.

Cost of Service Statement

	2009 Council Budget \$000's	2009 Council Actual \$000's	2008 Council Actual \$000's
Revenue			
Subsidised Rooding	5,807	6,473	6,107
Unsubsidised Rooding	40	140	55
Total Revenue	5,847	6,613	6,162
Expenditure			
Subsidised Rooding	8,539	8,115	8,922
Unsubsidised Rooding	392	404	330
Total Expenditure	8,931	8,519	9,252
Net Operating Cost/(Surplus)	3,084	1,906	3,090
Net Operating Cost Funded by:			
Uniform Annual General Charges	150	147	100
Target Rate	3,210	3,212	2,205
Loans	2,500	2,262	3,523
Transfer from/(to) Reserves	315	(3,715)	557
Total Operational Funding	6,175	1,906	6,385
Total Operating Costs/Funding	(3,091)	(0)	(3,295)
Development and Renewal Expenditure			
Development	899	224	1,349
Renewal	5,073	6,088	3,938
Total Development and Renewal Expenditure	5,972	6,312	5,287
Development and Renewal Expenditure Funded by:			
Loans	780	638	0
Subsidies	3,091	3,925	3,295
Transfer from/(to) Reserves	2,101	1,749	1,992
Total Capital Funding	5,972	6,312	5,287

Variations to Annual Plan

Revenue

Land Transport subsidy received for the year was greater, due to significant emergency reinstatement capital being carried out. This work category is subsidised at a greater rate than was budgeted for.

Expenditure

Land Transport maintenance expenditure, in particular Unsealed Pavement Maintenance was reduced, because more renewal expenditure was required for emergency reinstatement work that needed to be carried out because of storm damage.

Investments

Description

Council has investments in land and other entities that it manages for the benefit of the community and to generate income.

Activities

- Council Controlled Organisations
- Investment in Local Authority Shared Services (LASS)

The Council has an equal share with each of the 13 local authorities situated within the boundaries of the Waikato region, in LASS Ltd. The principal objective is for the Company to provide the most effective access to regional information of mutual value to the regional community using modern technology and processes.

Investment in Inframax Construction Ltd (ICL)

Inframax Construction Ltd is a roading construction and maintenance company wholly owned by the Waitomo District Council as a Council Controlled Trading Organisation.

As in previous years, the Council will continue to evaluate it's investment in ICL having regard to the impact of its decisions on the social and economic wellbeing of the District community, in accordance with the Local Government Act 2002.

Investment Properties

Council Owned Quarries

Maintenance and management of Council owned quarries. The Council owns 24 quarries throughout the District of which seven are currently operational. The quarries are a major source of aggregate in support of the Council's substantial road maintenance/construction activities.

Forestry located at Rangitoto Landfill

Maintenance and management of forestry located at Rangitoto Landfill. The forestry was predominantly planted in 1994 and comprises some 15.7 hectares of pine trees.

Statements of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target	Performance to 30/06/09
Forest tending programme at Rangitoto Landfill completed.	Forest stand assessment completed.	Stand assessment and valuation completed. Target = complete valuation by 31 December 2008	Not Achieved - No valuation or stand assessment was undertaken.
Timely monitoring and reporting on performance of investments.	Investments are closely monitored for performance.	Monitor and report on Investments as per Council's Investment Policy.	Achieved - Investments reported via monthly and quarterly reporting processes.



Cost of Service Statement

	2009 Council Budget \$000's	2009 Council Actual \$000's	2008 Council Actual \$000's
Revenue			
Council Controlled Organisations	1,250	(3,313)	0
Investment Properties	55	44	23
Total Revenue	1,305	(3,269)	23
Expenditure			
Council Controlled Organisations	340	383	335
Investment Properties	17	13	11
Total Expenditure	357	396	346
Net Operating Cost/(Surplus)	(948)	3,665	323
Net Operating Cost Funded by:			
General Rates	(948)	(975)	(909)
Loans	0	2,485	0
Transfer from/(to) Reserves	0	2,155	1,232
Total Operational Funding	(948)	3,665	323
Development and Renewal Expenditure			
Development	0	0	0
Renewal	0	0	0
Total Development and Renewal Expenditure	0	0	0
Development and Renewal Expenditure Funded by:			
Loans	0	0	0
Subsidies	0	0	0
Transfer from/(to) Reserves	0	0	0
Total Capital Funding	0	0	0

Variations to Annual Plan

Revenue

Dividend and subvention income expected to be received from Council's wholly owned subsidiary, Inframax Construction Limited was not received due to the subsidiary having to consolidate its own financial position.

In addition not receiving investment income, Council was forced to record an impairment loss for the fair value write down of its investment in Inframax Construction Limited. It should be noted this is a non-cash transaction and does not represent cash outgoing.

Expenditure

External interest costs for the loan relating to Council's Investment in Inframax Construction Limited (ICL) is less than forecast due to reduced interest rates being charged.