

Waitomo District Council

Annual Report

2011-2012



www.waitomo.govt.nz

Waitomo
District Council

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1.0 Introduction

The Waitomo District Council is made up of seven elected representatives – the Mayor and six Councillors. It's the Council's job to look after the well-being of the Waitomo District Community and its people, and to enable democratic local decision-making.

This Annual Report tells the story of our performance over the last financial year from 1 July 2011 to 30 June 2012. It is an important way of informing our communities about how we are progressing in achieving our goals.

It also highlights the areas we performed well in and the areas we need to improve on and how we plan on doing this.

Engaging well with the Waitomo District Community is very important to Council. We have structured this report, so it is easy to find information on an Activity of interest. The report is divided into the following sections:

Introduction (an overview of our performance). This section includes a Report from our Mayor and Chief Executive, Progress against our Strategic Priorities, a Financial Overview and our Community Outcomes.

Our Activities (highlights and achievements). This section tells you about our Activities, the major projects undertaken, a snapshot of our performance and how we went against budget.

Financial Statements. This section provides you with all the financial statements.

Groups of Activity Performance. This section provides you with our full Statement of Service Performance for all of Council's Activities.

Our planning and reporting cycles

The following is an overview of our planning and reporting framework and how it all fits together with the Annual Report.

LONG TERM PLAN

The Long Term Plan, (LTP) is a strategic planning document. It sets the framework for Council's activities, performance measuring and monitoring.

It shows the rates that need to be collected in order to deliver the services to the communities. It also shows how we intend to contribute to the community outcomes of the district.

The LTP is projected across a ten year timeframe. However, the plan itself is reviewed on a three yearly cycle (this means that a new LTP is required to be adopted by Council every three years).



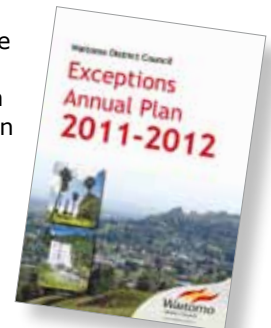
This regular review cycle enables Council to more accurately predict what is going to happen and how best to provide for any changes. The 2012-22 Long Term Plan was adopted by Council on Friday 29 June 2012. Public consultation was carried out during April and May 2012, seeking feedback from the community on the proposals made in the draft LTP. A total of 57 submissions were received covering 146 topics.

Council adopted a new vision on 30 August 2011 as part of the 2012-22 LTP development process.



ANNUAL PLAN

Each year Council is required to have an Annual Plan which sets out the budget for the year. This is based on what is proposed in the Ten Year Plan but also highlights any change or variance that is projected to occur which is not currently accounted for in the Ten Year Plan.

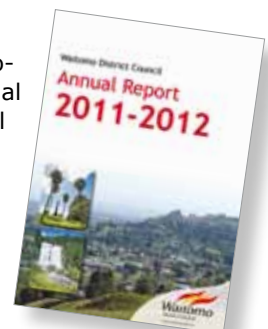


The first year of a Ten Year Plan does not require a separate Annual Plan as this is already provided for in the Ten Year Plan. However, the second and third years must have an Annual Plan.

ANNUAL REPORT

Every year we are required to produce an Annual Report. The Annual Report reports against our Annual Plans and the Ten Year Plan.

It is the key accountability document for our communities and it explains how we have performed for the year.



All of Council's Plans and Reports can be found on our website: www.waitomo.govt.nz. Alternatively you can request a hardcopy by contacting us on Freephone 0800 932 4357, or email: waitomdc@waitomo.govt.nz.

1.1 Message from the Mayor and Chief Executive

We are pleased to present the Annual Report for the year ended 30 June 2012. This Report provides a record of the year gone by - activities, achievements and financial performance of the Waitomo District Council for the 2011/12 financial year.

The present Council, elected in 2010, has continued to build on the good work of the past 4-5 years and has adhered to the core principles of ensuring rates affordability and balancing it with prudent financial management and sustainable management of assets. However, in line with the feedback from our communities, additional focus has been placed on community development and promoting the Waitomo District; symbolised by Council's new vision **"Creating a better future with vibrant communities and thriving business."** An example is the establishment of a Youth Council, in January 2011 to engage our youth and develop their leadership skills.

We have performed well in the sustainable management and development of our assets which is one of our guiding principles. Council has worked hard in the last two years, to monitor and review the level of investment in the district roading network with a view to balancing levels of service with affordability. On the Te Kuiti Wastewater Treatment Plant, Council has been working closely with Waikato Regional Council to ensure the necessary planning, design and consenting work is carried out in a timely manner so that maximum benefit can be derived from the \$3.65 million subsidy that has been received for the upgrade. Work has also been carried out to improve our underground assets like CCTV inspections which will help to channel our expenditure in to areas of most need. Te Kuiti and Piopio Water Treatment Plants need upgrading to meet the Drinking Water Standards. An Asset Improvement Programme has been developed in 2011/12 which lists the priority need areas and further upgrades required to fully comply with the Standards which will be carried out over 10 years.

The sustained effort made in delivery of services is demonstrated through the achievement of targets set for different performance indicators. Some performance targets have not been met for various reasons, the key one being the need for asset upgrades (example is the non compliance with 100% resource consent conditions by the Te Kuiti Waste Water Treatment Plant). However, the important point is that these have been identified as top priorities for improvement, by Council. Of course, this needs to be balanced with the consideration of whether the community can afford it.

In terms of our financial performance, we continue to manage the District's finances prudently on behalf of the Waitomo District Community. Despite the loss of investment income from Inframax, results from WDC's own operations were generally in line with the results projected for the third year of the 2009-2019 LTCCP. Our expenditure has been within budget forecast. Our rates revenue was also under budget when compared to the forecast in the 2009-2019 LTCCP. There have been delays in the commencement of capital projects (relating mainly to the upgrades of both the Te Kuiti Wastewater system and the Mokau Water Supply). The level of rates levied was made on the basis of our forecast need to pay loan charges to fund those projects. However that funding was not applied during the year. Also some approved subsidies were not able to be claimed for the same reason. These funds will be claimed during the 2012/13 financial year.

WDC's borrowing and its associated risks have been maintained at prudent levels in line with our policy on Liability Management and the specific borrowing limits have been achieved.

The ongoing investment in Inframax Construction Limited (ICL) has been a matter of consideration for each of the past three financial years. In November 2010 Council approved a Recovery Plan prepared by Inframax Construction Ltd after very careful scrutiny. Since then, considerable effort has been put into working with the newly appointed ICL Board, to ensure that ICL maintains its commercial presence, and remains as a large employer in the Waitomo District. Unfortunately, the tough economic conditions facing the road construction industry and the consequent competition which is squeezing profit margins has carried on and a key challenge for Council is to both monitor and support the restorative process. Though we have not had any income from our investment in the past year, indications are that ICL is working hard to overcome the marketplace challenges and this is evidenced by their trading result for the 2011/12 financial year which was considerably better than had been originally forecast in the approved Recovery Plan.

We not only assess our performance internally through performance indicators but also seek the community's impressions of the standard of services provided by the Council. Immediately following the close of the 2011/12 financial year a Resident Satisfaction Survey (RSS) was undertaken. 77% of residents surveyed were either satisfied or very satisfied with Council's performance. We acknowledge that the measures relating to the aspects of the Roothing service have decreased since the survey conducted in 2011. This was due to the requirement to lower the levels of service to ease the transition from debt to rates funding for this activity which had already caused the rates to be increased substantially. However, through the 2012-22 Long Term Plan (LTP) finalised in June of this year, Council has adopted to phase in increases in maintenance levels of some functions under the Roads and Footpaths group of activities and reinstate them to pre-2009 level by 2015-16.

In conclusion, during the 2011/12 financial year Waitomo District Council has progressed with its target of financial sustainability and sustainable management of assets. The committed effort of the elected Council and staff who have worked hard and have achieved good outcomes for Waitomo District during the 2011/12 year needs to be recognised. The focus is now on the future and working towards the priorities laid out in the 2012-22 LTP.



BRIAN HANNA
MAYOR



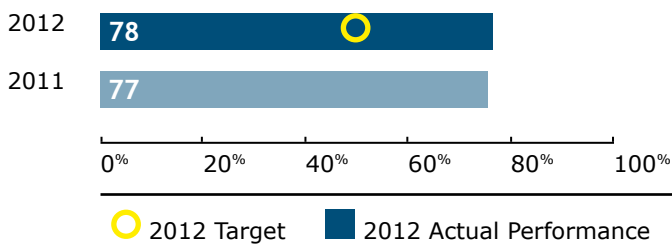
CHRIS RYAN
CHIEF EXECUTIVE

1.2 Snapshot of progress

Council adopted a range of performance targets to allow it to measure, over time, whether or not the performance in the delivery of services was properly focused on WDC's priorities. Council has maintained a strong Service Performance focus over the three financial years up to and including the reporting period covered by this Annual Report. The following information provides a snapshot of progress made by WDC in achieving the performance targets. The full Statement of Service Performance can be found in Section 5.0 of this Annual Report.

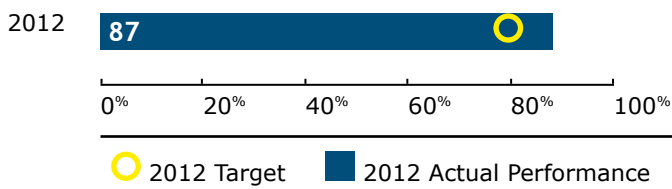
Council provides effective and useful communications.

In the 2012 Residents Satisfaction Survey (RSS), 78% of residents surveyed are satisfied and very satisfied with the provision of Council communications. This rating exceeds Council's target of greater than or equal to 50%.



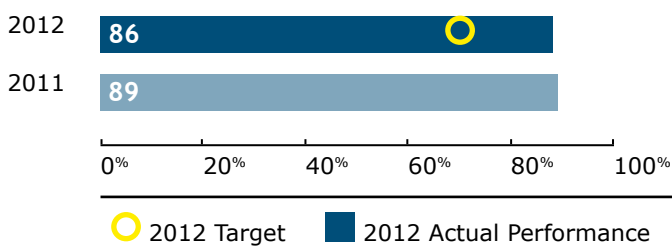
The District has quality Parks and Reserves.

87% of residents are satisfied or very satisfied with the quality of the District's Parks and Reserves. This rating exceeds Council's target for 2011/12 of greater than 80% resident satisfaction with the District's Parks and Reserves.



86% of Residents consider road signage and markings to be accurate and visible.

This rating exceeds Council's target for 2011/12 of 70%, but shows a reduction in resident satisfaction with the road signage and markings from the 2011 survey.



Residents are satisfied with the quality of public amenities provided.

The performance result of 82% resident satisfaction with the provision of public toilets and cemeteries, has exceeded Council's target of greater than or equal to 80%.

We provide an effective environmental health service for the community.

The results for the RSS show an increase with the customer satisfaction rating for Council's Environmental Health Service. 77% of Residents were satisfied or very satisfied with this service. This rating exceeds Council's target for 2011/12 of greater than 35%.

Recycling facilities are safe for public use.

82% of the 407 residents surveyed are satisfied or very satisfied with the safety of recycling facilities.

75% of residents surveyed are satisfied or very satisfied with the availability of recycling and refuse disposal services. This result exceeds Council's target for 2011/12 of 70% resident satisfaction.

There are also areas where our performance is declining or has fallen short of the target, for example:

- 74% of residents surveyed are satisfied or very satisfied with the safety of transfer stations and landfill facilities. This shows a reduction in resident satisfaction from the 2011 survey result of 83%;
- Results for resident satisfaction in regards to various Rooding attributes show a reduction in this year's survey. The quality of street lighting did not meet the 2011/12 target of 70%, with only 67% of residents satisfied or very satisfied with the service. The standard of footpaths was given a rating of 53% resident satisfaction (69% 2011) and repairs and maintenance was given a rating of 56% (62% 2011);
- Service performance of the Waitomo District Library has fallen short of its target range of 13,750 - 14,250 for the number of borrowers using the service with a result of 11,109. The number of issues of books this year did not meet the target range of 66,000 - 68,000 reducing this year to 51,183;
- The Stormwater Activity has shown a further decline in service performance measures only achieving three of the ten performance targets set for the 2011/12 year.

Further detail on these performance measures can be found in Section 5.0 of this Annual Report.

1.3 Role and Direction

Under the Local Government Act 2002, the Council's purposes are:

1. To enable democratic decision making and action by, and on behalf of the people of the Waitomo District.
2. To promote the social, economic, environmental and cultural well-being of the people of the Waitomo District, now and into the future.

The Act also imposes responsibilities relating to Water, Wastewater and other sanitary works (such as public toilets).

Under other legislation, we are responsible for:

- public health and safety,
- waste minimisation,
- civil defence,
- emergency management,
- regulating building and land development/ land use,
- food and liquor sales,
- gambling,
- animal control, and a range of other services provided to the community.

The Act gives the Council a general right to take actions that are wholly or principally for the benefit of Waitomo District, including gathering rates (property tax) and setting bylaws.

Our Reporting

We provide a financial report to Council on a monthly and quarterly basis. Our non-financial performance (Statement of Service Performance) is reported to Council on a quarterly basis along with detailed commentary explaining what we have not achieved, why we did not achieve target and what we plan on doing to improve our future performance results.

For each of Councils' 11 Significant Activities you will find:

- What we do
- How we contribute to Community Outcomes
- What projects were undertaken for the year
- How we performed and whether we achieved our targets
- How we went against our budget.

All of this information is presented together to provide you with the full picture about how WDC is performing.

Measuring Resident Satisfaction

Ensuring the districts' residents are satisfied with the services and facilities we provide is a priority for Council. We undertake an independent Resident Satisfaction Survey (RSS) every year to find out how well the community thinks we are doing. This report uses information from the RSS to report on our performance against our strategic goals.

The Long-Term Direction of the District

The review of the 2012-22 Long Term Plan (LTP) during the year highlighted the strategic challenge of rates affordability as a critical consideration when shaping projects and work programmes for the next 10 years.

World economies have not yet emerged from the global financial crisis that hit us around 2008-09. In fact the economic troubles of Europe have been added to this conundrum, and like any country in today's interconnected world, NZ is not immune to these external economic conditions.

Council was mindful that households in the Waitomo District are faced with difficult financial times that are forecast to continue some time into the future. That quest for rates affordability was exacerbated by:

- A significant loss of investment income from Council's subsidiary, Inframax Construction Limited. (Traditionally this income was used to offset rates income and fund some of the operations undertaken by Council);
- The need to fund essential upgrades of water and sewerage services in the Districts' urban centres;
- The need to substitute borrowing with rate funding in the Land Transport Activity (subsidised roads); and
- The need to actively reduce debt to more manageable levels.

The focus for the 2011/12 year was to balance the competing goals of rates affordability with the sustainable management of infrastructural assets and the delivery of services in the most prudent manner.

The 2011/12 financial year saw Council continue to work on implementing a strategy that recognises the need to strike the right balance between the need for prudent and sustainable financial management, rates affordability and an overall contribution to community well-being through the delivery of services.

A key affordability project was undertaken during 2010/11 that saw a careful review of the Levels of Service provided through the roading network and funded by the Land Transport (Roading) Activity.

The aim of the project was to reduce the spend in the Land Transport (Roading) Activity without compromising Financial Sustainability, while at the same time supporting the drive to achieve rates affordability. The delivery of the roading programme against the approved budget was substantially achieved during the year. Weather conditions contributed to a reduced level of sealed pavement maintenance and an increase in unforeseen emergency works.

Progress against Strategic Priorities

While the Community Outcomes used in the 2009-19 LTP have been drawn from the 2006-16 LTCCP, Council's strategic response to these outcomes shifted from an emphasis on economic well-being to a focus on the sustainability of the Waitomo District Council as an organisation, investment in essential services where there is a risk to public health and safety, affordability and improved financial management.

At an activity level, the shift to a focus on sustainability has presented in the following ways:

Land Transport (Roading)

As part of the development of the 2010/11 Exceptions Annual Plan a review was made of the various Levels of Service (LoS) provided through the Land Transport Activity.

The objective of the review was to identify opportunities to decrease costs, without materially affecting LoS. The review supported the objectives of Council's Financial Sustainability and forecast Rates Affordability project.

The review work identified opportunities to reduce the cost of maintaining and renewing the local roads network by approximately \$800,000. Those cost reductions are primarily in the area of renewal expenditure and are considered to be sustainable in the short to medium term without any significant impact on service levels.

The Council intends that the revised (reduced) financial expenditure forecasts for roading expenditure (2009-19 LTP) will realign with those LTP forecasts in the 2013/14 financial year. As part of the development of the 2012-22 LTP the assumptions previously made were revisited and determined to be still appropriate.



HARBOUR ROAD

The service performance of the Land Transport (Roading) Activity is measured through 6 Service Performance targets; the following two remain strategic priorities for Council:

1. Less than or equal to four service complaints in any one month regarding the condition of the roading surface.

This target was not achieved.

2. Less than or equal to 1 road closure per month due to bank slippages or blockages.

This target was not achieved.

Present and Future Action

It is important to note that Financial Sustainability and Rates Affordability continues to be a top priority for Council particularly in the area of Land Transport due to the historic funding issue of utilising loan proceeds to partially fund operating expenditure.

Council remains committed to a strategy of keeping the level of Roading spend under careful review. In doing so, it has acknowledged that there is a risk that limiting funding available for Roading might have long term implications for the District, beyond the temporary reduction, in some components of the Roading network. The funding made available for roading maintenance has been reduced by about \$7.0 million in the period 2006 to 2011 with about \$2 million per year in the last two years up to 2011. This represents a potential reduction in service levels and also has removed access to New Zealand Transport Agency (NZTA) funding subsidy of about \$1.160 million per year. Council has obtained funding from NZTA for GPS 2 (as per the Affordability Review) to increase to full funding commencing 2013/14.

Council will continue to monitor and review the level of investment in the district roading network with a view to maintain an adequate balance between service levels and affordability.

Sewerage (Waste Water)

The Te Kuiti Waste Water Treatment Plant (TKWWTP) upgrade project poses a range of long standing complex challenges that have impacted on the achievement of the key performance priorities for the Sewerage Activity, notably meeting discharge consent requirements.

Confirmation of a Sanitary Waste Subsidy Scheme (SWSS) subsidy for \$3.65 million (plus GST) for the upgrade of the TKWWTP was received from the Ministry of Health (MoH) in June 2011. This was a significant milestone for the residents and ratepayers of the District. The subsidy will decrease the ratepayer funded share of the work by reducing the requirement for loan funding and the associated cost of servicing those loans and overall public debt in the short and medium term.

Looking to the future WDC will need to manage for both financial (affordability) and operational risks as it works through the upgrade project. WDC is aware of its obligation to comply with the existing consent conditions of discharge and of the significant capital and ongoing operational cost

implications if that discharge consent is not met. WDC is working very closely with Waikato Regional Council (WRC) to demonstrate its commitment to identifying the best plant design, the best plant performance, obtaining the necessary resource consent and as quickly as possible completing the construction of the upgrade. A further consideration is the need to continue working with local industry to encourage appropriate pre-treatment of Trade Waste and by doing so, reducing the operational risks at the new plant.



TE KUITI WASTEWATER TREATMENT PLANT UPGRADE

Service performance for the Sewerage Activity is measured through 18 Service Performance Targets. The following targets remain strategic priorities for Council. WDC's performance of these targets is directly related to the current strategic challenges facing WDC at this time.

Less than 5 sewage overflow events per year at any one wastewater scheme.

This target was not achieved. For the 2011/12 year, Council recorded a total of 33 overflow events for the Te Kuiti wastewater scheme.

100% compliance with resource consent conditions.

The service performance target requires that the test results (that measure treatment plant performance) must achieve 100% compliance with the conditions fixed by the discharge consents.

This target was not achieved because the existing TKWWTP is not able to process and treat the wastewater influent load to achieve the standards fixed by the discharge resource consent. That target cannot be met until such time as the upgrade of the TKWWTP can be completed. No monetary penalties have been imposed on WDC as a result of non-compliance with existing resource consent conditions.

The treatment performance of the TKWWTP is not adequate to meet the requirements fixed by the current resource consent conditions. The inadequate treatment performance largely reflects the impact of Trade Waste which has the potential to make the receiving water unfit for cultural and recreational purposes.

It is important to note that those enterprises producing Trade Waste are a key part of the Te Kuiti and Waitomo community as they are major providers of jobs and economic activity.

Some pre-treatment of this Trade Waste discharge is carried out prior to release into the Te Kuiti Waste Water system and WDC and the meat processing industries have entered into Trade Waste Agreements which has reduced the capital cost of the upgrade and will reduce the risk of overall non-compliant performance of the TKWWTP.

The piped reticulation component of the Te Kuiti Waste Water system is subject to groundwater inflow and infiltration (the runoff of storm water and groundwater into the sewer system). This significantly affects the TKWWTP and adversely impacts on both plant performance and operational efficiency. A rolling 10 year plan to reduce inflow and infiltration, with funding signalled in the LTP is being implemented and is on track.

Less than 5 odour complaints recorded per year at each scheme.

This target was not achieved. A number of complaints were received about the Waitete Road Pump Station. That particular pumping station carries a very high volume of wastewater as it is the primary pump station servicing the nearby industrial users of the Trade Waste service. Also the pump station is located in very close proximity to other business premises. This has been a long standing issue and has been addressed through changes in the Waitete Road Pump Station venting system.

Present and Future Action

Inflow

Surveys and CCTV pipe inspection work has been carried out on the nine catchment areas in Te Kuiti. The areas were ranked from worst to best in terms of inflow. After determining the worst affected area, inspections of homes were carried out and landowners were advised as to what is required to remove their stormwater from the sewer system. This will continue catchment by catchment until at least 2022.

Infiltration

Surveys and CCTV pipe inspection work has been carried out to determine where the infrastructure is failing and allowing groundwater infiltration into the sewer system. Remedial work has been started to reduce the infiltration.

This work will continue until at least 2022 depending on the condition of the sewer reticulation network and the cost of remediation.

Effects of reducing Inflow and Infiltration

Overflows as a result of inflow and infiltration combined with stop/ start operation of an aged main pump station were common. This environmental hazard has now been removed. The main sewer pump station of Te Kuiti has been rebuilt with added buffer storage and flow control that assures continuous removal of wastewater from the reticulation reducing overflows. This also smoothed the feed pattern into the TKWWTP which improves treatment.

Trade Waste

The Trade Waste Bylaw has been implemented and the need for charges to reflect the loads delivered to the sewerage system has been explained to the major users. Consultation with major users to pre-treat their waste prior to discharging into the sewer system, in turn reducing their cost through discharging a weaker strength waste, is ongoing.

In acknowledgement of the important economic and social role of the meat processing industries in the Waitomo District community, a policy change was included in the 2010/11 Exceptions Annual Plan whereby the level of trade waste charges is capped at 80% of the actual calculated cost, on condition that the industries commit to making the necessary on-site investment in infrastructure to achieve a significant reduction in their discharge load.

Work to improve the operational performance of the existing TKWWTP is ongoing however the level of available funding means that work will be carried out over several years.

Council made the decision to inform Waikato Regional Council (WRC) that it would not be pursuing land based discharge as part of the future upgrades of the TKWWTP. On this basis WRC notified the discharge consent application and this process is underway.

Piopio Sewerage

This long standing project is required for both the health of the Piopio Community and for environmental wellbeing.

The necessary discharge consent was finally determined by the Environment Court in December 2010. This has paved the way for work to start on building the scheme.

The scheme has been completed and is fully operational producing very high quality effluent.

Benneydale Sewerage

Major reticulation renewal and extension works in the Benneydale Village and the establishment of a summer time soakage field were completed with funding from the Ministry of Health. The scheme is fully operational. The old reticulation system has been assessed and repairs and some renewal will take place over the next 3 years.

Te Waitere Sewerage

The planned upgrade for Te Waitere included the following projects:

- Renewal and extension of the soakage field,
- Installation of a new pump pipeline,
- General reticulation renewals;

The upgrade has been delayed pending the outcome of a proposed geotechnical survey. This project will be carried out at some stage in the future.

Water Supply

The service performance of the Te Kuiti and Piopio Water Supplies does not meet the guideline parameters defined by the Drinking Water Standards (DWS) 2005. The existing treatment plants require significant capital upgrade (and the total replacement of some components) to meet the required performance standards.

To meet the requirements of the DWS, WDC must undertake an upgrade of the existing equipment to enable real time water quality treatment process monitoring to ensure that water quality standards are met consistently.

The Te Kuiti Water Supply is the highest upgrade priority for the Waitomo District.

An Asset Improvement Plan was developed during the 2011/12 year. It comprises of two very significant parts:

1. Work that will need to be done immediately and;
2. Development of the water treatment plant to meet DWS requirements. A total upgrade will be staged over the 10 year period of the 2012-22 LTP and balanced against the Community's ability to pay.



BENNEYDALE WATER SUPPLY

Service performance of the Water Supply Activity is measured through 22 Service Performance Targets.

The following targets for the year relate to a range of complex issues that must be addressed in order to obtain resource consent so that proposed upgrade works can be carried out. For this reason, they remain key priorities for WDC at this time.

100% compliance with the mandatory requirements defined in the 2007 Health (Drinking Water) Amendment Act.

WDC must comply with the mandatory standards imposed by the 2007 Health (Drinking Water) Amendment Act. The requirements of the Act do not directly serve to improve treated water quality or production. The compliance regime looks to impose additional accountability reporting and reduce potential risks by introducing the requirement for additional (barriers) treatment processes.

This target was not achieved because all four District Water Treatment Plants do not comply with those requirements of the Act. All will require capital upgrades to meet the mandatory standards set by the Act. Planned sustainable

upgrades will eventually address the requirements of the Act but progress will be limited to each community's ability to pay for those upgrades.

Present and Future Action

Water rates are already very high and carry an affordability risk and further capital spend raises economic affordability issues. A further key service performance target is a requirement for 90% compliance with the requirements of the DWS. This service performance target was not achieved. To do so requires an upgrade of treatment plant processes and control equipment to allow for automated data capture and the continuous monitoring, in real time, of the water treatment performance of the Piopio and Te Kuiti Water Treatment Plant. The target will not be achieved until such time as significant upgrades of the Plants are made.

WDC is committed to an incremental improvement work programme to firstly achieve compliance with the DWS and then the 2007 Act.

Funding has been obtained for the Te Kuiti and Piopio Water Treatment Plants. The Te Kuiti Water Treatment Upgrade was delayed for one year for affordability reasons. The Piopio Water Treatment Upgrade has commenced and will be completed before the end of the 2012 calendar year.

The risk of water borne illness associated with the existing water treatment plants is considered to be very low. There is no historical record of water borne illness in the supply areas and that consideration is weighed against the rates affordability risk of increasing what is already a very high cost of supply, in order for compliance with statutory requirements.

Nil confirmed illnesses attributable to consumption of Council water supply.

There have been no confirmed illnesses attributable to consumption of the WDC Water Supply.

Piopio Water Supply

The planned upgrades of the water treatment plant and filter and pipe work within the treatment plant commenced during the year following the successful outcome of an application for a Ministry of Health subsidy. The Piopio Water Treatment Upgrade has commenced and will be completed before the end of the 2012 calendar year.

Mokau Water Supply

Key projects planned for the Mokau Water Supply are being delayed as a result of ongoing consultation with Iwi. Alternative solutions are under investigation.

1.4 Financial Overview

During the year we continued to manage the District's finances prudently on behalf of the Waitomo District Community.

The following information provides an overview of our financial performance for the year to 30 June 2012. Included in this overview is an explanation of our financial statements and notes.

Overall results at a glance

WDC reported a net surplus after tax of \$2.64 million compared to a budget surplus of \$6.7 million. This result is attributable to delays in capital projects which has meant subsidies have not been received this year, reduced revenue streams from metered water users, Landfill operations and Visitor Information Centre and write-down of Council's investment in Inframax.

Summary Cost of Service Statement

(\$'000's)	2012 BUDGET	2012 ACTUAL	2011 ACTUAL
Revenue			
Rates Revenue (including penalties)	15,764	15,668	14,430
Leadership	27	111	140
Community Facilities	340	368	373
Community Development	250	222	239
Regulation and Safety	392	306	303
Solid Waste Management	933	859	913
Stormwater	2	0	9
Resource Management	85	91	72
Sewerage	5,221	2,969	1,937
Water Supply	1,266	776	501
Land Transport	5,566	5,674	5,991
Investments	82	(849)	13
Total Revenue	29,929	26,195	24,921
Expenditure			
Leadership	1,944	2,036	1,793
Community Facilities	3,090	2,859	2,945
Community Development	963	1,211	886
Regulation and Safety	930	876	868
Solid Waste Management	2,040	1,696	1,751
Stormwater	392	355	286
Resource Management	210	206	189
Sewerage	2,413	2,200	2,150
Water Supply	1,910	1,971	1,942
Land Transport	8,703	9,457	9,365
Investments	577	688	695
Total Expenditure	23,172	23,554	22,870
Net Operating Surplus/ (Deficit)	6,757	2,641	2,051

Inframax Construction Limited

Economic conditions facing the roading construction and roading maintenance industry have been the worst experienced over the past few decades, with intense competition for any available work leading to extremely low tender prices and subsequent profit margins. Many competing contractors are experiencing the same problems. For those reasons Council's subsidiary Inframax Construction Limited continues to face financial difficulties and has been unable to provide a return on Council's investment again this year.

In 2010/11 Inframax Construction prepared a Recovery Plan that included the investment of additional equity in the Company, significant restructuring of the Company at all levels and in all areas of operations, and re-focussing ICL on its core objectives - roading maintenance and construction.

Council approved the ICL Recovery Plan which included support for funding assistance completed during the 2011/12 financial year, as follows:

- Introduction of \$800,000 by WDC of additional equity in the form of an increase in the shareholding investment.
- The purchase of Parkside subdivision from the Company for book value.
- The advance of a loan for \$750,000 to the Company on terms that are not more favourable than if WDC were to borrow the funds externally.

An independent valuation of Council's investment in the Company was undertaken at 30 June and due to the continuing financial difficulties faced by the Company the \$800,000 investment in the Company was written down to nil.

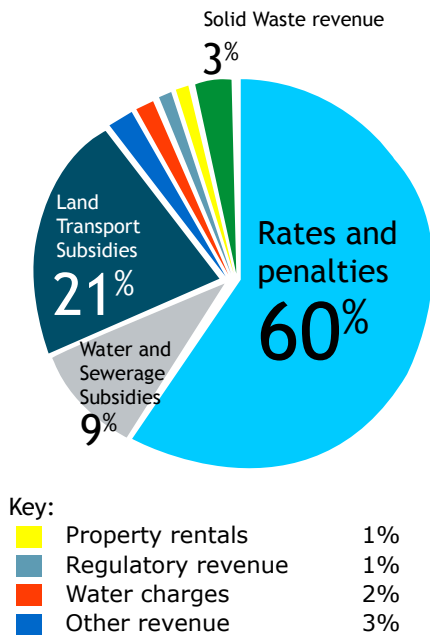
The major variances in overall performance are explained below:

Revenue

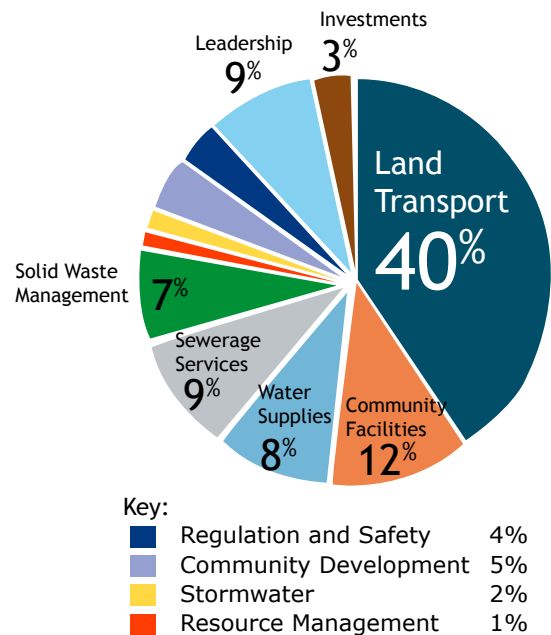
Revenue was \$3.7 million less than budget due to:

- Rates revenue was \$0.2 million less than budget due to the actual rates revenue excluding rates paid on Council properties. The budget figure includes the rates revenue paid on Council property.
- A total of \$3.1 million of budgeted subsidies not being received due to delays in the water and wastewater capital projects and a reduced roads capital expenditure programme, partly offset by \$0.3 million of subsidies received for water and wastewater capital projects and youth development that were not budgeted for.
- The impairment loss of \$0.1 million on the Parkside subdivision and the loss on valuation of the investment in Inframax Construction Ltd of \$0.8 million have been recognised in Other Gains/(Losses). These items were not included in the budgets.

Where the Money comes from Total Revenue \$26.195 Million



Where the Money went to Total Expenditure \$23.554 Million



Expenditure

Expenditure was \$0.4 million more than budget due to:

- Additional depreciation expenses of \$0.4 million being charged. Road assets that were constructed during the year incurred a higher depreciation expense in the budgets. The budgets were prepared on the basis that the assets would be completed in June 2012. In addition to this there were also changes in assumptions to the lives of assets compared to the assumptions that were made at the time the budgets were prepared.
- Additional employee benefit expenses of \$0.3 million were incurred due to changes in the resourcing requirements of the organisation that occurred during the year.
- Finance costs were \$0.4 million less than budget due to unplanned economic conditions resulting in lower interest rates than what was used in the budget preparation.
- Other expenditure was \$0.1 million more than budget. Additional road expenditure was incurred for emergency reinstatement, environmental maintenance, sealed pavement maintenance and asset management operational expenditure. Additional expenditure was incurred in the processing of rates and rates penalty remissions on Māori Freehold land.

Un-budgeted expenditure was also incurred in holding and maintaining the Parkside subdivision. These costs were offset by reduced expenditure incurred for parks and property maintenance and lower than anticipated operating costs for the landfill.

Balance Sheet

Council's total equity was \$13.4 million more than budget. The significant part of this was due to the increase in revaluation reserve that was not included in the budget preparation. This increase was partially offset by the lower than expected surplus than what was budgeted.

Current assets were \$5 million more than budget. Loans were raised in anticipation of the capital works program which was delayed, these additional funds were invested in short term investments which increased the cash and cash equivalents at year end. Trade and Other Receivables was also higher than anticipated due to the subsidies that were receivable at 30 June 2012.

Current liabilities were \$14 million more than budget due to terms loans being refinanced using the wholesale advance facility which are recognised as current borrowings.

Non current assets were \$12 million more than budget due to the revaluation of assets at 30 June and the purchase of Parkside subdivision which were not included in the budgets.

Non current liabilities were \$10.4 million less than budgets as a greater portion of borrowings was anticipated to be non current when the budgets were prepared however term loans were refinanced using the wholesale advance facility which is recognised as a current liability.

Specific Borrowing Limits

Targets	Result
Total interest expense will not exceed 40% of total revenue	Achieved – 10%
Total borrowing does not exceed 30% of total equity	Achieved – 18%
Total borrowing will not exceed 25% of total assets	Achieved – 14%
No more than 35% total debt refinanced during the year	Achieved – 30%
Access to committed lines of credit no less than \$2 million	Achieved - \$15,810 million available at 30 June 2012
Floating rate profile must not exceed 60% of total borrowings	Achieved – 29% fixed at 30 June 2012

Capital Projects

Capital projects were under spent by \$4.682 million during the year, the majority of which relates to the approved roading programme and the planned upgrades of water and wastewater services in the urban centres.

Unplanned capital expenditure includes the \$1.269 million purchase of Parkside Subdivision from Council's subsidiary company, Inframax Construction Ltd.

Water Supply

Total capital expenditure on water supplies was under spent by \$585,000.

- Design of the Te Kuiti Water Supply Upgrade was advanced into the 2011/12 year. However, as detailed design developed, it soon became apparent that a holistic plan of the total upgrade is needed to ensure that funding is optimised and the final product is the best that the available money can buy. This combined with the pressure of 'affordability' meant that the work planned initially for 2012/13 has been moved to 2013/14. Although subsidy for this project has been approved it is not able to be claimed until the project commences.
- The Piopio Water Supply Upgrade was also advanced into 2011/12 following an unexpected successful application for Ministry of Health subsidy. At 30 June this project was a 'work in progress' and is now scheduled for completion in December 2012.

Work on the raw water storage dam at Mokau was to have been completed during 2011/12. However, as the work potentially affects archaeological sites, progress has been delayed in order to complete consultation with Iwi and the Historic Places Trust. It is now anticipated that dam construction will take place in the early part of 2013 once consents have been finalised.

(\$000's)	Actual	Budget	Underspent
Te Kuiti	147	21	126
Piopio	398	13	385
Benneydale	11	6	5
Mokau	52	1,153	(1,101)
	608	1,193	(585)

Sewerage Systems

With the exception of Te Waitere, all planned upgrades of sewerage systems commenced during the year.

- The upgrade of the Te Kuiti Wastewater System has progressed more slowly than originally anticipated and the balance of the project will be now undertaken during the 2012/13 financial year.
- The Piopio Sewerage project was substantially completed at 30 June. Final completion date for this project is planned for December 2012.
- The upgrade of the Benneydale system was completed at year end. The majority of the cost of this project was budgeted for in the 2010/11 financial year – there was a carryover of unspent project costs into the 2011/12 year.
- Work at Te Waitere has been deferred until the results of a geotechnical survey are known.

(\$000's)	Actual	Budget	Underspent
Te Kuiti	2,502	6,106	3,604
Piopio	678	1,104	426
Benneydale	138	23	(115)
Te Waitere	0	185	185
	3,318	7,418	4,100

Roads and Footpaths

- Under expenditures were due to a reallocation of the roading programme to cover unplanned flood damage works during the year.
- Drainage renewals were overspent as part of a programmed catch-up of deferred renewals.
- Expenditure on non-subsidised works was for footpath renewals. All other planned non-subsidised works were deferred for affordability reasons and have been carried forward into 2012/13.

(\$000's)	Actual	Budget	Variance
Subsidised Works			
Drainage Renewals	544	394	(150)
Pavement Rehabilitation	896	918	22
Sealed Road Surfacing	1,162	1,280	118
Traffic Services Renewals	175	270	95
Unsealed Road Metalling	466	593	127
Emergency Reinstatement Works	238	240	2
Structures Component Replacements	232	331	99
Minor Renewals	80	351	271
Other Renewals	40	33	(7)
Stock Effluent Facilities	0	160	160
Total Subsidised Works	3,833	4,570	737
Non-Subsidised Works	70	216	146
Total All Roothing Works	3,903	4,786	883

Miscellaneous Capital Works and Purchases

Other minor capital projects completed during the year included:

	(\$000's)
» Parkside Subdivision	1,269
» Finance Leases (Copiers, Telephones, R/T's)	218
» Computer & Office Equipment	124
» Vehicle Replacements	110
» Stormwater Renewals (Urban)	85
» Upgrade Cultural & Arts Centre	61
» Purchase Library Books	55
» Te Waitere Wharf Renewal	46
» Upgrade Council Owned Buildings	36
» Parks & Reserves	26
» Piopio Hall Upgrade	20
» Te Kuiti Netball Court Fencing	13
» Elderly Persons Housing Renewals	10
» Camping Grounds	6
» Landfill Weighbridge/Recycling Station	5
Total Miscellaneous Capital Works and Purchases	2,084

2011/2012 Group Performance

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

Overall Performance

The Group's overall performance for the year was an after-tax profit of \$1.4 million.

The subsidiary experienced another difficult trading year sustaining an after tax loss of \$1.9 million, highlighting the difficult ongoing economic and trading conditions that have faced the roading construction and roading maintenance industry for some time now.

Balance Sheet

At 30 June 2012 total equity for the Group was \$264.8 million. There was a \$19.5 million increase in equity reflecting:

- The Group's after tax profit of \$1.4 million
- An \$18.7 million increase in the revaluation reserve as a result of revaluations of Council owned assets
- Losses of \$0.6 million from cash flow hedges

Current assets decreased by \$0.4 million due mainly to a \$2.1 million decrease in cash and cash equivalents, and a \$1.7 million increase in trade and other receivables.

Overall current liabilities increased by \$3.3 million mainly as a result of the increase in the current portion of borrowings.

Non-current liabilities decreased by \$3 million due mainly to the change in category of borrowings being recognised in current liabilities.

Non-current assets increased by \$19.9 million due mostly to the revaluation of assets at 30 June 2012.

Performance Against 2009-19 Long Term Plan

The Long Term Plan (LTP) identifies the community outcomes that are important to the Waitomo District Community. It is designed to assist in the co-ordination of resources and decision making of Council in response to those 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 against the intended level of performance as forecast in the LTP.

Overall Performance against LTP

WDC reported a net surplus of \$2.6 million compared to an LTP forecast surplus of \$3.7 million. This result is directly attributable to a reduction in revenue from rates and investment income.

Council's subsidy, Inframax Construction Ltd, has over the past four years been severely affected by the economic downturn in the roading construction industry. As a result the Company has been experiencing financial difficulties and the balance sheet has continued to deteriorate due to the significant losses incurred. The LTP forecasts included a budget for investment revenue from the Company however for these reasons Inframax has been unable to provide a return on Council's investment.

Revenue

Revenue was \$2.3 million less than the LTP forecast due to the following factors:

- Rates revenue was \$2.4 million less than the LTP forecast due primarily to planned capital projects not proceeding in 2010/11 and 2011/12. As loans required to fund those projects were not raised during the year it was not necessary to rate for the associated loan charges. In addition to this the direct operating and maintenance costs for roads were reduced in 2011/12.
- Water and sewerage subsidies were \$1.5 million more than forecast in the LTP. Due to delays and changes in priorities for some projects there were no budgets included in the LTP for water and wastewater projects.
- Council's subsidiary, Inframax Construction Ltd, did not trade profitably during the 2011/12 year and consequently no subvention or dividend was received by WDC.

- The sales volumes at the Visitor Information Centre were less than what was anticipated at the time the LTP was prepared and the metered water revenue for Te Kuiti was also less than LTP forecast as a result of reduced consumption from the major water users.

Expenditure

Expenditure was \$1.3 million less than LTP forecast due to the following factors:

- Finance costs were \$1.0 million less than forecast in the LTP due to lower level of borrowings and reduced interest rates.
- Other expenditure was less than \$0.4 million less than LTP forecast due to reduced costs for landfill operations and reduced costs for wastewater reticulation maintenance work and operating costs.

Balance Sheet

- Equity was \$7.3 million more than LTP forecast due to revaluation of assets which was not included in the LTP forecast, partly offset by the write-down of Inframax investment to nil in the 2009/10 year.
- Current assets were \$1.2 million more than LTP due to surplus funds being invested in short term investments.
- Current liabilities were \$11.4 million more than LTP due to a greater portion of borrowings being recognised as current than what was forecast in the LTP.
- Non current assets were \$1 million less than the LTP due to the revaluation of assets at 30 June 2012 that was not included in the forecasts, partly offset by the write-down of the Inframax investment.
- Non current liabilities were \$18.4 million less than LTP forecast due to a lower level of borrowings at 30 June 2012 and a greater portion of borrowings being recognised as a current liability.

Capital Expenditure

The total capital expenditure was \$0.3 million more than the LTP forecast for the 2011/12 financial year.

The roads capital expenditure programme was significantly reduced due to affordability considerations and to compensate for the unplanned emergency reinstatement maintenance costs that were incurred during the year. These items were not included in the LTP forecast. Work was completed on both the Te Kuiti and Piopio wastewater projects during the year however the LTP did not account for the delays in both these projects and assumed these were completed in prior years.

The purchase of Parkside subdivision was also not included in the LTP budgets.

Revenue and Financing Policy

Background

The Revenue and Financing Policy, as outlined in the 2009-19 LTP, is designed to ensure that wherever possible the people or groups benefiting from the function meet the allocation of costs by function, either wholly or in part.

Overall Performance

WDC reviews its funding mix on an annual basis. Whilst WDC has yet to achieve the exact planned mix of funding, there have been no significant variations between the actual funding mix achieved for 2011/12 and those prescribed in the Policy.

Policy on Investments

Background

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

Overall Performance

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

Policy on Liability Management

Background

The main function of the Policy on Liability Management is to ensure that the WDC's borrowing and its associated risks are maintained at prudent levels.

Overall Performance

There were no significant variations or material departures from the WDC's Policy on Liability Management. Copies of these Policies can be viewed on Council's website www.waitomo.govt.nz.

Encouraging Maori contribution to decision making

Council is constantly working on its processes around community engagement and part of this is facilitating Maori participation in Council's decision making. Council recognises that Maori are a significant stakeholder group within the district and seeks to work closely with Iwi and gain their inputs.

The LGA 2002 and the Resource Management Act also place specific requirements on local authorities to take account of Maori values and provide opportunities for Maori to contribute to Council's decision-making processes.

As a process, Council seeks to identify any issues of particular interest to Maori, gather information on Maori perspectives of any significant work programmes and also perseveres to build on relationships already established through the work programmes.

Council looks forward to working closely with tangata whenua in the Waitomo region around co-management of the Waipa River. The Nga Wai o Maniapoto (Waipa River) Act was adopted in Parliament on 28 March 2012 and received Royal Assent on 5 April 2012. This Act gives effect to the deed that the Crown and Maniapoto entered into regarding the co-governance and co-management of the Waipa River. The Act requires Council and Maniapoto to enter into a joint management agreement (JMA) around the Waipa River. Any principles set out in the JMA could form the basis of future consultation protocols with Ngati Maniapoto. In the forthcoming years, Council will encourage any joint initiatives with mutually beneficial outcomes.

Council intends to continue with and, where required, improve upon the following to assist Maori contribution to Council's decision making processes:

- Council is committed to interacting with the Maniapoto Maori Trust Board to discuss issues of mutual interest including future planning proposals.
- Council has set up the Youth Council which has Maori representation and provides opportunities to them to bring their issues and inputs to the Council for consideration.
- Internal processes will continue to take into account Maori views. Council officers will consult with Iwi and Hapu representatives on a case by case basis to discuss specific proposals which may involve a significant decision in relation to land or a body of water.
- Processes for consultation will be negotiated and agreed on a case by case basis.
- Adequate time will be allowed for consultation, recognising that Hapu do not meet frequently and enough time needs to be allowed to respond to Council's requests for input.
- Opportunities for oral submissions or discussion will be provided on Marae or at places most convenient to both parties.
- All discussions and consideration of feedback/submissions will be carried out with an open mind.

Summary of Equal Employment Opportunities Programme

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

1.5 Waitomo's Community Outcomes

Community outcomes inform and guide the priority setting for WDC'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.

The following table shows 21 Community Outcomes for the Waitomo District Community. Each of Councils 11 significant activities contributes to achieving these Community Outcomes.

<p>Cultural Heritage and Social Harmony: A District that is enriched by the values of all its people and in particular Māori heritage, culture, beliefs and way of life are an inherent and valued part of community life.  1</p>	<p>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.  2</p>	<p>Visitors and Tourism: The image and attraction value of tourism is maximised to aid in bringing new business and new residents to Waitomo.  3</p>
<p>Water Supplies: High quality water supply provisions in all urban centres greater than 200 population.  4</p>	<p>Wastewater and Sewerage: Availability of reliable and functional sewage systems for urban communities greater than 200 population.  5</p>	<p>Land use, Farming, Forestry and Mining: Planned 'intensification' and diversity of use to achieve the best economic benefit of land in productive use.  6</p>
<p>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.  7</p>	<p>Retail: To be seen as a destination for shopping offering choice and convenience.  8</p>	<p>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.  9</p>
<p>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.  10</p>	<p>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.  11</p>	<p>Preserving the Environment: Preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.  12</p>
<p>Energy: Minimise energy consumption through efficient use and investment in energy development/capacity is carried out in a manner consistent with a sustainable environment.  13</p>	<p>Coastline, Parks and Reserves: To preserve the natural character of the District's coastline and reserves. Ensuring public access to the coastline and reserves.  14</p>	<p>Waste: A District that works towards minimising the impact of waste on the environment.  15</p>
<p>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.  16</p>	<p>Employment: Collaboratively work towards creating a wide range and number of employment opportunities in the region.  17</p>	<p>Health To pursue personal, social and cultural well-being supported by locally available health services.  18</p>
<p>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.  19</p>	<p>Recreational 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.  20</p>	<p>Government Services To ensure the community has appropriate and timely access to services provided by Central Government.  21</p>

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.

2.0 Our Activities

2.1 Introduction

In September 2007, WDC adopted a new output activity structure to better reflect the alignment between the activities undertaken by WDC with the four elements of community well-being: 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.

2.2 Community and Cultural Sustainability

Why we provide this Group

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 within this Group

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

2.3 Leadership

What we do

This activity includes the preparation of strategic direction guiding policy development and financial decision making, and engagement with the community on matters of high significance.

There are three activities under this significant activity:

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

GOVERNANCE AND REPRESENTATION

The Governance Activity involves the provision of community leadership and "stewardship" of Council owned assets on behalf of the District through the Mayor's Office and the Council/Committee structure. The Mayor is elected "at large" by the District as a whole and chairs the meetings of full Council. The Mayor acts as the spokesperson for the decisions made by the elected Council and provides leadership.

The governance role entails setting of policy. Council policy is determined through a democratic decision making process, facilitated through a formal Council/committee structure. Composition of, representation on and delegations to Council committees is decided by the Council, usually after each triennial election.

In the interests of efficiency, and to provide separation between the Council's regulatory and non-regulatory roles, Council has established three committees for the current triennium, being the Hearings Committee, the Shareholder Representative Committee and the Investment Strategic Review Committee.

Communicating and consulting with the community is fundamental to Council's governance and representation 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.

A fundamental role of the elected Council is to represent the views of its residents. Representation involves elected members being accessible to the community to receive, understand, and if need be, advocate the views or concerns of members of the public. Where appropriate, elected members may need to explain Council reasoning behind a particular decision or policy to those who might be interested or affected. Representation also includes representation of Council through membership on various Council and community organisations.

STRATEGIC PLANNING AND POLICY DEVELOPMENT

This activity involves carrying out the long term and annual planning for the District and producing plans which reflect the Councils role and level of involvement in helping to achieve the Community Outcomes. Balancing the interconnected strands of affordability, sustainability and community well-being is at the heart of strategic planning and policy development.

Establishing a shared vision for the District starts with working with the community and community stakeholders to establish a set of outcomes for the future well-being. Councils strategy for its role in contributing towards achieving the vision, and its subsequent policies, are guided by this vision.

The activity also involves planning and developing strategy 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 to ensure sustainable land use and development and to avoid, remedy or mitigate adverse effects on the environment.









MONITORING AND REPORTING

Monitoring of Community Outcomes takes place on a three yearly cycle. The objective is to measure the impact of Councils 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 non-financial 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.

Contribution to Community Outcomes

The Leadership Activity contributes to all 21 Community Outcomes (See section 1.5)

Leadership						
						
1	2	3	4	5	6	7
						
8	9	10	11	12	13	14
						
15	16	17	18	19	20	21

Major Projects in 2011/12

- Adoption of unqualified 2010/11 Annual Report.
- Planning, consultation and adoption of the 2012-2022 Long Term Plan.
- Completion of the 2012 Resident Satisfaction Survey.

Looking Forward

- Preparation of 2011/12 Annual Report
- General Revaluation of District for Rating Purposes (to be undertaken by Quotable Value).
- Draft, consult and adopt the 2013/14 Exceptions Annual Plan.
- Implementation of Council's Communication Strategy.
- Formation of Joint Committee with the Maniapoto Trust Board (Nga Wai O Waipa Joint Committee).
- Commencement of District Plan review.

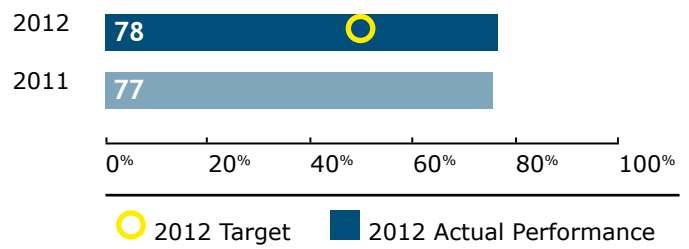
Snapshot of Progress

We consult in accordance with the Special Consultative Procedure outlined in the Local Government Act 2002.

How we measured success	How we did
Number of challenges to the process for decision-making. Target 0 (No Challenges)	Achieved

We communicate effectively with our community.

The results of this year's Resident Satisfaction Survey signifies a consistent trend of residents' satisfaction towards Council communications. Of the 407 residents surveyed, 78% were satisfied or very satisfied with Council's ability to provide effective and useful communications.



We published our Long Term Plan in accordance with the LGA 2002.

How we measured success	How we did
Long Term Plan adopted on or before 30 June every 3 years. Target 100%	Achieved The Long Term Plan 2012-22 was adopted on 29 June 2012.

How we went against our budget

Cost of Service Statement - Leadership (\$000's)	2012 BUDGET	2012 ACTUAL	2011 ACTUAL
Operating Income			
Representation	12	11	12
Treasury Management and Overhead Accounts	15	100	128
Total Operating Income	27	111	140
Operating Expenditure			
Representation	683	709	697
Strategic Planning and Policy	883	777	577
Monitoring and Reporting	367	458	396
Treasury Management and Overhead Accounts	11	92	123
Total Operating Expenditure	1,944	2,036	1,793
Net Operating Cost/(Surplus)	1,917	1,925	1,653
Capital Expenditure			
Development	0	0	0
Renewal	433	467	172
Total Capital Expenditure	433	467	172
Total Expenditure	2,350	2,392	1,825
Funded By			
General Rate	814	810	728
Uniform Annual General Charge	814	809	735
Rates Penalties	275	386	347
Reserves	447	386	15
Total Funding	2,350	2,392	1,825

The 2011/12 EAP budgets have been restated to exclude rates penalties revenue which is included in rates revenue in the Statement of Comprehensive Income.

Variations to Annual Plan

OPERATING INCOME

Revenue is \$84,000 more than budget due to additional interest being received for short term deposits. This item had only been conservatively budgeted for in the Treasury Management activity.

OPERATING EXPENDITURE

Expenditure was \$92,000 more than budget due to additional audit fees being incurred for the 2010/2011 audit of the annual report and asset valuation fees. Both of these items were unbudgeted in the Monitoring and Reporting activity. These increases were offset by budgets that were not fully utilised for the preparation of the long term plan and district plan review. There were also reductions in interest costs incurred due to a lower level of borrowings than was expected at the time the budgets were prepared. The reduced interest charge has been reallocated across the other output activities.

2.4 Community Facilities

What we do

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.

There are four Activity Management Plans under this significant activity:

- 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 WDC but not currently used by WDC 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 WDC, 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 WDC, plus the hall in Piopio township.

Other Land and Buildings: Maintenance and management of other miscellaneous WDC 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.
- Eight residential houses, located in Te Kuiti and Piopio.

- Four 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 Waitomo 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 WDC 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 WDC 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.

Contribution to Community Outcomes

The Community Facilities Activity contributes to the following Community Outcomes (See section 1.5).

Community Facilities					
					
1	3	6	7	8	9
					
10	12	14	16	18	20

Major Projects in 2011/12

PARKS AND RESERVES

An independent annual audit was completed for all playground equipment.

A renewal project for Te Waitere Wharf was nearing completion at the end of the 2010/11 financial year and was completed early in the 2011/12 year.

Asset Management Plan for Parks and Reserves was reviewed and updated

HOUSING AND OTHER PROPERTY

Renewal and upgrade work was completed for Elderly Person Housing in Te Kuiti. This included installation of heat pumps in four housing units and refurbishment of two housing units.

Asset Management Plan for Housing and Other Property was reviewed and updated.

Piopio Hall stage curtains renewed.

Renewal work undertaken at 10 Kea Street, Piopio to allow long term commercial rental.

External painting renewal to WDC's Administration Building and Piopio Depot.

RECREATION AND CULTURE

Stage two upgrade focussing on the supper room, including the installation of security alarms at the Waitomo Cultural and Arts Centre was nearing completion at the end of the 2011/12 financial year.

Asset Management Plan for Recreation and Culture was reviewed and updated.

More than 2000 new books purchased for the Waitomo District Library.

PUBLIC AMENITIES

Installation of a watering system in annual flower beds along Rora Street, Te Kuiti.

Refurbishment of two 'vault' toilets on Council's coastal reserves.

Asset Management Plan for Public Amenities was reviewed and updated.

Several new rubbish receptacles were installed in the CBD area of Piopio.

Minor toilet upgrades to coastal toilets including roofing, painting and fittings.

Looking Forward

PARKS AND RESERVES

Improvements to the main field at Centennial Park, Te Kuiti.

Renewals on reserve pedestrian bridges, pontoons and jetties. As part of the 2009-19 LTP and Activity Management Plan development, inspection of all pontoons, wharves and jetties on Council reserves was undertaken. This report identified essential renewal works that were required to preserve the integrity of these assets. To date the work has concentrated on Te Waitere Wharf and minor improvements at Te Maika.

An allowance has been included for this work spread evenly over the life of the LTP.

Establishment of an In-House Services Unit to undertake the mowing of Parks, Reserves and CBD areas.

Formation of an Incorporated Society to promote the development of Brook Park based on the management plan.

The development of Coastal Reserve Areas including access and landscaping. Council is regularly queried regarding access and erosion / plantings associated with our many esplanade reserves. This monetary allowance is for the ongoing improvement to these assets and in 2012/13 will focus on Council Land in Marokopa.

HOUSING AND OTHER PROPERTY

Continuation of Rural Halls renewals and compliance programmes.

Development proposals for the Te Kuiti Railway Building are to be established.

Disposal of three residential housing units that Council recognises as being surplus.

Disposal and/ or development of a different management structure for four rural halls

RECREATION AND CULTURE

Continuation of the planned renewals to the Waitomo Cultural and Arts Centre as part of a medium term asset renewal/ refurbishment project. Renewal of this facility is essential in maintaining existing service levels and to provide opportunities for an increase in patronage and customer satisfaction for the facility.

PUBLIC AMENITIES

Continuation of the provision for the upgrade of public toilets based on the 'Sanitary Assessment for Toilets', undertaken by Council as part of its 2009-19 LTP development process. This assessed Council's public toilets and identified areas where non-compliance with the NZ standard existed. Upgrade works are progressively being undertaken over the life of the LTP, to meet the required standard.

Implementation of the first stage of the re-design of the public gardens in Te Kuiti's CBD.

Continue to investigate options for land purchase at Te Kuiti Cemetery. Cemeteries are an essential service that Council is required to provide under the Burials and Cremation Act 1964. The Sanitary Assessment for cemeteries, undertaken as part of the 2009-19 LTP development, identified the need for additional land to be purchased for future expansion of the Te Kuiti Cemetery. There is a long lead in time for these types of strategic purchases and this purchase is funded over the financial years 2011/12 and 2012/13.

Snapshot of Progress

Playground equipment is safe to use for parks and reserves users.

How we measured success	How we did
Number of accidents directly attributable to poor design. Target Nil accidents per year directly attributable to poor design	Achieved

However, play equipment and under surfacing did not meet the performance target of 100% compliance with the NZSS 5828, with a rating of only 70% for 2011/12.



Redwood Park Te Kuiti

WDC's rate input into Elderly Person's Housing (EPH) is reducing.

How we measured success	How we did
Percentage of costs for Elderly Person's Housing from rate sources. Target < 40%	Achieved

Council property meets standards of fitness for use.

How we measured success	How we did
Achievement of Building Warrant of Fitness sign-off. Target 100%	Achieved

The Swimming Pool facility is available to residents and visitors during warmer months.

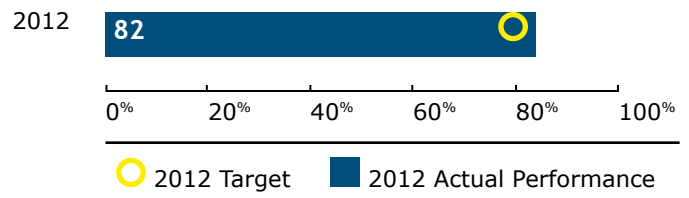
How we measured success	How we did
Number of months per year pool is open to the public. Target 7	Achieved



Te Kuiti Swimming Pool

High quality public amenities will be provided.

Resident Satisfaction with the provision of quality public toilets and cemeteries, continues with an increase in rating for 2011/12.



How we went against our budget

Cost of Service Statement - Community Facilities (\$000's)	2012 BUDGET	2012 ACTUAL	2011 ACTUAL
Operating Income			
Parks and Reserves	4	6	4
Housing and Other Property	190	218	228
Recreation and Culture	111	96	84
Public Amenities	35	48	57
Total Operating Income	340	368	373
Operating Expenditure			
Parks and Reserves	569	491	561
Housing and Other Property	800	662	633
Recreation and Culture	999	980	1,089
Public Amenities	722	726	662
Total Operating Expenditure	3,090	2,859	2,945
Net Operating Cost/(Surplus)	2,750	2,491	2,572
Capital Expenditure			
Parks and Reserves	101	88	169
Housing and Other Property	169	52	58
Recreation and Culture	207	116	419
Public Amenities	117	3	38
Total Capital Expenditure	594	259	684
Total Expenditure	3,344	2,750	3,256
Funded By			
Loans	222	58	332
Reserves	478	154	432
General Rates	1,244	1,193	1,161
Uniform Annual General Charge	1,118	1,065	1,058
Target Rates - Marokopa Hall	4	4	4
Target Rates - Rural	84	83	80
Target Rates - Urban	194	194	189
Total Funding	3,344	2,750	3,256

Variations to Annual Plan

OPERATING INCOME

Revenue was \$28,000 more than budget due to the recovery of land investigation costs, increased charges for housing and lease rentals, increased fees and charges for cemeteries and a higher than expected gain on investment properties valuation. These increases in revenue were offset by reduced revenue streams from the Culture and Arts Centre and the Library.

OPERATING EXPENDITURE

Expenditure was \$231,000 less than budget due to budgets for tree maintenance and property repairs and maintenance not being fully utilised during the year. The development of asset management plans was predominantly undertaken internally by Council's staff resulting in these budgets not being fully utilised. There was also a reduction in heating requirements of the pool and fewer requirements for construction of cemetery berms. In addition to this an external review of Elderly Persons Housing did not proceed during the year.

CAPITAL EXPENDITURE

Community Facilities expenditure was \$335,000 less than budget. Playground upgrades, Piopio Hall toilet upgrade, general halls renewals, cemetery land purchase and Te Kuiti Main Street redesign were under-spent during the year. These projects will now be undertaken in the 2012/2013 year.

2.5 Community Development

What we do

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.

There are four 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 WDC'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 WDC'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 WDC'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 WDC's current strategic focus.

REGIONAL TOURISM












Regional Tourism is facilitated through the WDC'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 WDC currently acts as an agency for the Automobile Association (AA), including provision of driver licensing services.

Contribution to Community Outcomes

The Community Development Activity contributes to the following Community Outcomes (See section 1.5).

Community Development					
 1	 2	 3	 7	 9	 16
 17	 18	 19	 20	 21	

Major Projects in 2011/12

- Alongside other Waikato Territorial Authorities, supported the establishment of the new Waikato Regional Tourism Organisation's 'Review of the Community'.
- Administration of the first Community Partnership funding round to increase the opportunity for community based projects and initiatives.
- Continued delivery of district events, The Great NZ Muster and Waitomo District Christmas Parade.
- Establishment of the Waitomo District Youth Council to enhance Youth engagement opportunities.
- Establishment of the Waitomo District Citizens Awards Policy and hosting of inaugural ceremony.

Looking Forward

- Liaise with other key stakeholders to promote the newly established Central North Island Rail Cycleway within our District with the emphasis on business opportunities.
- The 2012-2022 Long Term Plan identifies the establishment of a District Economic Development Board to enhance and support Economic development within the district. The 2012/13 financial year will see the formal establishment of this board including recruitment of board members.
- Further development of Youth Engagement avenues through the Waitomo District Youth Council.

Snapshot of Progress

We provide assistance for community support activities.

The performance target of advertising the availability of discretionary grant funding on a quarterly basis was achieved this year.

How we measured success	How we did
Availability of discretionary grant funding advertised quarterly. Target 100% compliance	Achieved

Public Notices were published in the Waitomo News, two-three weeks prior to the application closing date. Notices were published for the following funding rounds:

Funding Round	1st Notice	2nd Notice
1 September 2011	11 August 2011	25 August 2011
1 December 2011	8 November 2011	15 November 2011
1 March 2012	9 February 2012	16 February 2012
1 June 2012	9 May 2012	22 May 2012

The advertisements were also published on Council's website: www.waitomo.govt.nz under the *News* section.

Council's performance target of 100% of grants for Community Halls was distributed in November 2011. The funding pool is distributed on an annual basis to community halls located throughout the Waitomo District. The grant assists the Hall Committees' with the costs associated with repairs and maintenance of the halls, hireage and fundraising initiatives.

Grants were allocated with hall receiving \$1,000.

- Mahoenui Hall Society
- Waitanguru Hall Society
- Rangitoto Hall Committee
- Mokau Hall Committee
- Mairoa Hall Committee
- Kopaki Hall Committee
- Awakino Hall Committee
- Aria Hall Committee
- Benneydale & District Ratepayers Association
- Mokauiti Hall Committee
- Mapiu Sport & Recreation Committee

Council has achieved an excellent performance result this year, in its goal to support the growth of the economy through the effective provision of District attractions to domestic and international markets.

I-SITE delivers effective and efficient services to visitors.

How we measured success	How we did
Accurate volume and statistical trends on visitor usage are recorded and reported at management level. Target Monthly	Achieved

WDC supports major District events that build community pride and raise the District's profile.

How we measured success	How we did
Number of major District events held on time and to budget. Target One major event (The Great NZ Muster) and one minor event (The Christmas Parade).	Achieved

The Waitomo District Christmas Parade was held on Friday 9 December 2011 with a theme 'A Recycled Christmas' that proved popular with local clubs, schools and organisations taking part in the parade. A record number of 23 floats were led down Rora Street by the Te Kuiti and District Pipe Band. A new feature of the event was the inclusion of the 'Ultimate Shield' award for best overall float, won by Pukenui Primary School.



The Waitomo District Christmas Parade 2011

The Great NZ Muster was held in Te Kuiti, on Saturday 31 March 2012. This 20th Birthday of the event was celebrated with some exciting features such as a themed food court with 'Beef and Lamb NZ' ambassador Mat McLean from Hamilton restaurant Palate and celebrity MC 'Te Radar'.

The event was again a great success with more than 8,000 spectators, a variety of stalls, entertainment and the popular 'NZ Shears Can-Am/ McIndoe Group Running of the Sheep', ensured an enjoyable and interesting atmosphere.



The Great NZ Muster 2012

How we went against our budget

Cost of Service Statement - Community Development (\$000's)	2012 BUDGET	2012 ACTUAL	2011 ACTUAL
Operating Income			
Community Support	0	20	0
Economic Development	0	22	2
Regional Tourism	230	161	216
Agencies	20	19	21
Total Operating Income	250	222	239
Operating Expenditure			
Community Support	368	708	393
Economic Development	45	44	33
Regional Tourism	515	431	429
Agencies	35	27	31
Total Operating Expenditure	963	1,211	886
Net Operating Cost/(Surplus)	713	989	647
Capital Expenditure			
Regional Tourism	0	0	2
Total Capital Expenditure	0	0	2
Total Expenditure	713	989	649
Funded By			
General Rates	282	282	328
Uniform Annual General Charge	286	286	338
Reserves	145	421	(17)
Total Funding	713	989	649

Variations to Annual Plan

OPERATING INCOME

Revenue was \$28,000 less than budget due to reduced levels of sales at the Visitor Information Centre than what was anticipated at the time the budgets were prepared. Revenue associated with the Te Kuiti Muster was also less than expected due to the withdrawal of sponsorship from the event. Additional revenue was received from a grant received from the Ministry of Social Development to support youth activities and additional revenue has been raised by the Youth Council. Funds were also received from the winding up of the Development King Country Trust. These items were not budgeted for.

OPERATING EXPENDITURE

Expenditure was \$248,000 more than budget due to the processing of rates and rates penalty remissions on Māori Freehold land recognised under Council's Policy on Rates Remission. The budget was prepared conservatively and did not make allowance for the historical rates remissions that were processed during the year. Reduced expenditure for event co-ordination, regional development, district promotions and Visitor Information Centre purchases has offset the increased expenditure for rates remissions.

2.6 Regulation and Safety

What we do

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.

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 WDC 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.

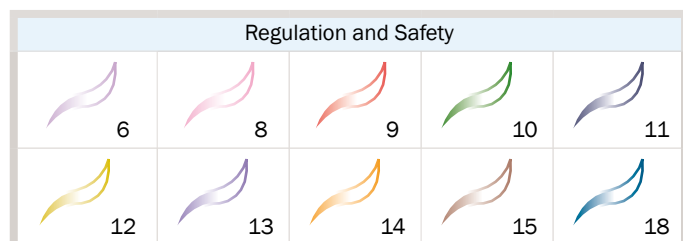
SAFETY

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.

Contribution to Community Outcomes

The Regulation and Safety Activity contributes to the following Community Outcomes (See section 1.5).



Major Projects in 2011/12

Environmental Health

- WDC has commenced a programme to encourage food businesses to adopt a food control plan in advance of a proposed Food Act requirement.

Building Control

- Phase 2 Accreditation as a Building Consent Authority was renewed as required by the Building Act 2004. Accreditation is necessary to allow WDC to continue to process and issue building consents.

- WDC's building control systems have been regularly reviewed so as to maintain prompt processing times for building consents. In the 2011/12 financial year, the average processing time for a building consent was 9 working days.

Animal Control

- WDC's Animal Control Contractor, Waitomo Animal Control, inspected the properties of all urban dogs owners. Dog Control Officers checked if new dogs had been acquired and that dogs were adequately kennelled and well looked after.
- During 2011/2012 an extensive patrol programme was implemented in the urban areas by the Animal Control Officers to ensure that the nuisance of roaming dogs was kept to a minimum.

Emergency Management

- Achievement in carrying out 17 educational visits to schools and community groups to prepare the community for emergency events.
- Waikato Valley Emergency Operating Area (WVEOA) undertook an exercise in March 2012 which WDC participated in, where two Welfare centres were established in the District. The establishment of these centres tested the welfare response and communication procedures in the event of an emergency.

Looking Forward

Rural Fire

- Investigation into establishing a Rural Fire Authority for Waikato Valley Operational area. This project is in partnership with the Department of Conservation, New Zealand Forest, Waipa, Otorohanga, Waikato and New Zealand Rural Fire Authorities. These discussions are on going in an endeavour to reach agreement by all parties.

Civil Defence

- A restructure of the Waikato Valley Emergency Operating Area (WVEOA) administration is underway in an endeavour to reach an equitable funding model for the WVEOA.

Snapshot of Progress

All food and liquor retail premises are inspected and appropriately registered and licensed.

How we measured success	How we did
Percentage of registration or licensing of food and liquor retail premises completed. Target 100%	Achieved
How we measured success	How we did
Percentage of building consents and project information memoranda issued within 15 working days. Target 90%	Achieved – 95%

How we went against our budget

Cost of Service Statement - Regulation and Safety (\$000's)	2012 BUDGET	2012 ACTUAL	2011 ACTUAL
Operating Income			
Regulation	392	306	295
Safety	0	0	8
Total Operating Income	392	306	303
Operating Expenditure			
Regulation	799	781	760
Safety	131	95	108
Total Operating Expenditure	930	876	868
Net Operating Cost/(Surplus)	538	570	565
Funded By			
General Rate	380	379	335
Uniform Annual General Charge	173	173	171
Reserves	(15)	18	59
Total Funding	538	570	565

Variations to Annual Plan

OPERATING INCOME

Revenue was \$86,000 less than budget as building consents processed (and associated revenue) were less than budgeted for. This trend is in line with national trends which have seen a reduction in construction work and consent applications. It should also be noted that despite increasing building consent fees, revenue has dropped. Consent fees are related to the value of the building projects and there is clear evidence that construction work was focussed on less expensive projects.

OPERATING EXPENDITURE

Expenditure was \$54,000 less than budget as expenditure for the building control activity (which forms parts of the Regulation activity) has been reduced as a result of processing more building consents in-house rather than using external agencies. There have also been less building accreditation costs spent to date due to a significant decrease in consultancy costs associated with the accreditation process. Safety expenditure was also less than budget as the Waikato Valley Rural Fire Group has yet to be established and therefore no costs have been incurred for the year.

2.7 Environmental Sustainability

The Environmental Sustainability group of activities promotes Community Outcomes that target environmental well-being.

Why we provide this Group

These activities aim to minimise the impact of community's lifestyles and growth on the natural environment.

Although the broad issues relating to the environment are primarily managed by Regional Councils, it is the responsibility of every local authority to carry out activities that promote sustainable management and protection of the environment.

Activities within this Group

- Solid Waste Management
- Stormwater
- Resource Management
- Sewerage

2.8 Solid Waste Management

What we do

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.

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 Ward including the Village and the provision of a Kerbside Recycling Collection Service for the residents of Te Kuiti, Piopio, Mokau, Mahoenui and Waitomo Ward and Village.

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

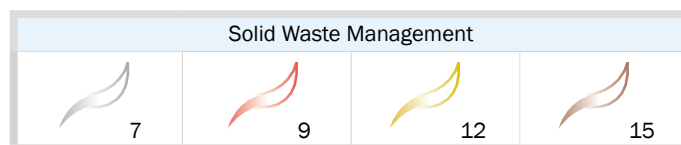
MANAGEMENT

Management by WDC includes management of the contracts for 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 by WDC 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.

Contribution to Community Outcomes

The Solid Waste Management Activity contributes to the following Community Outcomes (See section 1.5).



Major Projects in 2011/12

- 100% compliance with resource consent conditions at the Waitomo District Landfill and closed landfills.
- 100% of all residential premises in collection areas have access to Kerbside Collection Service.
- Construction of the Waitomo District Landfill Transfer Station has been completed and is now open and fully operational to residents.

Looking Forward

Operations of the Waitomo District Council's activities for solid waste (kerbside refuse and recycling collection and landfill operation by contract, and community education) will continue to be provided at the same level of service.

Looking forward, the focus for the Collection Activity will be:

- Reduce quantity of paper and plastics through kerbside to landfill.
- Undertake two yearly waste audits.
- Monitor and review waste minimisation behaviour change.

The focus for the management function is the ongoing enhancement of the Waitomo District Landfill and associated network of Transfer Station Facilities to ensure operational efficiency and in support of Waste Minimisation targets established by the SWaMMP.

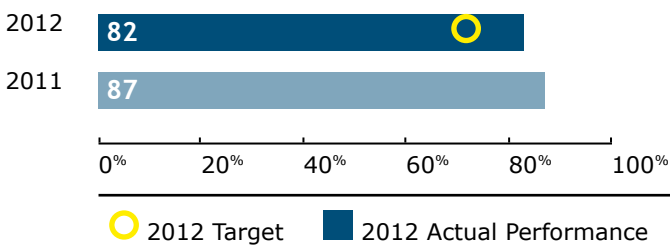
- Reduce the quantity of organic waste to landfill.
- Initiate Event Recycling.
- Explore possibility of Waitomo District Landfill becoming a clean fill site only.
- Reduction in onsite disposal of agricultural products.
- Hazardous waste storage facility installation at landfill.
- Report of all waste management facilities to identify hazards and safety improvements.
- Undertake two yearly waste audits.

- Monitor and review waste minimisation behaviour change.
- Update asset inventory and input to data base.
- Investigate provision for green (garden) waste collection at all Transfer Stations.
- Review of all resource consents for closed landfill.

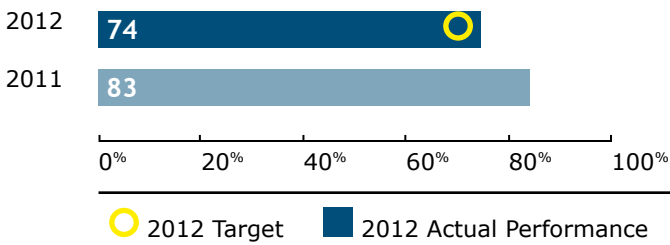
Snapshot of Progress

Results of the 2012 Resident Satisfaction Survey show achievement in three of the four performance targets relating to resident satisfaction with solid waste facilities and service.

Of the 407 residents surveyed, 82% were satisfied or very satisfied with the safety of recycling facilities.



74% of residents were satisfied or very satisfied with the safety of waste transfer stations and landfill facilities. This highlights a reduction in satisfaction from the 2011 survey.



The Kerbside Collection Service is efficient and effective.

How we measured success	How we did
Number of service complaints in any one month regarding the quality of the kerbside refuse and recycling collection service. Target <3	Not Achieved



Refuse disposal area at the Waitomo District Landfill.

The Kerbside Collection Service is made available to all residential premises in Te Kuiti, Piopio, Mokau and Waitomo Village.

How we measured success	How we did
Percentage of residential premises in collection areas that have access to kerbside collection. Target >90%	Achieved 100% of all residential properties have access to kerbside collection.

Landfills (both closed and operating) comply with the Resource Management Act 1991 (RMA).

How we measured success	How we did
Percentage compliance with resource consent conditions at Waitomo District Landfill and closed landfills. Target 100%	Achieved No issues raised by WRC for open landfills (Awaiting audit for closed landfills with two significant issues that have been identified) MJP

We provide sufficient recycling facilities.

How we measured success	How we did
Percentages of residents are satisfied with the number of recycling facilities provided. Target 70%	Achieved 74% of residents questioned rated "satisfied" or "very satisfied" with the number of recycling and refuse disposal service and facilities provided. This is an increase from 71% in the previous year.



Recycling area at the Waitomo District Landfill.

How we went against our budget

Cost of Service Statement - Solid Waste Management (\$000's)	2012 BUDGET	2012 ACTUAL	2011 ACTUAL
Operating Income			
Collection	95	109	97
Management	838	750	816
Total Operating Income	933	859	913
Operating Expenditure			
Collection	368	337	367
Management	1,672	1,360	1,384
Total Operating Expenditure	2,040	1,696	1,751
Net Operating Cost/(Surplus)	1,107	837	838
Capital Expenditure			
Management	147	5	407
Total Capital Expenditure	147	5	407
Total Expenditure	1,254	843	1,245
Funded By			
Loans	147	0	375
Reserves	(46)	(300)	(194)
General Rate	26	26	34
Uniform Annual General Charge	26	26	35
Target Rate - District	811	798	754
Target Rate - Mokau	74	76	59
Target Rate - Piopio	17	17	14
Target Rate - Te Kuiti	146	147	123
Target Rate - Waitomo	53	53	44
Total Funding	1,254	843	1,245

Variations to Annual Plan

OPERATING INCOME

Revenue was \$74,000 less than budget due to customers placing a greater emphasis on recycling which has affected sales levels of refuse bags. There have also been reduced volumes of refuse entering the landfill since the introduction of usable recycling services. In addition to this sales of landscape supplies due to changes in the economic environment and customers purchasing trends have reduced.

OPERATING EXPENDITURE

Expenditure was \$344,000 less than budget due to capping material, asset management plans and annual peer review expenditure not being spent during the year. In addition to this the reduced volumes entering the landfill have resulted in reduced costs in the landfill operation and the Council continues to receive the benefits of the reduced market movement through CPI adjustments on the operations contract that was introduced in the 2009/2010 year. The budgeted expenditure for closed landfills and provision for closed landfill aftercare has not been required as anticipated mainly as a result of changes in accounting assumptions used to calculate the landfill aftercare provision. Details of this provision can be found in note 16.

CAPITAL EXPENDITURE

Capital expenditure was \$142,000 less than budget. The resealing of the access road to the landfill was not carried out during the year and will now be completed in the 2012/2013 financial year. The budget for high wall shaping for safety was only required to be spent if the stability of the earth wall above the landfill became a safety issue. Currently the wall is relatively stable and expenditure was not required during the year.

2.9 Stormwater

What we do

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.

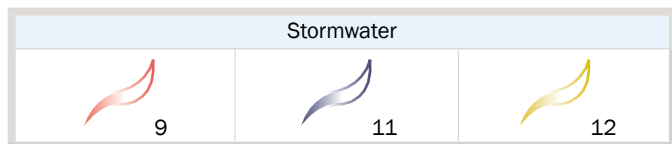
The stormwater drainage system manages runoff by collecting and removing the runoff, eventually disposing of it into natural streams, lakes or the sea. The Stormwater Activity involves providing, maintaining and expanding the capacity of the existing drainage systems and advocating for the appropriate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

STORMWATER RETICULATION AND DISPOSAL

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

Contribution to Community Outcomes

The Stormwater Activity contributes to the following Community Outcomes (See section 1.5).



Major Projects in 2011/12

- Substantial renewal work was completed behind Restaurant located on Carroll Street.
- Part of Rora Street stormwater reticulation was completed to fit in with road rehabilitation.

Looking Forward

- A further section of Rora Street stormwater reticulation will be completed to fit in with road rehabilitation.

Snapshot of Progress

We manage the urban stormwater activity to protect people and property from the impacts of flooding.

How we measured success	How we did
Annual incidence of inundation of habitable buildings in urban areas from a 10% or less Annual Exceedance Policy event. Target 0	Achieved No complaints for the period 1 July 2011 to 30 June 2012.

Our response time for investigation of complaints relating to the urban stormwater system is 5 working days.

How we measured success	How we did
Response time for investigation of complaints relating to lack of maintenance of the urban stormwater system. Target: 5 working days	Achieved Five complaints were received and all were resolved within 5 working days.

How we went against our budget

Cost of Service Statement - Stormwater (\$000's)	2012 BUDGET	2012 ACTUAL	2011 ACTUAL
Operating Income			
Te Kuiti Stormwater	2	0	9
Rural Stormwater	0	0	0
Total Operating Income	2	0	9
Operating Expenditure			
Te Kuiti Stormwater	329	312	249
Rural Stormwater	63	43	37
Total Operating Expenditure	392	355	286
Net Operating Cost/(Surplus)	390	355	277
Capital Expenditure			
Te Kuiti Stormwater	16	85	36
Rural Stormwater	8	0	0
Total Capital Expenditure	24	85	36
Total Expenditure	414	439	313
Funded By			
Loans	0	0	0
Reserves	22	69	(46)
Target Rate Urban	320	298	278
Target Rate Rural	72	72	81
Total Funding	414	439	313

Variations to Annual Plan

OPERATING EXPENDITURE

Operating Expenditure was \$37,000 less than budget due to no stormwater maintenance being required in rural areas during the year.

CAPITAL EXPENDITURE

Capital expenditure was \$61,000 more than budget as substantial renewal work was required to be carried out on the stormwater drain behind Wheels Restaurant and in Rora Street prior to the street resurfacing. These two projects, which needed completing, were not specifically budgeted for, however the minor renewal works budgets were not used this year so this offset the unbudgeted expenditure.

2.10 Resource Management

What we do









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

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.

Contribution to Community Outcomes

The Resource Management Activity contributes to the following Community Outcomes (See section 1.5).

Resource Management			
 6	 7	 8	 9
 10	 11	 12	 14

Major Projects in 2011/12

- Continued commitment to the "Shore Futures Project" - a collaborative planning approach between Waikato Regional Council, Otorohanga District Council, Waikato District Council and this Council, for the integrated management of Kawhia Harbour.
- WDC processed all of resource consent applications within the statutory time frames required by the Resource Management Act 1991.

Looking Forward

The key area of focus for the Resource Management Activity is on maintaining existing levels of service, compliance with legislation and;

- Commence a staged review of the Waitomo District Plan so as to develop a second generation plan which incorporates amendments to the Resource Management Act 1991 and addresses recognised shortcomings with the existing Plan.

Snapshot of Progress

Council ensures that resource consents are processed in a timely and customer friendly manner so as to facilitate District wide development.

How we measured success	How we did
Percentage of non-notified consents processed within 20 working days. Target 90%	Achieved 97% of non-notified resource consent applications were processed within the required time frame.

How we went against our budget

Cost of Service Statement - Resource Management (\$000's)	2012 BUDGET	2012 ACTUAL	2011 ACTUAL
Operating Income			
District Plan Administration	85	91	72
Total Operating Income	85	91	72
Operating Expenditure			
District Plan Administration	210	206	189
Total Operating Expenditure	210	206	189
Net Operating Cost/(Surplus)	125	115	117
Funded By			
General Rates	68	68	52
Uniform Annual General Charges	68	68	52
Reserves	(11)	(21)	13
Total Funding	125	115	117

2.11 Sewerage

What we do

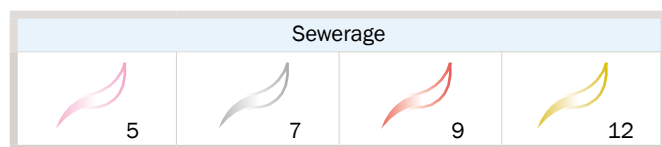
The purpose of the Wastewater (Sewerage) Activity is to collect and dispose of wastewater in an effective and environmentally acceptable manner.

Effective and efficient wastewater collection and disposal is essential to protect the environment, maintain public health and to facilitate economic development.

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, Benneydale and a new scheme is also under development for Piopio.

Contribution to Community Outcomes

The Sewerage Activity contributes to the following Community Outcomes (See section 1.5).



Major Projects in 2011/12

TE KUITI SEWERAGE

- Upgrade of waste water treatment plant is in progress.

TE WAITERE SEWERAGE

- Installation of a new pressure sewer line completed along Te Waitere Road to resolve a long standing issue and allowing failing septic tanks to be serviced.

PIOPIO SEWERAGE

- Sewerage system completed and commissioned.

Looking Forward

TE KUITI SEWERAGE

- Upgrade of waste water treatment plant will be completed.

Snapshot of Progress

Service requests and failures are responded to as they come in.

How we measured success	How we did
Response time for non-urgent requests. Target 90% within 10 working days.	Achieved Two non-urgent service requests were received and both were responded to within 10 working days.

How we measured success	How we did
Time to restore service restored within 24 hours. Target 24 hours	Achieved Seven service requests were received and all were completed within 24 hours.

How we went against our budget

Cost of Service Statement - Sewerage (\$000's)	2012 BUDGET	2012 ACTUAL	2011 ACTUAL
Operating Income			
Te Kuiti Sewerage	4,499	1,999	865
Benneydale Sewerage	0	105	858
Piopio Sewerage	722	864	214
Total Operating Income	5,221	2,969	1,937
Operating Expenditure			
Te Kuiti Sewerage	1,959	1,798	1,946
Te Waitere Sewerage	40	36	27
Benneydale Sewerage	156	251	92
Piopio Sewerage	258	115	85
Total Operating Expenditure	2,413	2,200	2,150
Net Operating Cost/(Surplus)	(2,808)	(768)	213
Capital Expenditure			
Te Kuiti Sewerage	6,106	2,502	949
Te Waitere Sewerage	185	0	5
Benneydale Sewerage	23	138	993
Piopio Sewerage	1,104	678	436
Total Capital Expenditure	7,418	3,318	2,383
Total Expenditure	4,610	2,550	2,596
Funded By			
Loans	2,821	1,186	1,192
Reserves	287	(114)	86
Target Rate - Te Kuiti	1,179	1,161	1,048
Target Rate - Te Waitere	40	40	55
Target Rate - Benneydale	113	109	92
Target Rate - Piopio	170	168	123
Total Funding	4,610	2,550	2,596

Variations to Annual Plan

OPERATING INCOME

Revenue was \$2,252,000 less than budget due to the subsidy revenue for Te Kuiti wastewater plant capital works project not being undertaken as planned. Delays in this project have meant that only \$1,285,000 of subsidy revenue has been claimed from the Ministry of Health. The remaining expenditure (and associated subsidy) will be carried out in the 2012/2013 financial year. The trade waste revenue for Te Kuiti was also below budget as the actual demand placed on the plant from major contributors of trade waste was less than expected. The current level of production at the meat companies is lower than expected and these users have also reduced the volume of water being consumed which has a flow on effect to reduced sewerage discharge and associated trade waste revenue.

Additional unbudgeted revenue was received during the year that offset these reductions in revenue. The unbudgeted revenue included \$104,000 of subsidy revenue for the Benneydale wastewater reticulation project which was completed during the year. When the budgets were prepared it was assumed that the project would have been completed in the 2010/11 year and therefore no allowance was made in the 2011/12 year. The Ministry of Education through its Piopio schools has opted to join the scheme at Piopio resulting in additional unbudgeted connection fees and capital contribution revenue.

OPERATING EXPENDITURE

Expenditure was \$213,000 less than budget due to reticulation maintenance work and operational costs for Te Kuiti being less than budget. In addition to this depreciation and interest costs for Te Kuiti were also reduced due to delays in the timing of the capital works programme. The budgets also assumed that Council would take over the operation and maintenance of the Piopio wastewater scheme part way through the year however delays in commissioning the project has meant that Council will now take over the scheme at the end of the 2012/13 financial year. Additional unbudgeted expenditure was undertaken in Benneydale to make an assessment of the condition of pipe infrastructure using closed circuit camera. This data is used to inform future repair and renewal program for the network.

CAPITAL EXPENDITURE

Capital expenditure was \$4,100,000 less than budget due to delays in both the Te Kuiti and Piopio Scheme. The capital budgets for the Te Kuiti scheme were delayed during the year due to inclement weather conditions and the remainder of the unspent budget portion will be carried out in 2012/13 year. The Rora Street upgrade works were not carried out during the year and will be carried forward to the 2012/13 year. The Piopio wastewater scheme was substantially completed during the year however there are still some minor costs to fully complete the scheme which will be incurred in the 2012/13 year.

2.12 Economic Sustainability

The Economic Sustainability group of activities promotes outcomes which focus on providing the necessary infrastructure to enable communities throughout the urban environment to prosper and to ensure that the District as a whole is able to transport its produce and necessities to and from the marketplace.

Why we provide this Group

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 within this Group

- Water Supply
- Land Transport
- Investments

2.13 Water Supply

What we do

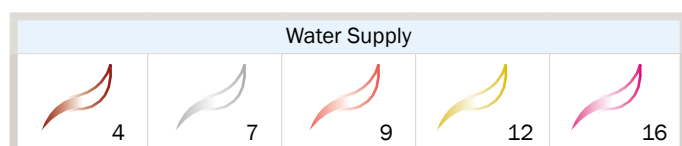
The purpose of the Water Supply Activity is to supply safe water to the communities in the Waitomo District.

Water supply is essential for maintaining public health, provides fire fighting capacity in urban areas and facilitates economic growth.

WDC is committed to providing a water supply service that meets the diverse needs of the Waitomo Community.

Contribution to Community Outcomes

The Water Supply Activity contributes to the following Community Outcomes (See section 1.5).



Major Projects in 2011/12

Across the water supply schemes of Te Kuiti, Piopio Benneydale and Mokau, Public Health Risk Management Plans (PHRMP) were undertaken, completed and approved. The PHRMP's are compliance documents and also support funding applications to the Ministry of Health.

TE KUITI WATER SUPPLY

- Application for Ministry of Health funding for upgrades at the water treatment plant was successful.

MOKAU WATER SUPPLY

- Construction to increase raw water storage has been delayed while public consultation continues.
- Construction start estimated to be in 2013.

PIOPIO WATER SUPPLY

- Final designs completed to construct Micro Filtration water treatment plant.
- Application for Ministry of Health funding for upgrade of the water treatment plant was successful. Construction is in progress.

Looking Forward

The following key projects have been established for Te Kuiti, Piopio and Mokau Water Supplies.

TE KUITI WATER SUPPLY

- Start of upgrade work was delayed until 2013-14.

PIOPIO WATER SUPPLY

- Construction of water treatment plant will be completed in 2012-13.

Snapshot of Progress

Properties within each scheme each have an operational fire hydrant within distance specified by Fire Service.

How we measured success	How we did
Percentage of serviced properties within each scheme area having an operational fire hydrant within distance specified by Fire Service. Target 100%	Achieved - 100%

Water supply is adequate for public health purposes.

How we measured success	How we did
Confirmed illnesses attributable to consumption of WDC water supply services. Target Nil	Achieved

Residents are satisfied with the reliability of the water supply service.

How we measured success	How we did
Percentage of customers who are satisfied with the reliability of their water supply service. Target 85%	Achieved - 92%

We provide a 24 hour, 7 day a week service for reporting problems.

How we measured success	How we did
Availability of a 24x7 service for reporting problems. Target 100%	Achieved - 100%



Mangaokewa River

How we went against our budget

Cost of Service Statement - Water Supply (\$000's)	2012 BUDGET	2012 ACTUAL	2011 ACTUAL
Operating Income			
Te Kuiti Water	511	475	476
Mokau Water	735	6	1
Piopio Water	12	282	13
Benneydale Water	8	13	11
Total Operating Income	1,266	776	501
Operating Expenditure			
Te Kuiti Water	1,313	1,267	1,350
Mokau Water	261	305	262
Piopio Water	207	249	210
Benneydale Water	129	150	120
Total Operating Expenditure	1,910	1,971	1,942
Net Operating Cost/(Surplus)	644	1,195	1,441
Capital Expenditure			
Te Kuiti Water	21	147	124
Mokau Water	1,153	52	98
Piopio Water	13	399	2
Benneydale Water	6	11	12
Total Capital Expenditure	1,193	608	236
Total Expenditure	1,837	1,802	1,677
Funded By			
Loans	437	271	231
Reserves	0	163	108
Target Rate - Te Kuiti	803	780	779
Target Rate - Mokau/Awakino	251	247	232
Target Rate - Piopio	192	187	177
Target Rate - Benneydale	154	154	150
Total Funding	1,837	1,802	1,677

Variations to Annual Plan

OPERATING REVENUE

Revenue was \$490,000 less than budget for the year as the budgeted subsidy revenue for Mokau raw water storage dam has not been received. The progress of the project has been delayed in order to complete the application process with the Historic Places Trust and Iwi as it has been identified that the planned work would affect archaeological sites. A decision allowing the work to be carried out has been received however that decision is now subject to appeal. This work (and associated subsidy) has now been carried forward to the 2012/13 financial year.

Metered water revenue for Te Kuiti was less than budget due to reduced consumption from the major water users. It is understood that the major water users are recycling and make better use of the water they are drawing from the network.

Subsidy revenue of \$266,000 was also claimed from the Ministry of Health earlier than expected. The capital works were budgeted to be carried out in the 2012/13 year and therefore there was no budget for subsidy revenue.

OPERATING EXPENDITURE

Expenditure was \$61,000 more than budget due to reactive maintenance work that has been carried out as required for pipe damages and breakages that occurred during the year. In addition to this as part of the resource consent compliance, a water management plan for Te Kuiti drinking water supply was required to be prepared by Waikato Regional Council and actual instrument licences and service updated associated with SCADA systems were more than what was anticipated at the time the budgets were prepared.

CAPITAL EXPENDITURE

Capital expenditure was \$585,000 less than budget due to delays in the Mokau raw water storage dam project. The progress of the project has been delayed in order to complete the application process with the Historic Places Trust as it has been identified that the planned work would affect archaeological sites. A decision allowing the work to be carried out has been received however that decision is now subject to appeal. This work (and associated subsidy) has now been carried forward to the 2012/13 financial year.

Upgrade work at the Piopio Water treatment plant was scheduled to be undertaken in the 2012/13 financial year however as subsidy was obtained unexpectedly, the scope of the work changed and the deadline for the project completion required work to be carried out during the year. In addition to this Te Kuiti water renewal work was more than anticipated at the time the budgets were prepared.

2.14 Land Transport

What we do

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). The WDC maintains its roads under contract to a standard that provides safe and comfortable driving within the limitations of available funding.

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

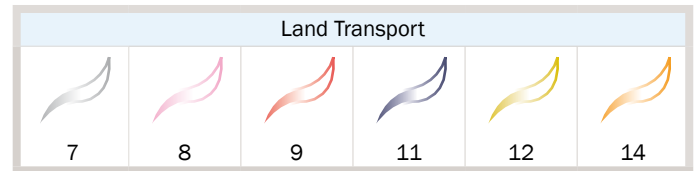
UNSUBSIDISED ROADING

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 WDC 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

Contribution to Community Outcomes

The Land Transport Activity contributes to the following Community Outcomes (See section 1.5).



Major Projects in 2011/12

- Minor structural replacements and repairs have been carried out on 13 bridges within the district.
- Installation of several areas of guard rail across the district (\$100,000) completed through Traffic Services Renewals, Minor and Associated Improvements.
- Installation of new street lights to replace existing lights that were in an unsafe condition completed.
- Reseal approx 45km of road throughout the District completed. The market rates allowed this work to be completed within our allocated budget.
- Pavement Rehabilitations carried out on Te Anga Road, Taharoa Road and Rora Street.
- Minor Safety Improvements were carried out on all pavement rehabilitation sites as well as Mangaokewa and Hauturu Roads completed.
- The network deficiency database established in 2009/10 was updated this financial year and work progressed on various perceived issues. \$50,000 of the minor improvement budget was spent on additional safety signage district wide to start addressing the deficiency database.
- Community Focussed Activities is a joint venture between WDC and Otorohanga District Council where \$88,000 is spent of road safety education within the two districts. The joint venture allows one Road Safety Co-ordinator to be employed and educate the community through activities such as fatigue stops, child restraint stops, driver licensing, speed and alcohol awareness.
- Restoration works carried out on notorious district slumps including Oparure 2.8, Taharoa Road (The Staircase) and Te Anga Road (Clayton-Greenes) were all completed. These works are ongoing.
- Re-scoping of the Roads Maintenance Contract for the next five year term. This tender closed in July 2011 and the successful tenderer, Downer, commenced work in October 2011.

Looking Forward

The following key projects have been established for the Land Transport Activity.

- Drainage renewals
- Sealed Pavement Surfacing
- Pavement Rehabilitations – Oparure Road, Haurua Road, Maunganui Road and Rora Street.
- Structures components replacement
- Traffic services replacements
- Unsealed road metalling
- Emergency reinstatement works as required.

Snapshot of Progress

The transportation system is reliable and travel times are predictable.

The results of the 2012 Resident Satisfaction Survey, show that 76% of the 407 residents who rated their satisfaction, were satisfied or very satisfied with the District's roading network.

A total of 13 complaints were received regarding missing, damaged or inaccurate road signage in 2011/12.

How we measured success	How we did
The number of complaints per month regarding missing, damaged or inaccurate road signage. Target: <3	Not Achieved



Te Anga Road, Waitomo

No more than three complaints were received in any one month regarding damaged footpaths.

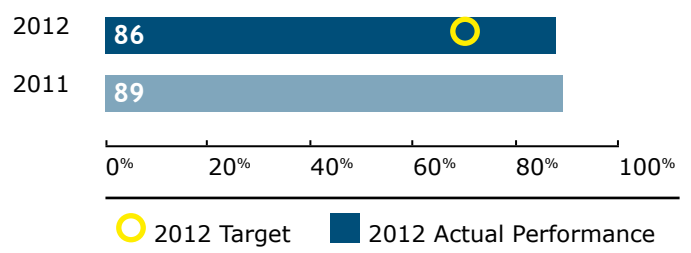
How we measured success	How we did
The number of complaints per month regarding damaged footpaths. Target <3	Achieved WDC received a total of nine complaints. No more than three complaints were received in any one month regarding damaged footpaths.

The roading corridor feels safe to the user.

How we measured success	How we did
Bridge condition is inspected and reported annually. Target 100% achieved	Achieved As per the New Zealand Transport Agency's requirements, a Consultant carries out six yearly detailed reports and two yearly visual reports. Reports have been steadily coming in from the consultant for 2011/12 year.

Traffic services (street lighting, roadside vegetation, road signs, road markings) are visible and accurate.

86% of 407 residents who rated their satisfaction, were satisfied or very satisfied with the road signage and markings, in the 2012 Resident Satisfaction Survey.



How we went against our budget

Cost of Service Statement - Land Transport (\$000's)	2012 BUDGET	2012 ACTUAL	2011 ACTUAL
Operating Income			
Subsidised Roads	5,506	5,599	5,921
Non Subsidised Roads	60	75	70
Total Operating Income	5,566	5,674	5,991
Operating Expenditure			
Subsidised Roads	8,463	9,181	9,016
Non Subsidised Roads	240	276	349
Total Operating Expenditure	8,703	9,457	9,365
Net Operating Cost/(Surplus)	3,137	3,783	3,374
Capital Expenditure			
Subsidised Roads	4,570	3,833	4,268
Non Subsidised Roads	216	70	49
Total Capital Expenditure	4,786	3,903	4,317
Total Expenditure	7,923	7,686	7,691
Funded By			
Loans	647	974	1,681
Reserves	2,212	1,637	1,814
Uniform Annual General Charges	244	244	195
District Wide Rate	2,334	2,340	2,512
Catch Up Rate	2,306	2,312	1,198
Target Services Rate - Rural	18	18	29
Target Services Rate - Urban	162	162	262
Total Funding	7,923	7,686	7,691

Variations to Annual Plan

OPERATING REVENUE

Revenue was \$108,000 more than budget due to additional subsidy revenue being received from NZ Transport Agency (NZTA) for emergency reinstatement work that was required during rain events during the year.

OPERATING EXPENDITURE

Expenditure was \$754,000 more than budget due to additional costs being incurred in emergency reinstatement, environmental maintenance, sealed pavement maintenance and asset management operational expenditure.

Depreciation was also higher than expected as a result of asset additions being accounted for during the year in the months that construction or renewal of the asset occurred. The budgets were prepared on the basis that depreciation charged would commence in June 2012. In addition to this there were also changes in assumptions to the lives of assets compared to the assumptions that were made at the time the budgets were prepared.

This over expenditure was offset by reduced expenditure in routine drainage maintenance and traffic services. There was also a reduction in interest expenditure as a result of lower than expected interest rates.

CAPITAL EXPENDITURE

Capital expenditure was \$883,000 less than budget as the capital expenditure programme was reduced to compensate for the unbudgeted emergency reinstatement work that was completed during the year. Budgets for stock effluent disposal facility, minor improvements, pavement rehabilitation, sealed road surfacing and structures component replacement were not fully utilised.

2.15 Investments

What we do

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

COUNCIL CONTROLLED ORGANISATIONS

Investment in Local Authority Shared Services (LASS)

The Council has an equal share with each of the 12 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 Council as a Council Controlled Trading Organisation.

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

INVESTMENT PROPERTIES

Council Owned Quarries

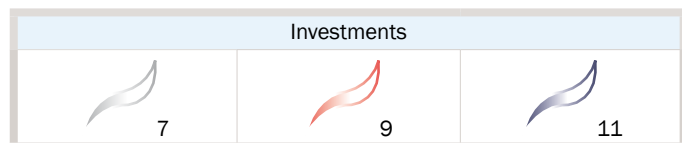
Maintenance and management of Council owned quarries. The Council owns 24 quarries throughout the District of which seven are currently operational. The quarries are a major source of aggregate in support of the Council's substantial road maintenance/construction activities.

Forestry located at Waitomo District Landfill

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

Contribution to Community Outcomes

The Investment Activity contributes to the following Community Outcomes (See section 1.5).



Major Projects in 2011/12

WDC has monitored the performance of its investment share-holding in the Company on an ongoing basis.

WDC's Shareholder Representative Committee has met with the Company Board or its representatives on a regular basis to monitor financial performance and financial forecasts for the Company. The Committee in turn has provided regular verbal reports back to the full Council.

Snapshot of Progress

Investments contribute to economic and social well-being.

How we measured success	How we did
Company performance and future investment in Inframax Construction Limited reviewed on an annual basis.	WDC's Shareholder Representative Committee has met frequently with the company's Board of Directors over the last 12 months and has been monitoring and reviewing the performance and financial forecasts of the company and assessing the value of Council's future investment in the company on an ongoing basis.

How we went against our budget

Cost of Service Statement - Investments (\$'000's)	2012 BUDGET	2012 ACTUAL	2011 ACTUAL
Operating Income			
Inframax Construction Ltd	0	(769)	0
Investment Properties	82	(80)	13
Total Operating Income	82	(849)	13
Operating Expenditure			
Inframax Construction Ltd and LASS	559	591	657
Investment Properties	18	98	38
Total Operating Expenditure	577	688	695
Net Operating Cost/(Surplus)	495	1,537	682
Capital Expenditure			
Investment Properties	0	1,269	0
Total Capital Expenditure	0	1,269	0
Total Expenditure	495	2,806	682
Funded By			
Loans	0	1,269	0
General Rates	179	158	285
Uniform Annual General Charge	270	276	292
Reserves	46	1,103	105
Total Funding	495	2,806	682

Variations to Annual Plan

OPERATING REVENUE

The revaluation loss for the Parkside subdivision of \$118,000 and the write-down of Council's investment in Inframax Construction Ltd of \$800,000 was recognised against revenue for this year. Quarry royalties were also less than budget due to the reduced quarrying undertaken by Inframax Construction Ltd during the year. These reductions in revenue were offset by additional revenue being received from Inframax Construction Ltd for the advance made to the Company during the year and a gain from the sale of one of the Parkside sections.

OPERATING EXPENDITURE

Expenditure for the year was \$111,000 more than budget. Costs incurred in holding and maintaining the Parkside subdivision sections were incurred. These costs were not budgeted for.

CAPITAL EXPENDITURE

In October 2011 Council agreed to purchase the Parkside subdivision from Inframax Construction Ltd. This decision was made after the budgets were prepared and therefore no allowance was made in the budgets for this purchase.

3.0 Financial Statements

3.1 Introduction to the Financial Statements

Financial Statements are produced by the Council to fulfil the requirements of the Local Government Act 2002 and also to communicate its financial performance and position to the ratepayers.

This introduction will give you a guide on how to follow the financial information given in this report.

Ratepayers are welcome to contact the Group Manager - Corporate Services if further assistance or clarification is required.

1. The Statement of Comprehensive Income (page 54) shows all income received including income from Rates, the Significant Activities and Council's subsidiary company.
2. The Statement of Changes in Equity (page 55) discloses movements in total equity.
3. The Balance Sheet (page 56) shows the assets and liabilities of the Council and its subsidiary.
4. The Cash Flow Statement (page 57) summarises the cash flows from operating, investing and financing activities during the year.
5. The "Notes to the Financial Statements" (pages 58 - 99) should be read in conjunction with the above statements.
6. The individual Statements of Cost of Service for Council's Significant Activities (pages 18 - 49) record the revenue and costs associated with the provision of each service.
7. The figures used in the Statements of Cost of Services for Estimated Gross Cost and Actual Gross Cost are extracted from the detailed management accounts.

3.2 Statement of Compliance and Responsibility

RESPONSIBILITY

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

The Council and the Management of WDC 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 WDC, the annual Financial Statements for the year ended 30 June 2012 fairly reflect the financial position and operations of WDC.

COMPLIANCE

The Council and Management of WDC certify that all the statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with, except for those noted in Note 34.



BRIAN HANNA
MAYOR



CHRIS RYAN
CHIEF EXECUTIVE

Dated this 30th day of October 2012.

3.3 Audit Report



INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
WAITOMO DISTRICT COUNCIL AND GROUP'S
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012

The Auditor-General is the auditor of Waitomo District Council (the District Council) and group. The Auditor-General has appointed me, Bruno Dente, using the staff and resources of Deloitte, to carry out the audit of the financial statements, statement of service performance and other information required by schedule 10 of the Local Government Act 2002 (other information) of the District Council and group on her behalf.

We have audited:

- the financial statements of the District Council and group on pages 54 to 99, that comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies, explanatory information and other information required by schedule 10 of the Local Government Act 2002; and
- the statement of service performance of the District Council and group on pages 101 to 125 that includes other information required by schedule 10 of the Local Government Act 2002.

Opinion on the financial statements, statement of service performance and other information

In our opinion:

- The financial statements of the District Council and group on pages 54 to 99:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council and group's financial position as at 30 June 2012; and
 - the results of its operations and cash flows for the year ended on that date.
- The statement of service performance of the District Council and group on 101 to 125:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council and group's levels of service for the year ended 30 June 2012, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term council community plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- The other information of the District Council and group contained in the financial statements and the statement of service performance, complies with the requirements of Schedule 10 of the Local Government Act 2002 applicable to the annual report and fairly reflects the required information.

Our audit was completed on 30 October 2012. This is the date at which our opinion is expressed.

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

Basis of opinion

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

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, statement of service performance and other information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements, statement of service performance and other information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, statement of service performance and other information whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the District Council and group's financial statements, statement of service performance and other information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the financial statements, statement of service performance and other information;
- determining the appropriateness of the reported statement of service performance within the Council's framework for reporting performance; and
- the overall presentation of the financial statements, statement of service performance and other information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, statement of service performance and other information. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and a statement of service performance that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council and group's financial position, financial performance and cash flows;
 - fairly reflect its service performance, including achievements compared to forecast; and
- other information in accordance with Schedule 10 of the Local Government Act 2002 that fairly reflects the required information.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements, statement of service performance and other information that are free from material misstatement, whether due to fraud or error.

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

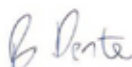
Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements, statement of service performance and other information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the District Council or any of its subsidiaries.



Bruno Dente
Deloitte
On behalf of the Auditor-General
Hamilton, New Zealand

Matters relating to the electronic presentation of the audited financial statements, statement of service performance and the other requirements

This audit report relates to the financial statements, statement of service performance and the other requirements of Waitomo District Council and group for the year ended 30 June 2012 included on Waitomo District Council's website. The Council is responsible for the maintenance and integrity of Waitomo District Council's website. We have not been engaged to report on the integrity of Waitomo District Council's website. We accept no responsibility for any changes that may have occurred to the financial statements, statement of service performance and the other requirements since they were initially presented on the website. The audit report refers only to the financial statements, statement of service performance and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, statement of service performance and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, statement of service performance and the other requirements as well as the related audit report dated 30 October 2012 to confirm the information included in the audited financial statements, statement of service performance and the other requirements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

3.4 Statement of Comprehensive Income for the year ended 30 June 2012

(\$000's)	NOTE	2012 BUDGET COUNCIL	2012 ACTUAL COUNCIL	2011 ACTUAL COUNCIL	2012 ACTUAL GROUP	2011 ACTUAL GROUP
Continuing Operations						
Rates Revenue (including Penalties)	1	15,764	15,668	14,430	15,668	14,430
Other Revenue	2	14,152	11,414	10,442	37,750	36,165
Other Gains/(Losses)	3	13	(887)	19	201	95
Total Revenue and Gains/(Losses)		29,929	26,195	24,891	53,619	50,690
Employee Benefit Expenses	4	2,968	3,256	2,950	13,373	14,998
Depreciation and Amortisation	18, 19	4,528	4,887	4,609	6,241	6,339
Finance Costs	5	2,964	2,536	2,524	3,081	3,135
Other Expenses	6	12,712	12,875	12,757	29,556	28,379
Total Expenditure		23,172	23,554	22,840	52,251	52,851
Surplus/(Deficit) Before Tax		6,757	2,641	2,051	1,368	(2,161)
Income Tax Expense/(Revenue)	7	0	0	0	(22)	1,386
Surplus/(Deficit)		6,757	2,641	2,051	1,390	(3,547)
Other Comprehensive Income						
Revaluation of Property, Plant and Equipment	3, 8	0	18,424	0	18,746	0
Gains/(Losses) from Cash Flow Hedges	8	0	(600)	(101)	(600)	(101)
Income Tax relating to Components of Other Comprehensive Income	7	0	0	0	0	0
Other Comprehensive Income/(Loss) for the Year, Net of Tax		0	17,824	(101)	18,146	(101)
Total Comprehensive Income for the Year, Net of Tax		6,757	20,465	1,950	19,536	(3,648)

These financial statements should be read in conjunction with the notes to the financial statements on pages 58 to 99.

Included in Other Gains/(Losses) is the loss on sale of non current assets held for sale and the impairment loss of non current assets held for sale. Note 3 includes further details of these items.

3.5 Statement of Changes in Equity for the year ended 30 June 2012

(\$000's)	NOTE	2012 ACTUAL COUNCIL	2011 ACTUAL COUNCIL	2012 ACTUAL GROUP	2011 ACTUAL GROUP
Retained Earnings					
Balance at 1 July		190,449	197,598	190,748	203,495
Surplus/(Deficit) for the year		2,641	2,051	1,390	(3,547)
		2,641	2,051	1,390	(3,547)
Transfer to Retained Earnings on Asset Disposal		72	614	72	614
Transfer to Revaluation Reserve Prior Period Adjustment	35	0	0	(49)	0
Prior Period Adjustment	35	0	0	(352)	0
Transfer to Council Created Reserves		(930)	(9,814)	(930)	(9,814)
Balance at 30 June		192,232	190,449	190,879	190,748
Other Reserves					
Council Created Reserves					
Balance at 1 July		3,296	(6,518)	3,296	(6,518)
Transfers from Retained Earnings		930	9,814	930	9,814
		4,226	3,296	4,226	3,296
Available for Sale Reserves					
Balance at 1 July		4	4	4	4
Balance at 30 June		4	4	4	4
Hedging Reserve					
Balance at 1 July		(101)	0	(101)	0
Gains/(Losses) from Cash Flow Hedges		(600)	(101)	(600)	(101)
Balance at 30 June		(701)	(101)	(701)	(101)
Total Other Reserves at 30 June					
		3,529	3,199	3,529	3,199
Revaluation Reserves					
Balance at 1 July		50,265	50,879	51,658	52,272
Revaluation Gains/(Losses)		18,424	0	18,746	0
		18,424	0	18,746	0
Transfer from Retained Earnings Prior Period Adjustment		0	0	49	0
Transfer to Retained Earnings on Asset Disposal		(72)	(614)	(72)	(614)
Balance at 30 June	8	68,617	50,265	70,381	51,658
Total Equity					
Balance at 1 July		243,913	241,963	245,605	249,253
Prior Period Adjustment		0	0	(352)	0
Adjusted Balance at 1 July		243,913	241,963	245,253	249,253
Surplus/(Deficit) for the year		2,641	2,051	1,390	(3,547)
Other Comprehensive Income					
Revaluation of Property, Plant and Equipment		18,424	0	18,746	0
Gains/(Losses) from Cash Flow Hedges		(600)	(101)	(600)	(101)
Total Comprehensive Income		20,465	1,950	19,536	(3,648)
Balance at 30 June		264,378	243,913	264,789	245,605

These financial statements should be read in conjunction with the notes to the financial statements on pages 58 to 99.

3.6 Balance Sheet as at 30 June 2012

(\$000's)	Note	2012 BUDGET COUNCIL	2012 ACTUAL COUNCIL	2011 ACTUAL COUNCIL	2012 ACTUAL GROUP	2011 ACTUAL GROUP
Equity						
Retained Earnings		197,482	192,232	190,449	190,879	190,748
Other Reserves		2,516	3,529	3,199	3,529	3,199
Revaluation Reserve	8	50,911	68,617	50,265	70,381	51,658
Total Equity		250,909	264,378	243,913	264,789	245,605
Current Assets						
Cash and Cash Equivalents	9	794	2,711	5,154	3,024	5,172
Other Financial Assets	10	2	2	2	2	2
Inventories	11	31	26	36	2,738	2,719
Trade and Other Receivables	12	3,416	6,507	5,039	11,090	9,390
Total Current Assets		4,243	9,246	10,231	16,854	17,283
Current Liabilities						
Bank Overdraft (Secured)	15	0	0	0	2,876	3,308
Trade and Other Payables	14	3,361	3,918	3,616	7,293	7,066
Current Portion of Borrowings	15	1,133	14,264	9,831	19,700	16,249
Provisions	16	54	52	51	52	51
Employee Entitlements	17	395	456	456	1,286	1,425
Derivative Financial Instruments	13	0	265	117	388	117
Total Current Liabilities		4,943	18,955	14,071	31,595	28,216
Net Working Capital		(700)	(9,709)	(3,840)	(14,741)	(10,933)
Non Current Assets						
Property, Plant and Equipment	18	295,346	305,353	283,490	312,704	292,861
Intangible Assets	19	0	91	79	91	99
Forestry Assets	20	75	39	39	39	39
Investment Property	21	596	663	627	663	627
Assets Held for Sale	22	0	1,112	0	0	0
Other Financial Assets	10	34	793	32	43	32
Deferred Tax Asset	7	0	0	0	41	18
Derivative Financial Instruments	13	0	46	54	46	54
Total Non Current Assets		296,051	308,097	284,321	313,627	293,730
Non Current Liabilities						
Borrowings	15	43,509	32,741	35,541	32,828	35,825
Employee Entitlements	17	69	59	61	59	102
Provisions	16	864	727	928	727	928
Derivative Financial Instruments	13	0	483	38	483	337
Total Non Current Liabilities		44,442	34,010	36,568	34,097	37,192
Net Assets		250,909	264,378	243,913	264,789	245,605

These financial statements should be read in conjunction with the notes to the financial statements on pages 58 to 99.

3.7 Cashflow Statement for the year ended 30 June 2012

(\$000's)	Note	2012 BUDGET COUNCIL	2012 ACTUAL COUNCIL	2011 ACTUAL COUNCIL	2012 ACTUAL GROUP	2011 ACTUAL GROUP
Cash flows from Operating Activities						
Cash was provided from:						
Rates Revenue (including penalties)		15,528	17,860	15,981	17,860	15,981
Subsidies and Grants		10,462	7,891	6,431	7,891	6,431
Property Rentals		319	363	336	363	336
Petroleum Tax		129	124	92	124	92
Interest from Investments		16	238	3	238	3
Receipts from Other Revenue and Construction Contracts		3,239	1,953	3,028	33,994	34,299
Tax Refunds Received/(Paid)		0	0	0	0	1
		29,693	28,429	25,871	60,470	57,143
Cash was applied to:						
Payments to Suppliers and Employees		15,340	17,179	15,910	49,326	45,866
Elected Members		235	229	224	219	224
Interest Paid on Borrowings		2,964	2,499	2,463	3,044	3,074
GST Received/(Paid) (net)		0	310	200	2,046	1,753
		18,539	20,217	18,797	54,635	50,917
Net Cash Inflow from Operating Activities	25	11,154	8,212	7,074	5,835	6,226
Cash flows from Investing Activities						
Cash was provided from:						
Proceeds from Sale of Property, Plant and Equipment		0	3	43	2,194	487
Proceeds from Sale of Assets Held for Sale		0	52	0	0	0
Repayment from Advance to Community Groups		0	2	2	2	2
		0	57	45	2,196	489
Cash was applied to:						
Purchase and Development of Property, Plant and Equipment		14,595	9,428	9,548	9,922	10,141
Purchase of Assets Held for Sale		0	1,269	0	0	0
Purchase of Intangible Assets		0	37	22	37	22
Renewals of Investment Properties		0	11	11	11	11
Investment in Subsidiary		0	800	0	0	0
Loan Advance to Subsidiary		0	750	0	0	0
Purchase of Other Shares		0	13	0	13	0
		14,595	12,308	9,581	9,983	10,174
Net Cash Inflow from Investing Activities		(14,595)	(12,251)	(9,536)	(7,787)	(9,685)
Cash flows from Financing Activities						
Cash was provided from:						
Proceeds from Borrowings		4,274	16,937	20,362	16,909	20,905
		4,274	16,937	20,362	16,909	20,905
Cash was applied to:						
Repayment of Borrowings		1,133	15,341	13,144	16,673	13,848
		1,133	15,341	13,144	16,673	13,848
Net Cash Inflow from Financing Activities		3,141	1,596	7,218	236	7,057
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		(300)	(2,443)	4,756	(1,716)	3,598
Cash, cash equivalents and bank overdrafts at the beginning of the year		1,094	5,154	398	1,864	(1,734)
Cash, cash equivalents and bank overdrafts at the end of the year		794	2,711	5,154	148	1,864
Balance at end of year represented by:						
Cash at Bank and In Hand		794	666	154	979	172
Term deposits with maturities of less than 3 months		0	2,045	5,000	2,045	5,000
Bank Overdraft		0	0	0	(2,876)	(3,308)
		794	2,711	5,154	148	1,864

These financial statements should be read in conjunction with the notes to the financial statements on pages 58 to 99.

3.8 Notes to the Financial Statements

Statement of Accounting Policies for the year ended 30 June 2012

Reporting Entity

Waitomo District Council is a territorial local authority governed by the Local Government Act 2002. Waitomo District Council Group (the Group) consists of the Waitomo District Council (the Council) and its 100% owned subsidiary, Inframax Construction Limited incorporated in New Zealand, and its subsidiary Independent Roadmarkers Taranaki Ltd (100% owned) incorporated in New Zealand.

The primary objective of the Council is to provide goods or services for the community for social benefit rather than for making a financial return. Accordingly, the Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements are for the year ended 30 June 2012. The financial statements were authorised for issue by the Council on 30 October 2012.

Basis of Preparation

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of the Group is New Zealand dollars.

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

Going Concern

The financial statements of the Group have been prepared on a going concern basis.

Inframax Construction Limited, over the past four years, has been severely impacted by the economic downturn in the roading construction industry. As a result the Company has been experiencing financial difficulties and the balance sheet has continued to deteriorate due to the significant losses incurred. In the 2010/11 financial year Inframax Construction Ltd prepared a recovery plan. WDC has signed a letter of support for the recovery plan.

The going concern assumption is dependant upon the following factors:

- Continued support and lending from Westpac at the level provided at 30 June 2012
- Continued support from the shareholder for the recovery plan and the \$750,000 advance that was made to the Company in November 2011
- Additional support from Westpac by way of a month by month extension of the overdraft facility to 30 June 2013.
- The Company's ability to meet the forecasted performance.

No adjustments other than the write-down/off of assets that were impaired at balance date have been made in the Group financial statements.

The carrying value of assets and liabilities of Inframax Construction Ltd incorporated in the consolidated financial statements at 30 June 2012 is as follows:

Assets	\$13,958,472
Liabilities	\$13,599,856
Net Assets	\$358,616

No post balance date losses or costs have been accrued in the above assets and liabilities.

Standards and Interpretations issued and not yet effective

At the date of authorisation of the financial statements, a number of Standards and Interpretations were in issue but not yet effective.

Application of the following Standards, Amendments and Interpretations is not expected to have a material impact on the financial statement account balances of the Group.

Standard/ Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
NZ IFRS 9 'Financial Instruments	1 January 2015	30 June 2016
*Revised NZ IFRS 9 'Financial Instruments' (2010)	1 January 2015	30 June 2016
Amendments to NZ IAS 12' Income Taxes'- Deferred Tax: Recovery of Underlying Assets	1 January 2012	30 June 2013
NZ IFRS 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
NZ IFRS 11 'Joint Arrangements'	1 January 2013	30 June 2014
NZ IFRS 12 'Disclosure of Interests in Other Entities'	1 January 2013	30 June 2014
NZ IFRS 13 'Fair Value Measurement'	1 January 2013	30 June 2014
NZ IAS 27 'Separate Financial Statements' (revised 2011)	1 January 2013	30 June 2014
NZ IAS 28 'Investments in Associates and Joint Ventures' (revised 2011)	1 January 2013	30 June 2014
Amendments to NZ IAS 1 'Presentation of Financial Statements' - Presentation of Items of Other Comprehensive Income	1 July 2012	30 June 2013
Amendments to NZ IAS 19 'Employee Benefits'	1 January 2013	30 June 2014
Amendments to NZ IFRS 7 Financial Instruments Disclosures - offsetting financial assets and financial liabilities	1 January 2013	30 June 2014
NZ IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013	30 June 2014
Improvements to IFRS: 2009 - 2011 cycle	1 January 2013	30 June 2014
Amendments to NZ IAS 32 Financial Instruments Presentation - offsetting financial assets and financial liabilities	01 January 2014	30 June 2015
Amendments to NZ IFRS 9 and NZ IFRS 7 Mandatory Effective Date and Transition Disclosures	01 January 2015	30 June 2016

*the revised NZ IFRS 9 adds guidance on the classification and measurement of financial liabilities and de-recognition of financial instruments. The effective date remains the same as the previous version of NZ IFRS 9, with earlier adoption permitted.

All other standards and interpretations approved but not yet effective that are not included above are not relevant to the Group.

Basis of Consolidation

The Group's financial statements incorporate the financial statements of the Council and entities controlled by the Council (its subsidiaries). Control is achieved where the Council has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statement of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Council.

Investments in subsidiaries are recorded at fair value in the Council's financial statements.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

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

Rates

Rates are recognised as revenue when rates are levied.

Levies & Charges

Other levies and charges are recognised as revenue when the obligation to pay arises or, in the case of licence fees, upon renewal of the licence.

Other

Other grants, bequests and assets vested in the Group are recognised as revenue when control over the asset is obtained.

Government Grants

Government grants and subsidies are recognised at their fair value when there is reasonable assurance that the conditions associated with the grant approval have been fulfilled. The Group receives government grants from NZ Transport Agency, which subsidises part of the Group's costs of maintaining local roading, and subsidies for water and wastewater projects from Ministry of Health. In addition to this, the Group has also received government grants from the NZ Defence Force for maintaining the RSA section at Te Kuiti Cemetery. The Group also received a government grant from Ministry of Social Development to provide funding to support Youth activities.

Interest

Revenue is recognised using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument.

Rental Income

Rental income arising on property owned by the Group is accounted for on a straight-line basis over the lease term.

Construction Contracts

Revenue from construction contracting services includes revenue from building and civil contracting services. Revenue and expenditure are recognised by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to costs incurred up to balance date as a percentage of the total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the Group's construction activities in general.

Expected losses are recognised immediately as an expense in the profit or loss.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contract costs where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under trade and other payables.

Expenditure

Expenditure is recognised when the Group has been supplied with the service or has control of the goods supplied.

Grant Expenditure

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

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

Borrowing Costs

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

The Group has chosen to defer the application of NZ IAS 23 (revised 2007).

Income Tax

Income tax expense on the surplus or deficit for the period comprises current tax expense and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly to equity, in which case it is recognised in other comprehensive income or directly to equity. Current tax is the amount of income tax payable based on the taxable profit for the current year plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantially enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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

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

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Group can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the tax rates which are expected to apply in the period the liability is settled or asset realised using tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within Borrowings in Current Liabilities on the face of the Balance Sheet.

Inventories

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

The amount of any write down from the loss of service potential or from cost to net realisable value is recognised in profit or loss.

Metal stocks held by Inframax Construction Limited are measured using a standard cost, this cost is based on the average cost of production. This valuation includes

allowance for slow moving or obsolete items. The standard cost approximates actual costs and is reviewed annually and adjusted where necessary to reflect current conditions.

Subdivision property is stated at the lower of cost and net realisable value. Cost comprises development expenditure including engineering costs, direct professional fees, and construction costs relating to establishing utilities as well as related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price of the property less the applicable variable selling expense.

Financial Assets

The Group classifies its financial assets into the following four categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the profit or loss.

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

Financial Assets at Fair Value Through Profit or Loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the profit or loss.

Derivative financial instrument assets are included in this class.

Loans & Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the profit or loss. Loans and receivables are classified as "trade and other receivables" in the Balance Sheet.

Loans made by the Group at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the profit or loss.

A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Held to Maturity Investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the profit or loss.

The Group does not hold any financial assets in this category.

Available for Sale

Available for sale financial assets are those that are not classified in any of the other categories above.

This category encompasses:

Investments that the Group intends to hold long-term but which may be realised before maturity; and Shareholdings that the Group holds for strategic purposes. The Group's investment in Inframax Construction Limited is included in this category.

After initial recognition these investments are measured at their fair value.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated as a separate component of equity in the available-for-sale revaluation reserve with the exception of impairment losses, interest calculated using the effective interest rate and foreign exchange gains and losses on monetary assets, which are recognised directly in profit and loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is reclassified from equity to profit and loss (as a reclassification adjustment).

Impairment of Financial Assets

At each balance sheet date the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the profit or loss.

Derivative Financial Instruments

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the profit or loss.

The Council and group designates certain derivatives as either:

- hedges of highly probable forecast transactions (cash flow hedge).
- derivatives that do not qualify for hedge accounting.

The Council and Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Council and Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedge transactions are highly effective in offsetting changes in fair values or cash flows of hedges items.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedges items is less than 12 months.

Cash flow hedge

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the profit or loss as part of finance costs.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income are classified into the profit or loss in the same period or periods during which the asset acquired or liability assumed affects the profit or loss. However, if it is expected that all or a portion of a loss recognised in other comprehensive income will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the profit or loss.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, any related cumulative gain

or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective is reclassified from equity to the profit or loss.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are immediately in profit or loss.

Payables

Trade payables and other payables are recognised when the Group becomes obligated to make future payments resulting from the purchase of goods or services.

Borrowings

All loans and borrowings are initially recognised at their fair value net of transaction costs.

After initial recognition, all borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Good and Service Tax (GST)

All items in the Statement of Comprehensive Income and Balance Sheet are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The Cash Flow Statement is stated inclusive of GST in accordance with NZ IAS 7.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Balance Sheet. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Provisions

The Group recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

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

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are disclosed as contingent liabilities. The amount of

these contingent liabilities is equal to the loan balances guaranteed.

Landfill Post Closure Costs

The Group has a legal obligation under the resource consents for open and closed landfills to provide ongoing maintenance and monitoring services at the sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure arises.

The provision is a measure based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

Amounts provided for landfill post closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

The discount rate of 6% (2011: 5.04%) is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to Group.

Employee Benefits

Short-Term Benefits

Employee benefits that the Group expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at the rate expected to apply at the time of settlement.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

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

Long-Term Benefits

Retirement Gratuities

Entitlements that are payable beyond twelve months, such as retirement gratuities have been calculated on an actuarial basis. The calculations are based on the likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information, and the present value of estimated future cash flows. A discount rate of 6% (2011: 5.04%) and an inflation rate of 2% (2011: 2%) were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Leases

Finance Leases

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

At the commencement of the lease term, the Group recognises finance leases as assets and liabilities in the Balance Sheet at the lower of the fair value of the leased item or the present value of the minimum lease payments.

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

Operating leases

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

Property, Plant & Equipment

Property, Plant and Equipment have been divided into 3 broad categories.

Operational Assets

Operational assets are tangible assets, able to be dealt with as part of the operating strategy and include land, buildings, furniture and fittings, computer hardware, plant and equipment, library books and motor vehicles.

Infrastructural Assets

Infrastructural assets are the fixed utility systems providing an ongoing service to the community, but are not generally regarded as tradable. They include roads, water reticulation systems, refuse transfer stations, sewerage reticulation systems, stormwater systems, and land under roads.

Restricted Assets

Restricted assets cannot be disposed of because of legal and other restrictions but provide a benefit or service to the community. These are mainly assets associated with reserves vested under the Reserves Act, endowments and other property held in Trust for specific purposes.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the profit or loss. When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and land under roads at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Operational Assets

Operational assets are depreciated on a straight line basis. The estimated useful lives are as follows:

Buildings	5-100 years
Plant and Equipment	2-15 years
Motor Vehicles	5-15 years
Furniture and Fittings	2-5 years
Computers	2-5 years
Library books	3-7 years
Archive books	Not depreciated

Infrastructural Assets

Infrastructural assets are depreciated on a straight line basis. The estimated useful lives are as follows:

Roads

Top surface	2-20 years
Base course	25-120 years
Sub base	25-115 years
	Or not depreciated
Formation and running course	Not depreciated
Culverts – timber and other	40-100 years
Signs	15-30 years
Street Lights and poles	15-60 years
Bridges	70-120 years
Footpath surface and base	18-80 years

Water Reticulation

Pipes, hydrant, valves	30-120 years
Pump station, reservoirs	25-100 years

Sewerage Reticulation

Pipes and manholes	50-120 years
Pump station	15-100 years
Treatment plant	10-80 years

Stormwater Systems

Pipes, cesspits	40-120 years
Flood Control Systems	10-80 years

Refuse Systems

Retaining walls	70-90 years
Drainage	70-75 years
Signs	30 years
Kerb and channelling	30-75 years
Truck wash and weighbridge	28 years

The depreciation rates are applied at a component level and are dependent on the remaining useful life of each component.

Restricted Assets

Restricted assets are depreciated on a straight line basis as follows:

Buildings	5-100 years
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Capital Work in Progress

Capital work in progress is not depreciated. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Revaluation

Those assets that are revalued are valued on a three yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If there is a material difference, then off cycle asset classes are revalued.

Revaluation of Operational Assets

Land and Buildings

An independent valuation of the Council's land and buildings was performed by Darroch Valuations, independent registered valuers, to determine the fair market value of the land and buildings at 30 June 2012. Darroch Valuations are members of the Property Institute of New Zealand and have the appropriate qualifications and recent experience in the valuation of properties within the Waitomo District.

The values of the assets have been considered on a Fair Value basis in accordance with NZ IAS 16 under a highest and best use scenario.

The valuation was prepared with reference to the Property Institute of New Zealand Professional Practice Standard 2009, and in particular International Valuation Application 1 and New Zealand Valuation Guidance Note 1 (effective from 1 October 2009), including changes effective 1 January 2012 to IVS 300 valuations for Financial Reporting.

Land is valued on a fair value basis determined from market based evidence and conditions that prevailed as at 30 June 2012.

All buildings have been valued on either a fair value or depreciated replacement cost basis.

The Total Value for the Waitomo District Council Operational and Restricted Property Portfolio as at 30 June 2012 is reported at:

Improvements Value (30 June 2012) \$9,473,900
Land Value (30 June 2012) \$11,120,400
Total Fair Value (30 June 2012) \$20,594,300

Subsequent additions are at cost less accumulated depreciation.

An independent valuation of the land and buildings held by Inframax Construction Limited (the wholly owned subsidiary of the Waitomo District Council) was carried out on 30 June 2012 by Doyle Valuations Ltd, independent registered valuers, who have the appropriate qualifications and recent experience in the valuation of properties within the Waitomo District.

The fair value at 30 June 2012 was estimated to be \$2,206,500.

Library Books

A valuation of the Council's library books was carried out as at 1 July 2004 by North Langley & Associates, independent registered valuers, to determine the 'Existing Use' value of the library books.

North Langley & Associates are specialist valuers of plant, machinery and equipment (including chattels and infrastructural assets) and have the appropriate qualifications and relevant experience in the valuation of these types of assets.

The valuation was computed in strict accordance with the guidance notes and background papers issued by the International Assets Valuation Standards Committee of which the NZ Institute of Valuers is a member. The value of the library books at 1 July 2004, subject to them having a good and marketable title, free from encumbrances, was determined as \$492,800 (excl GST).

Subsequent additions are at cost less accumulated depreciation.

Revaluation of Infrastructural Assets

Roads

An independent valuation of the Council's roading infrastructure was performed as at 30 June 2012 by Aecom NZ Ltd, independent consulting engineers who have the appropriate qualifications and experience in the valuation of land transport infrastructural assets, to determine the depreciated replacement cost of those assets. The valuation, which conforms to New Zealand Equivalent to International Accounting Standard (NZ IAS) 16 'Property, Plant & Equipment' was determined using the optimised depreciated replacement costs (ODRC) method as described in the NZ Infrastructure Asset Valuation and Depreciation Guidelines – Version 2, 2006.

The total value of Council's roading infrastructure at 30 June 2012 (as determined using the ODRC valuation method) is reported at \$224,659,672.

Sewerage, Water, Stormwater and Solid Waste

A valuation of the Council's water utilities (water, wastewater, stormwater) and solid waste infrastructure was performed by Aecom NZ Ltd, independent consulting engineers who have the appropriate qualifications and experience in valuing community infrastructure, as at 30 June 2012 to determine the depreciated replacement cost of those assets. The valuation, which conforms to New Zealand Equivalent to International Accounting Standard (NZ IAS) 16 'Property, Plant & Equipment' was determined using the optimised depreciated replacement costs (ODRC) method as described in the NZ Infrastructure Asset Valuation and Depreciation Guidelines – Version 2, 2006.

The total value of Council's water utilities and solid waste infrastructure as at 30 June 2012 is reported at:

Asset Class	Optimised Depreciated Replacement Cost @ 30 June 2012
Waste Water Network	\$16,412,332
Water Supply Network	\$13,216,842
Storm Water Network	\$9,449,986
Solid Waste Assets	\$3,317,471

Land

An independent valuation of the Council's infrastructural land was performed by Darroch Valuations, independent registered valuers, to determine the fair market value of the land at 30 June 2012.

Darroch Valuations are members of the Property Institute of New Zealand and have the appropriate qualifications and recent experience in the valuation of properties within the Waitomo District.

The value of the land has been considered on a Fair Market Value basis in accordance with NZ IAS 16 and NZ IAS 40 under a highest and best use scenario.

The valuation was prepared with reference to the Property Institute of New Zealand Professional Practice Standard 2009, and in particular New Zealand Valuation Guidance Note 1 (effective from 1 October 2009), including changes effective 1 January 2012 to IVS 300 valuations for Financial Reporting.

The Total Value for the Waitomo District Council Operational Property Portfolio (Infrastructural Land) as at 30 June 2012 is reported at:

Land Value (30 June 2012)	Total Fair Value (30 June 2012)
\$1,254,500	\$1,254,500

Revaluation of Restricted Assets

Restricted assets cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community. They are principally reserves vested under the Reserves Act. Darroch Valuations (independent Registered Valuers) valued restricted assets on 30 June 2012 at fair value based on market based evidence.

Accounting for Revaluations

The Group accounts for revaluations of property, plant and equipment on a class of asset basis. Any revaluation surpluses and deficits are recognised in the other Comprehensive Income and accumulated as a separate equity in the Revaluation Reserve for that class of asset. Where a revaluation of a class of assets results in a revaluation deficit, and the amount of the deficit is greater than an existing revaluation reserve, the revaluation deficit is recognised in the profit or loss. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the profit or loss will be recognised first in the profit or loss up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Intangible Assets

Software

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The costs associated with maintaining computer software are recognised as an expense as incurred. The costs associated with the development and maintenance of the Group's website are recognised as an expense as incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the profit or loss.

The useful lives and associated amortisation rates for software have been estimated as follows:

Computer software 2 to 5 years 20% to 50%

Forestry Assets

An independent valuation of Council's forestry assets was performed by North Langley and Associates, independent registered valuers, to determine the fair value less estimated point of sale costs at 30 June 2011.

North Langley and Associates are members of the Property Institute of New Zealand and have the appropriate qualifications and recent experience in the valuation for assets of this nature. The valuation, which conforms to

the New Zealand Professional Practice Standard 2006, and in particular International Valuation Application Standard 1 'Valuation for Financial Reporting' and International Valuation Application Standard 3 'Valuation Reporting'.

The fair value less estimated point of sale costs as at 30 June 2011 was \$39,000.

Non-current Assets Held For Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. This condition is regarded as met only when the sale is highly probable and the assets (or disposal group) is available for immediate sale in its present condition and the sale of the asset (or disposal group) is expected to be completed within one year from the date of classification. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the profit or loss. Any increases in fair value less costs to sell are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

An independent valuation of the Group's Assets held for sale was performed by Darroch Valuations, independent registered valuers, to determine the fair market value of the investment properties.

Darroch Valuations are members of the Property Institute of New Zealand and have the appropriate qualifications and recent experience in the valuation of properties within the Waitomo District.

The valuation was prepared with reference to the Property Institute of New Zealand Professional Practice Standard 2009, and in particular New Zealand Valuation Guidance Note 1 (effective from 1 October 2009, including changes that become effective 1 January 2012 to IVS 300 Valuations for Financial Reporting).

Under IVS 300, all valuations must be assessed as at the date of inspection of the property, except where the valuation instructions are to assess the value at a retrospective date. Accordingly, the valuation date is the date of inspection. The valuers considered the use of the valuation for financial reporting at 30 June 2012.

The fair value less costs to sell at 30 June 2012 was \$1,111,732.

Investment in Unlisted Shares

Council has an interest (1.6%) in a Council Controlled Organisation (CCO), Local Authority Shared Services Limited. Council has no significant influences on operational or financial policies.

As this investment is not traded on an active market, and quoted market prices of similar financial assets are not available, the fair value cannot be measured reliably. The investment is therefore measured at cost.

Council has an interest (0.04%) in New Zealand National Mutual Riskpool. Council has no significant influences on operational or financial policies.

As this investment is not traded on an active market, and quoted market prices of similar financial assets are not available, the fair value cannot be measured reliably. The investment is therefore measured at cost.

Investment Property

Investment properties consist of miscellaneous housing properties. Investment properties are held primarily for capital growth, rental or similar income. Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

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

After initial recognition, the Group measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the profit or loss.

An independent valuation of the Council's investment properties was performed by Darroch Valuations, independent registered valuers, to determine the fair market value of the properties at 30 June 2012.

Darroch Valuations are members of the Property Institute of New Zealand and have the appropriate qualifications and recent experience in the valuation of properties within the Waitomo District.

The value of the investment properties has been considered on a Fair Value basis in accordance with NZ IAS 40.

The valuation was prepared with reference to the Property Institute of New Zealand Professional Practice Standard 2009, and in particular New Zealand Valuation Guidance Note 1 (effective from 1 October 2009, including changes that become effective 1 January 2012 to IVS 300 Valuations for Financial Reporting).

The Total Value for the Waitomo District Council Investment Properties as at 30 June 2012 is reported at:

Improvements Value (30 June 2012)	\$356,500
Land Value (30 June 2012)	\$306,000
Total Fair Value (30 June 2012)	\$662,500

Overhead Allocation

All overhead costs have been allocated to significant activities.

Overhead costs are allocated on a pro-rata basis to those activities of Group which are funded by rates.

Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or where there is an indication that the

asset is impaired. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the profit or loss.

For assets not carried at a revalued amount, the total impairment loss is recognised in the profit or loss.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in Profit or loss, a reversal of the impairment loss is also recognised in the profit or loss.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the profit or loss.

Equity

Equity is the community's interest in the Group and is measured as the difference between total assets and total liabilities. Equity is dis-aggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings
- Other reserves
- Asset revaluation reserves

Reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Group. Restricted reserves are those subject to specific conditions accepted as binding by the Group and which may not be revised by the Group without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Group decision. Transfers to and from these reserves are at the discretion of the Group.

Council Created Reserves

Council created reserves are a combination of depreciation reserves and transfers of Surplus or Deficit from operations. The purpose of the reserves is to maintain balances of

funded depreciation for future renewal of assets and to hold revenue streams in separate balances as required by Council.

Available for sale reserves consists of valuation gains associated with Council's investments, classified as Available for Sale.

Hedging reserves comprise the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges. Property revaluation reserves relates to the revaluation of property, plant and equipment to fair value.

Statement of Cash Flows

The Cash Flow Statement is prepared inclusive of GST. For the purpose of the Cash Flow Statement cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Group invests as part of its day-to-day cash management net of bank overdrafts.

Operating activities include cash received from all income sources of the Group and record the cash payments made for the supply of goods and services. Investing activities are those activities relating to the acquisition and disposal of non-current investments.

Financing activities comprise activities that change the equity and debt capital structure of the Group.

Budget Figures

The budget figures are those approved by the Group at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Group for the preparation of the financial statements.

Critical Accounting Estimates and Judgements

In preparing these financial statements the Group has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill Aftercare Provision

Note 16 discloses an analysis of the exposure of the Group in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural Assets

There are a number of assumptions and estimates used when performing discounted replacement cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Group could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by

Group performing a combination of physical inspections and condition modelling assessments of underground assets;

- Estimating any obsolescence or surplus capacity of an asset; and;
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Group could be over or under estimating the annual depreciation charge recognised as an expense in the Profit or loss. To minimise this risk the Group's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Group's asset management planning activities, which gives the Group further assurance over its useful life estimates.

Experienced independent valuers perform the Group's infrastructural asset revaluations. The carrying value of infrastructure assets is disclosed in note 18.

Property, plant and equipment useful lives and residual values

At each balance date the Group reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Group to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Group, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the profit or loss, and carrying amount of the asset in the Balance Sheet. The Group minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programs;
- review of second hand market prices for similar assets; and
- analysis of prior asset sales.

The Group has not made significant changes to past assumptions concerning useful lives and residual values. The carrying amounts of property, plant and equipment are disclosed in note 18.

Estimating Construction Contract Revenue

Assessment of projects on a percentage of completion basis, in particular with regard to accounting for variations, the timing of profit recognition and the amount of profit recognised. The amount recognised in revenue is disclosed in note 2, and the receivable in note 12 and the payable in note 14 and 16.

Valuation of Investment in Inframax Construction Ltd

As a result of the continuing poor performance of Inframax Construction Limited in relation to the breach of its bank covenants, its reliance on the lenders continued financial support and given that it is unlikely that the subsidiary will be in a position to provide a return on Council's investment

in the immediate future, the Council decided to write-down the value of its investment in Inframax Construction Limited to nil in the 2009/10 year. A subsequent equity injection of \$800,000 made in July 2011 was also written down to nil in the 2011/12 year.

Deferred Tax Asset

Recognition

Determining whether or not to recognise a deferred tax asset requires estimation of future cash flows. Any significant deviation from the assumptions used in forecasting future cash flows may effect the carrying value of the asset.

The evidence supporting its recognition and the outstanding balance at balance date is disclosed in Note 7.

Recoverability

It is unlikely the Group will be able to benefit from its deferred tax assets resulting from its accumulated tax losses. As such most of the Group's deferred tax balances, have been written off to profit and loss. In addition to that, Council is unlikely to receive taxable income from which to offset its accumulated tax losses and continues to not recognise a deferred tax asset. The value of losses at 30 June 2012 has been disclosed in Note 7.

Changes in accounting policies

Accounting policies have been consistently applied unless otherwise stated.

Standards, Amendments and Interpretations effective in the current period

Adoption of the other Standards, Interpretations and Amendments has not led to any changes in the Group's accounting policies with measurement or recognition impact on the periods presented in these financial statements.

Standard/Interpretation
Amendments to NZ IAS 24 'Related Party Disclosures'
Amendments to NZ IAS 26 'Accounting and Reporting by Retirement Benefit Plans'
Improvements to New Zealand Equivalents to International Financial Reporting Standards 2010 - Improvements to NZ IFRS 7, NZ IAS 1, NZ IAS 34 and NZ IFRIC 13
Amendments to NZ IFRS 7 'Financial Instruments: Disclosures'
Amendments to NZ IFRS 7 - Appendix E
Amendments to New Zealand Equivalents to International Financial Reporting Standards to Harmonise with International Financial Reporting Standards and Australian Accounting Standards
Amendments to FRS 44 'NZ Additional Disclosures'

The amendments have no effect on the financial statements of the Council and Group.

All other standards, interpretations and amendments effective in the current period are not applicable to the Group and therefore have been excluded from the table above.

The Group has chosen to defer the application of NZ IAS 23 (revised 2007).

1• Rates Revenue

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
General Rates	2,997	3,020	2,997	3,020
Uniform Annual General Charges	2,995	2,974	2,995	2,974
Targeted Rates - Waste Water and Sewerage	1,501	1,318	1,501	1,318
Targeted Rates - Water Supply	1,400	1,338	1,400	1,338
Targeted Rates - Solid Waste	1,102	995	1,102	995
Targeted Rates - Land Transport	4,831	4,001	4,831	4,001
Targeted Rates - Other	672	632	672	632
Rates Penalties	386	347	386	347
Sub Total	15,884	14,625	15,884	14,625
Less Rates paid on Council properties	(216)	(195)	(216)	(195)
Total Rates Revenue	15,668	14,430	15,668	14,430

2• Other Revenue

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Interest Revenue	130	111	102	111
Income from Construction Contracts	0	0	25,972	25,064
NZTA Government Grants	5,461	5,759	5,461	5,759
Ministry of Health Government Grants	2,265	1,187	2,265	1,187
Ministry of Social Development Grants	13	0	13	0
New Zealand Defence Force Grants	1	1	1	1
Energywise Home Insulation Grants	0	11	-	11
Regulatory Revenue	306	303	306	303
Other Revenue	2,875	2,733	3,267	3,392
Property Rentals	354	325	354	325
Rental Income from Investment Properties	9	12	9	12
Total Other Revenue	11,414	10,442	37,750	36,165

Council has entered into an agreement with the Ministry of Health to provide a subsidy for the upgrade of the Te Kuiti Wastewater Plant upgrade. The total approved subsidy available is \$3,650,000. The subsidy is subject to Council receiving resource consent and completing the construction and commissioning of the works before 30 June 2013.

Council entered into an agreement with Ministry of Health for the wastewater reticulation extension at Benneydale. The subsidy was subject to Council obtaining the necessary resource consents and commissioning the works within two years of the date of the funding agreement. The Council has the required resource consent and construction was completed in September 2011.

Council entered into an agreement with the Ministry of Health to provide a subsidy for the construction of the Piopio Wastewater system. The subsidy is subject to Council receiving resource consent and completion of the works within two years of the date of the funding agreement. A variation of the agreement was sought to extend the completion date to 30 June 2012. The Council has obtained the resource consent and construction was substantially completed in June 2012 however there are some remaining minor works to be undertaken and it is expected that these will be completed by September 2012.

In January 2012 Council has entered into an agreement with the Ministry of Health to provide a subsidy for upgrading the Piopio Water treatment plant. The total approved subsidy available is \$316,419. The subsidy is subject to Council obtaining the necessary resource consents and commissioning the works within two years of the date of the funding agreement. The Council has obtained the necessary consents and construction will be completed in September 2012.

In October 2011 Council entered into an agreement with the Ministry of Social Development to provide funding to support the delivery of youth activities, including events and mentoring in lines with the Te Kuiti Social Sector Youth Trials. Due to timing of the agreement, Council has sought an extension of the consent conditions from the Ministry of Social Development to allow for the remaining work to be completed by 31 December 2012.

3• Other Gains/(Losses)

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Gain/(Loss) in Change in Fair Value of Investment Property	25	55	25	55
Gain/(Loss) in Forestry Assets	0	(36)	0	(36)
Gain/(Loss) in change in Fair Value of Available for Sale Non Current Assets	(118)	0	0	0
Impairment Loss on Available for Sale Financial Assets	(800)	0	0	0
Gain/(Loss) on Sale of Available for Sale Non Current Assets	6	0	0	0
Gain/(Loss) on Derivatives	0	0	176	76
Total Other Gains/(Losses)	(887)	19	201	95

In October 2011 Council agreed to purchase the Parkside subdivision from Inframax Construction Ltd at book value. The subdivision was subsequently revalued at 30 June 2012 resulting in loss on valuation of \$118,351. One section was sold resulting in a gain on sale. The remaining 31 sections continue to be actively marketed on a sale by section basis.

4• Employee Benefit Expenses

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Salaries and Wages	3,258	2,873	13,555	15,028
Increase/(Decrease) in Employee Benefit Liabilities	(2)	77	(182)	(30)
Total Employee Benefit Expenses	3,256	2,950	13,373	14,998

5• Finance Costs

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Interest on Bank Borrowings	2,489	2,479	2,990	3,080
Interest on Finance Leases	22	23	66	33
Discount Unwinding on Provision (note 16)	25	22	25	22
Total Finance Costs	2,536	2,524	3,081	3,135

6• Other Expenditure

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Audit Fees for Financial Statements Audit	113	138	228	208
Audit Related Fees for Assurance Related Services	89	0	89	0
Bad Debts Written Off	78	90	199	143
Directors Fees	0	0	106	110
Grants	91	74	91	74
Insurance Expenses	366	214	732	513
Inventories	0	0	3,378	5,236
Impairment on Property, Plant and Equipment	0	0	15	188
(Gain)/Loss on Property, Plant and Equipment	103	420	(837)	440
Impairment of Property held as Trading Stock	0	0	118	0
Cost of Sales held as Trading Stock	0	0	93	40
Lease Expenses	52	74	1,476	1,804
Movement in Provision for Doubtful Debt	251	81	268	111
Remuneration of Elected Members	229	224	229	224
Subscriptions	91	74	108	92
Road Maintenance	4,700	4,807	4,700	4,807
Direct Contract Expenses	0	0	8,210	3,683
Other Expenditure	6,264	6,388	9,905	10,533
Investment Property Expenditure	21	13	21	13
Rates and penalties remissions	427	160	427	160
Total Other Expenditure	12,875	12,757	29,556	28,379

The audit related fees for assurance related services related to the audit of the Long Term Plan 2012-2022 (2011: nil).

7• Tax

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Income tax Recognised in Profit or Loss				
Deferred tax on temporary differences	0	0	(22)	0
Tax Rate Change Adjustment	0	0	0	0
Writedown of Deferred Tax Assets	0	0	0	1,386
	0	0	(22)	1,386
Reconciliation of Accounting Profit/(Loss) before tax and income tax expense				
Surplus/(deficit) before Taxation	2,641	2,051	1,368	(2,161)
Prima facie taxation at 28% (2011: 30%)	739	615	383	(648)
Taxation effect of non deductible expenditure	(823)	(687)	(1,030)	(699)
Non taxable Income	0	0	(22)	0
Effect of future tax rate reduction	0	0	0	0
Impact of building depreciation reduction to 0%	0	0	0	0
Non-Recognition of Benefit of Tax Losses	84	72	647	2,700
Impact of tax losses transferred	0	0	0	10
Under/(over) provided in prior periods	0	0	0	23
Taxation Expense	0	0	(22)	1,386

	DEPRECIATION AND AMORTISATION	EMPLOYEE ENTITLEMENTS	OTHER	TAX LOSSES CARRIED FORWARD	TOTAL DEFERRED TAX ASSET/ (LIABILITY)
Deferred tax balances					
Council					
Council has not recognised any deferred tax assets or liabilities.					
Group 2011					
Opening Balance	(582)	216	250	1,521	1,405
(Charged)/Credited to Profit or Loss	6	0	(7)	0	(1)
Write down of Deferred Tax Asset	588	(209)	(243)	(1,522)	(1,386)
Closing Balance	12	7	0	(1)	18
Group 2012					
(Charged)/Credited to Profit or Loss	8	0	0	15	23
Closing Balance	20	7	0	14	41

Council

Council has accumulated tax losses of \$1,218,000 to 30 June 2012. Accumulated tax losses are available to offset future taxable income, thereby reducing income tax liability. Council is unlikely to benefit from its accumulated tax losses and therefore has not recognised a deferred tax asset for this.

Group

The Group has accumulated tax losses of \$13,861,000 to 30 June 2012. The Group is unlikely to benefit from its accumulated tax losses and therefore has not recognised a deferred tax asset for this. Further to that, the Group is unlikely to benefit from deferred tax balances for other categories and so have substantially written these off last year and continue not to recognise them.

Tax Rule Changes

Last year taxation rules were changed, whereby the NZ corporate tax rate reduced from 30% to 28% and the ability to claim an income tax deduction for building depreciation was removed, both with an effective date of 1 July 2011. The impact on the Group was a write down of its deferred tax asset of \$89,000 for the corporate tax rate change and \$428,000 for building depreciation, both of which were recognised in the year to 30 June 2010.

Imputation Credit Account

	Waitomo District Group	Waitomo District Group
(\$000's)	2012 ACTUAL	2011 ACTUAL
Balance 1 July	3,416	3,416
Closing Balance	3,416	3,416

8• Revaluation Reserves

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Revaluation Reserves				
Balance at 1 July	50,265	50,879	51,658	52,272
Revaluation Gains/(Losses)	18,424	0	18,746	0
Transfers to Retained Earnings on Asset Disposal	(72)	(614)	(72)	(614)
Prior Period Adjustment	0	0	49	0
Balance at 30 June	68,617	50,265	70,381	51,658
This is made up of:				
Operational Land	3,623	3,552	4,020	3,978
Operational Buildings	2,921	1,112	2,969	1,359
Library Books	98	114	98	114
Restricted Land	5,387	5,500	5,387	5,500
Restricted Buildings	706	247	706	247
Infrastructural Land	710	710	710	710
Roading Assets	39,715	27,253	41,064	27,973
Water Reticulation Assets	5,212	2,757	5,212	2,757
Sewerage Reticulation Assets	3,166	3,746	3,166	3,746
Stormwater Reticulation Assets	6,560	5,274	6,560	5,274
Refuse System Assets	489	0	489	0
Total Revaluation Reserves	68,617	50,265	70,381	51,658

9• Cash and Cash Equivalents

(\$000's)	NOTE	Waitomo District Council		Waitomo District Group	
		2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Cash and Cash Equivalents					
Cash at Bank and In Hand		666	154	979	172
Term deposits with maturities of less than 3 months		2,045	5,000	2,045	5,000
Total Cash and Cash Equivalents		2,711	5,154	3,024	5,172
Cash and bank overdrafts include the following for the purposes of the Statement of Cash Flows					
Cash at Bank and In Hand		666	154	979	172
Term deposits with maturities of less than 3 months		2,045	5,000	2,045	5,000
Bank Overdrafts	15	0	0	(2,876)	(3,308)
Total Cash and Cash Equivalents		2,711	5,154	148	1,864

10• Other Financial Assets

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Current				
Loans and Advances	2	2	2	2
Total Current Investments	2	2	2	2
Non Current				
Loans and Advances	773	25	23	25
Shares in Companies	20	7	20	7
Total Non Current Investments	793	32	43	32
Total Investments	795	34	45	34

Shares in Companies

Council is a shareholder in Local Authority Shared Services Ltd (LASS). LASS is jointly owned by 12 local authorities and has been set up to develop shared service initiatives, including a valuation database. Council also holds 16,940 shares in NZ Local Government Insurance Company (2011: 2,470). The investment is recorded at cost because it cannot be measured reliably. Refer to note 26 for further detail.

Shares in Subsidiaries

Council has 100% shareholding in Inframax Construction Ltd (2011:100%). The principal activity of the company is roading. The balance date of the company is 30 June.

In July 2011 Council agreed to introduce \$800,000 of additional equity in the form of an increased shareholding investment to that value. This was paid to the Company in July 2011. As a result of continuing poor performance of Inframax Construction Ltd, its reliance on its lender for continued financial support and given that it is unlikely that the subsidiary will be in a position to provide a return on Council's investment in the immediate future, the Council decided to write-down the value of its investment in Inframax Construction Ltd to nil as at 30 June 2012. This has resulted in an impairment loss of \$800,000 being recorded in the current year (2011: nil). The impairment loss has been recorded in Other Gains/(Losses) in the profit and loss. Refer to Note 3 for details.

11• Inventories

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Subdivision Property	0	0	1,112	1,316
Metal Stockpiles and Landfill Stock	11	14	1,486	1,230
Fuels, Spares and Consumables	15	22	140	173
Total Inventories	26	36	2,738	2,719

The Group through its subsidiary completed a subdivision in Te Kuiti (Parkside subdivision). Titles were made available in September 2008. An impairment loss of \$369,726 was incurred by the Group in 2009. No impairment was recorded for the Group in 2010 and 2011.

As part of the recovery plan for Council's subsidiary, Council purchased the subdivision in November 2011 for book value \$1,269,158. An independent valuation was undertaken at 30 June 2012 and this resulted in an impairment loss of \$118,351. The impairment note has been recognised in Other Gains/(Losses) in Note 3.

In Council's accounts, the Parkside subdivision is recognised as an asset held for sale in note 22. For the purposes of the Group accounts the Parkside subdivision has been reclassified as inventories and the impairment loss has been reclassified as an impairment of Property held as Trading Stock in Note 6.

12• Trade and Other Receivables

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Construction Contracts Accrued Income	0	0	28	0
Rates Receivables *	3,029	2,719	3,029	2,719
Related Party Receivables	13	55	0	0
General Debtors	4,496	2,987	8,111	6,330
Amounts due from Customers for Contract Work	0	0	569	649
Retentions Receivable	0	0	353	366
Prepayments	32	90	156	213
	7,570	5,851	12,246	10,277
Provision for Doubtful Debts	(1,063)	(812)	(1,156)	(887)
Total Trade and Other Receivables	6,507	5,039	11,090	9,390

* Included in the rates receivable figure is an amount of \$859,941 (2011: \$745,217) relating to rates penalties.

Impairment

As of 30 June 2012 and 2011, all overdue receivables, have been assessed for impairment and appropriate provisions applied. The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The status of receivables at 30 June 2012 and 2011 for both Council and Group are detailed below:

	Waitomo District Council		Waitomo District Group	
(\$000's)	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Gross Receivables				
Current	4,911	4,106	8,567	7,837
Past due 1-30 days	52	13	52	11
Past due 31-60 days	21	5	765	461
Past due 61-90 days	671	1	715	33
Past due > 90 days	1,883	1,636	1,991	1,722
Total Gross Receivables	7,538	5,761	12,090	10,064
Impairment of Receivables				
Current	(271)	(3)	(271)	(3)
Past due 1-30 days	(1)	(9)	(1)	(9)
Past due 31-60 days	(1)	0	(1)	0
Past due 61-90 days	(1)	(1)	(1)	(1)
Past due > 90 days	(789)	(799)	(882)	(874)
Total Impairment of Receivables	(1,063)	(812)	(1,156)	(887)
Net Receivables				
Current	4,640	4,103	8,296	7,834
Past due 1-30 days	51	4	51	2
Past due 31-60 days	20	5	764	461
Past due 61-90 days	670	0	714	32
Past due > 90 days	1,094	837	1,109	848
Total Net Receivables	6,475	4,949	10,934	9,177
Plus Prepayments	32	90	156	213
Total Trade and Other Receivables	6,507	5,039	11,090	9,390
Individual Impairment	1,063	62	1,156	137
Collective Impairment	0	750	0	750
Total Provision for Impairment	1,063	812	1,156	887
Current	271	3	271	3
Past due 1-30 days	1	9	1	9
Past due 31-60 days	1	0	1	0
Past due 61-90 days	1	1	1	1
Past due > 90 days	789	49	882	124
Total Individual Impairment	1,063	62	1,156	137
Balance at 1 July	(812)	(731)	(887)	(746)
Additional provisions made during the year	(329)	(171)	(421)	(246)
Receivables written off during the period	78	90	152	105
Balance at 30 June	(1,063)	(812)	(1,156)	(887)

* Rates receivable for the current year have been categorised as current.

13• Derivative Financial Instruments

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Non Current Asset Portion				
Interest rate swaps - cash flow hedges	46	54	46	54
Interest rate swaps - held for trading	0	0	0	0
Total Derivative Financial Instrument Assets	46	54	46	54
Current Liability Portion				
Interest rate swaps - cash flow hedges	265	117	388	117
Non Current Liability Portion				
Interest rate swaps - cash flow hedges	483	38	483	38
Total Derivative Financial Instrument Liability	748	155	871	454

Interest Rate Swaps

The fair value of interest rate swaps held by Council has been determined by calculating the expected cashflows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

The full fair value of interest rate swaps held by the Group, other than Council are classified as a non-current asset or liability if the remaining maturity of the derivative is more than 12 months and is a current asset or liability if the maturity of the derivative is less than 12 months.

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$33,500,000 (2011: \$8,500,000) and for the Group were \$37,256,000 (2011: \$12,256,000). At 30 June 2012, the fixed interest rates of cash flow hedge interest rate swaps varied from 3.49% to 4.36% for the Council (2011: 4.03% to 4.36%) and 3.49% to 8.29% (2011: 4.03% to 8.29%) for the Group.

Gains and Losses for swap contracts qualifying as being effective as cash flow hedges under hedge accounting are recognised in the hedging reserve in equity on interest rate swap contracts as at 30 June 2012 and will be released to the surplus or deficit as interest is paid on the underlying debt. Gains and losses for swap contracts that do not qualify as being effective under hedge accounting are recognised in profit or loss.

The Council and Group currently has no fair value hedges.

14• Trade and Other Payables

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Trade Payables	3,095	2,016	6,190	6,282
Related Party Payables	56	988	0	0
Deposits and Bonds	105	102	105	102
Retention Monies	385	263	385	263
Revenue in Advance	267	239	267	239
Councillors and Directors Fees Payable	10	8	10	18
Amounts due to Customers for Contract Work	0	0	336	162
Total Trade and Other Payables	3,918	3,616	7,293	7,066

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

15• Borrowings

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Bank Overdraft	0	0	2,876	3,308
Current				
Secured Loans	14,208	9,781	19,453	16,089
Lease Liabilities	56	50	247	160
Total Current	14,264	9,831	19,700	16,249
Non Current				
Secured Loans	31,847	35,500	31,847	35,581
Unsecured Loans	750	-	750	-
Lease Liabilities	144	41	231	244
Total Non Current	32,741	35,541	32,828	35,825
Total Borrowings	47,005	45,372	52,528	52,074

Council

The Council has a wholesale advance facility which has a limit of \$26,797,000 (2011: \$5,000,000). There was \$15,810,000 (2011: \$3,097,000) available on this facility as at 30 June 2012.

Security

Council borrowings are secured over annual rates on every rateable property within the Waitomo District.

On the 6 August 2010 a Debenture Trust Deed was executed, whereby security in the form of a charge over rates revenue is held by a trustee for the benefit of Council's lenders. Prior to that security was offered by way of Deed of Charge in favour of Council's bank who was Council's sole lender at the time.

At 30 June 2012 the total amount of Stock issued and outstanding under the Debenture Trust Deed was;

(\$000's)	Waitomo District Council	Waitomo District Group
	2012 ACTUAL	2011 ACTUAL
Debenture Stock	23,500	18,500
Security Stock*	45,000	45,000
Total Stock Issued	68,500	63,500

*Security Stock issued is a general security instrument issued to Westpac Banking Corporation Limited for security for a number of Wholesale Term Loans, Wholesale Advance Facility and Interest Rate Swap contracts. The principal money owing under the Security Stock were Wholesale Term Loans \$11,350,000 (2011: \$24,697,000), a Call Advance of \$2,640,000 (2011: \$1,903,000) and Term Advances of \$8,347,000 (2011: Nil). The total borrowings outstanding are less than the security held by the bank under the Security Stock.

Group

In 2011 the current portion of secured loans for the Group was made up of the Council loans noted above and bank loans issued to Inframax Construction Limited and Independent Roadmarkers Limited. As part of Inframax Construction Limited's security arrangements with Westpac, Inframax Construction Limited is required to meet the banks covenant requirements on a quarterly basis. In the prior year, Inframax Construction Limited was in breach of its banking covenants. Accordingly, the interest bearing borrowings for Inframax Construction Limited was reclassified as current loans pursuant to NZ IFRS (NZ IAS 1). The carrying value of non-current loans reclassified to current borrowings is \$nil (2011: \$6,227,297). Both Westpac and the Board of Directors of Inframax Construction Limited were aware of the breaches.

At 30 June 2011, Inframax Construction Ltd had a multi option credit line facility of \$3,250,000 (2011: \$3,750,000) of which \$nil (2011: \$442,502) was available at 30 June 2012. The multi option credit line facility matures on 30 June 2013.

Security

The overdraft facility and loans of Inframax Construction Ltd are secured by way of debenture over the assets of the business.

The repayment terms for borrowings are:	Waitomo District Council		Waitomo District Group	
(\$000's)	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Repayment Terms				
Payable in less than 1 year	14,264	9,831	19,700	16,249
Payable in 1-2 years	14,310	17,038	14,397	17,229
Payable in 2-5 years	18,431	18,503	18,431	18,596
Total	47,005	45,372	52,528	52,074

Analysis of Finance Lease Liabilities	Waitomo District Council		Waitomo District Group	
(\$000's)	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Total Minimum Lease Payments Payable				
Not later than one year	77	63	293	207
Later than one year and not later than five years	166	45	258	271
Present Value of Minimum Lease Payments	243	108	551	478
Future Finance Charges	(43)	(17)	(73)	(74)
Present Value of Minimum Lease Payments	200	91	478	404
Not later than 1 year	56	50	247	160
Later than 1 Year but not more than 5 years	144	41	231	244
Present Value of Minimum Lease Payments	200	91	478	404
Lease liabilities				
Weighted average interest rates	10.56%	11.53%	10.56%	11.53%

Variations from/Changes to the Policy on Liability Management

Council's Policy on Liability Management provides the parameters under which it will manage its public debt and other borrowings. There have been no significant variations or changes to the policy during the year.

16• Provisions

Provision for Landfill Aftercare

Council owns the Rangitoto Landfill as well as a number of closed landfill sites. The closed landfill sites are located at Te Kuiti, Mokau, Piopio, Aria and Benneydale. Council has closure and post closure responsibilities for these landfills. The responsibility for closed landfills consists of obligations imposed under the resource consents issued. Non compliance with these consents may lead to prosecution under the Resource Management Act.

Closure responsibilities include final cover application and vegetation, completing facilities for leachate collection, water quality and gas monitoring.

Post-closure responsibilities include leachate, water and gas monitoring and remedial measures such as ongoing site maintenance for drainage systems, final cover and vegetation.

The Rangitoto Landfill has a remaining capacity of 137,336 cubic metres. The estimated remaining life of the landfill is 24 years. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 6% (2011: 5.04%).

Provision for Contract Rework

A provision for contract rework is recognised for certain contracts where either the work is not finished or that the work has not been completed to a satisfactory level. The provision is recognised in the Statement of Comprehensive Income within Other Expenditure.

Provision for Riskpool Insurance Calls

Council is a member of RiskPool. RiskPool is a mutual fund created and owned by local authorities to provide long term, affordable legal and professional liability protection. The purpose of RiskPool is to replace conventional Public Liability and Professional Indemnity insurance products with discretionary mutual fund to provide protection from risk.

RiskPool has been under financial pressure as a result of the leaky building issue, where Councils and RiskPool have found themselves as respondents to legal claims from property owners. Council has been advised that the Board of RiskPool will be making a call on member Councils for a shortfall in the mutual pool's funds and therefore Council has provided for a future call which will be called for \$37,000 subsequent to balance date, leaving an expected remaining call of \$37,000 to be paid during the 2013/14 financial year.

	Waitomo District Council		Waitomo District Group	
(\$000's)	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Provision for Landfill Aftercare				
Balance at 1 July	905	797	905	797
Additional Provisions made during the year	0	100	0	100
Amounts used during the year	(15)	(14)	(15)	(14)
Discount unwinding	25	22	25	22
Unused amounts reversed	(210)	0	(210)	0
Balance at 30 June	705	905	705	905
Provision for Riskpool Insurance Liability				
Balance at 1 July	74	74	74	74
Additional Provisions made during the year	37	0	37	0
Amounts used during the year	(37)	0	(37)	0
Balance at 30 June	74	74	74	74
Provision for Restructuring				
Balance at 1 July	0	0	0	6
Amounts used during the year	0	0	0	(6)
Balance at 30 June	0	0	0	0
Total Provisions	779	979	779	979
This is made up of:				
Current	52	51	52	51
Non Current	727	928	727	928
Total Provisions	779	979	779	979

Provision for Restructuring

A provision for restructuring was recognised in the prior year for employee redundancy costs associated with the restructuring in the Wanganui region that had been determined as at 30 June 2010. These payments were made during the month of July 2010. There was no provision for restructuring at 30 June 2011 and 30 June 2012.

17• Employee Entitlements

	Waitomo District Council		Waitomo District Group	
(\$000's)	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Accrued Pay	121	121	446	484
Annual, Long Service and Sick Leave	327	312	790	918
Gratuities and Retirement Provision	67	84	109	125
Total Employee Entitlements	515	517	1,345	1,527
This is made up of:				
Current	456	456	1,244	1,425
Non Current	59	61	101	102
Total Employee Entitlements	515	517	1,345	1,527

18• Property, Plant and Equipment

Council 2012	Cost/ Revaluation 01.07.11	Acc Depn & Impairment Charges 01.07.11	Carrying Value 01.07.11	Current Year Additions	Current Year Disposals	Reclassifica- tion	Current Year Depreciation	Revaluation Gain/(Loss)	Cost/ Revaluation 30.06.12	Acc Depn & Impairment Charges 30.06.12	Carrying Value 30.06.12
\$000's											
Operational Assets											
Land	4,613	0	4,613	0	0	(30)	0	100	4,683	0	4,683
Buildings	5,152	720	4,432	27	(1)	(25)	367	1,809	6,964	1,087	5,877
Plant and equipment	223	106	117	5	(1)	0	8	0	229	114	115
Motor Vehicles	660	442	218	110	4	0	121	0	766	563	203
Furniture and fittings	1,125	933	192	21	0	0	43	0	1,146	976	170
Computers	1,528	1,443	85	86	0	0	36	0	1,614	1,479	135
Library Books	817	592	225	55	3	0	59	0	869	651	218
"Finance leases - office equipment"	501	420	81	218	37	0	68	0	682	488	194
Total Operational Assets	14,619	4,656	9,963	522	42	(55)	702	1,909	16,953	5,358	11,595
Restricted Assets											
Land	6,553	0	6,553	0	1	(2)	0	(112)	6,438	0	6,438
Buildings	3,378	361	3,017	236	1	57	174	460	4,130	535	3,595
Total Restricted Assets	9,931	361	9,570	236	2	55	174	348	10,568	535	10,033
Infrastructural Assets											
Land	1,256	0	1,256	0	0	0	0	0	1,256	0	1,256
Buildings	0	0	0	0	0	0	0	0	0	0	0
Roads	217,308	5,357	211,951	3,608	59	0	2,953	12,112	232,969	8,310	224,659
Water Reticulation	11,460	470	10,990	90	2	0	244	2,384	13,932	714	13,218
Sewerage Reticulation	13,154	626	12,528	4,529	0	0	474	(174)	17,509	1,100	16,409
Stormwater Systems	8,471	310	8,161	85	0	0	155	1,359	9,915	465	9,450
Refuse Systems	3,678	253	3,425	8	184	0	160	486	3,988	413	3,575
Land under Roads	9,883	0	9,883	0	0	0	0	0	9,883	0	9,883
Total Infrastructural Assets	265,210	7,016	258,194	8,320	245	0	3,986	16,167	289,452	11,002	278,450
Contract Work in Progress	5,763	0	5,763	(481)	7	0	0	0	5,275	0	5,275
Total Council Assets	295,523	12,033	283,490	8,597	296	0	4,862	18,424	322,248	16,895	305,353

Council 2011	Cost/ Revaluation 01.07.10	Acc Depn & Impairment Charges 01.07.10	Carrying Value 01.07.10	Current Year Additions	Current Year Disposals	Reclassifica- tion	Current Year Depreciation	Revaluation Gain/(Loss)	Cost/ Revaluation 30.06.11	Acc Depn & Impairment Charges 30.06.11	Carrying Value 30.06.11
Operational Assets											
Land	4,624	0	4,624	0	0	(11)	0	0	4,613	0	4,613
Buildings	4,978	357	4,621	194	31	11	363	0	5,152	720	4,432
Plant and equipment	113	99	14	110	0	0	7	0	223	106	117
Motor Vehicles	624	334	290	73	37	0	108	0	660	442	218
Furniture and fittings	1,069	891	178	56	0	0	42	0	1,125	933	192
Computers	1,473	1,416	57	55	0	0	27	0	1,528	1,443	85
Library Books	748	542	206	69	0	0	50	0	817	592	225
"Finance leases - office equipment"	501	347	154	0	0	0	73	0	501	420	81
Total Operational Assets	14,130	3,986	10,144	557	68	0	670	0	14,619	4,656	9,963
Restricted Assets											
Land	6,553	0	6,553	0	0	0	0	0	6,553	0	6,553
Buildings	3,222	183	3,039	184	28	0	178	0	3,378	361	3,017
Total Restricted Assets	9,775	183	9,592	184	28	0	178	0	9,931	361	9,570
Infrastructural Assets											
Land	1,256	0	1,256	0	0	0	0	0	1,256	0	1,256
Roads	213,222	2,491	210,731	4,146	60	0	2,866	0	217,308	5,357	211,951
Water Reticulation	11,398	231	11,167	125	63	0	239	0	11,460	470	10,990
Sewerage Reticulation	12,700	290	12,410	646	192	0	336	0	13,154	626	12,528
Stormwater Systems	8,435	155	8,280	36	0	0	155	0	8,471	310	8,161
Refuse Systems	3,066	108	2,958	612	0	0	145	0	3,678	253	3,425
Land under Roads	9,883	0	9,883	0	0	0	0	0	9,883	0	9,883
Total Infrastructural Assets	259,960	3,275	256,685	5,565	315	0	3,741	0	265,210	7,016	258,194
Contract Work in Progress	3,874	0	3,874	1,898	9	0	0	0	5,763	0	5,763
Total Council Assets	287,739	7,444	280,295	8,204	420	0	4,589	0	295,523	12,033	283,490

Group 2012	Cost/ Revaluation 30.06.11	Acc Depn & Impairment Charges 30.06.11	Carrying Value 30.06.11	Current Year Additions	Current Year Disposals	Reclassification/ Prior Period Adjustment (NOTE 35)	Current Year Depreciation	Revaluation Gain/(Loss)	Cost/ Revaluation 30.06.12	Acc Depn & Impairment Charges 30.06.12	Carrying Value 30.06.12
Operational Assets											
Land	5,226	0	5,226	0	0	(30)	0	41	5,237	0	5,237
Buildings	7,354	892	6,462	27	3	(25)	441	1,560	8,913	1,333	7,580
Plant and equipment	223	106	117	5	(1)	0	8	0	229	114	115
Motor Vehicles	21,975	14,566	7,409	441	934	(349)	1,315	0	21,133	15,881	5,252
Furniture and fittings	1,864	1,573	291	34	0	(3)	108	0	1,895	1,681	214
Computers	1,528	1,443	85	86	0	0	36	0	1,614	1,479	135
Library Books	817	592	225	55	3	0	59	0	869	651	218
"Finance leases - office equipment"	501	420	81	218	37	0	68	0	682	488	194
Total Operational Assets	39,488	19,592	19,896	866	976	(407)	2,035	1,601	40,572	21,627	18,945
Restricted Assets											
Land	6,553	0	6,553	0	1	(2)	0	(112)	6,438	0	6,438
Buildings	3,378	361	3,017	236	1	57	174	460	4,130	535	3,595
Total Restricted Assets	9,931	361	9,570	236	2	55	174	348	10,568	535	10,033
Infrastructural Assets											
Land	1,256	0	1,256	0	0	0	0	0	1,256	0	1,256
Buildings	0	0	0	0	0	0	0	0	0	0	0
Roads	216,746	5,357	211,389	3,541	59	0	2,953	12,742	232,970	8,310	224,660
Water Reticulation	11,460	470	10,990	90	2	0	244	2,384	13,932	714	13,218
Sewerage Reticulation	13,154	626	12,528	4,529	0	0	474	(174)	17,509	1,100	16,409
Stormwater Systems	8,471	310	8,161	85	0	0	155	1,359	9,915	465	9,450
Refuse Systems	3,678	253	3,425	8	184	0	160	486	3,988	413	3,575
Land under Roads	9,883	0	9,883	0	0	0	0	0	9,883	0	9,883
Total Infrastructural Assets	264,648	7,016	257,632	8,253	245	0	3,986	16,797	289,453	11,002	278,451
Contract Work in Progress	5,763	0	5,763	(481)	7	0	0	0	5,275	0	5,275
Total Council Assets	319,830	26,969	292,861	8,874	1,230	(352)	6,195	18,746	345,868	33,164	312,704

Group 2011	Cost/ Revaluation 01.07.10	Acc Depn & Impairment Charges 01.07.10	Carrying Value 01.07.10	Current Year Additions	Current Year Disposals	Reclassifica- tion	Current Year Depreciation & Impair- ment	Revaluation Gain/(Loss)	Cost/ Revaluation 30.06.11	Acc Depn & Impairment Charges 30.06.11	Carrying Value 30.06.11
Operational Assets											
Land	5,237	0	5,237	0	0	(11)	0	0	5,226	0	5,226
Buildings	7,187	454	6,733	198	35	4	438	0	7,354	892	6,462
Plant and equipment	113	99	14	110	0	0	7	0	223	106	117
Motor Vehicles	21,549	12,734	8,815	479	53	0	1,832	0	21,975	14,566	7,409
Furniture and fittings	1,792	1,442	350	65	0	7	131	0	1,864	1,573	291
Computers	1,473	1,416	57	55	0	0	27	0	1,528	1,443	85
Library Books	748	542	206	69	0	0	50	0	817	592	225
"Finance leases - office equipment"	501	347	154	0	0	0	73	0	501	420	81
Total Operational Assets	38,600	17,033	21,566	976	88	0	2,558	0	39,488	19,592	19,896
Restricted Assets											
Land	6,553	0	6,553	0	0	0	0	0	6,553	0	6,553
Buildings	3,222	183	3,039	184	28	0	178	0	3,378	361	3,017
Total Restricted Assets	9,775	183	9,592	184	28	0	178	0	9,931	361	9,570
Infrastructural Assets											
Land	1,256	0	1,256	0	0	0	0	0	1,256	0	1,256
Roads	212,942	2,491	210,451	3,864	60	0	2,866	0	216,746	5,357	211,389
Water Reticulation	11,398	231	11,167	125	63	0	239	0	11,460	470	10,990
Sewerage Reticulation	12,700	290	12,410	646	192	0	336	0	13,154	626	12,528
Stormwater Systems	8,435	155	8,280	36	0	0	155	0	8,471	310	8,161
Refuse Systems	3,066	108	2,958	612	0	0	145	0	3,678	253	3,425
Land under Roads	9,883	0	9,883	0	0	0	0	0	9,883	0	9,883
Total Infrastructural Assets	259,680	3,275	256,405	5,283	315	0	3,741	0	264,648	7,016	257,632
Contract Work in Progress	3,874	0	3,874	1,898	9	0	0	0	5,763	0	5,763
Total Council Assets	311,929	20,493	291,435	8,341	440	0	6,477	0	319,830	26,969	292,861

Fair Value (Council)

The Council considers the valuations, as currently reflected in the Council and Group's financial statements, to be the fair value of land and buildings.

Fair Value (Inframax Construction Ltd)

The Company considers the valuations, as currently reflected in the Group's financial statements, to be the fair value of land and buildings. Land and buildings were revalued at 30 June 2012 by Doyle Valuations Ltd.

There are no items or property, plant and equipment that are not in current use.

19• Intangible Assets

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Software				
Cost				
Balance at 1 July	696	674	1,361	1,339
Additions	37	22	37	22
Balance at 30 June	733	696	1,398	1,361
Accumulated Amortisation				
Balance at 1 July	617	597	1,262	1,212
Amortisation expense for the year	25	20	45	50
Balance at 30 June	642	617	1,307	1,262
Net Book Value at 30 June	91	79	91	99
Carrying Book Value				
Software	91	79	91	99
Total Carrying Value at 30 June	91	79	91	99

20• Forestry Assets

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Balance at 1 July	39	75	39	75
"Gains/(Losses) due to change in fair value less estimated point of sale costs"	0	(36)	0	(36)
Balance at 30 June	39	39	39	39

The Council owns 15.7 hectares of pinus radiata which mature in 15 years. No forests have been harvested during the year (2011: Nil).

An independent valuation of Council's forestry assets was performed by North Langley and Associates, independent registered valuers, to determine the fair value less estimated point of sale costs at 30 June 2011.

North Langley and Associates are members of the Property Institute of New Zealand and have the appropriate qualifications and recent experience in the valuation for assets of this nature. The valuation, which conforms to the New Zealand Professional Practice Standard 2006, and in particular International Valuation Application Standard 1 'Valuation for Financial Reporting' and International Valuation Application Standard 3 'Valuation Reporting'.

The Council is exposed to financial risks arising from changes in timber prices. The Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. The Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

21• Investment Property

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Balance at 1 July	627	564	627	564
Additions	11	11	11	11
Gains/(Losses) due to change in Fair Value	25	55	25	55
Disposals	0	(3)	0	(3)
Balance at 30 June	663	627	663	627

An independent valuation of the Group's investment properties was performed by Darroch Valuations, independent registered valuers, to determine the fair market value of the investment properties.

Darroch Valuations are members of the Property Institute of New Zealand and have the appropriate qualifications and recent experience in the valuation of properties within the Waitomo District.

The valuation was prepared with reference to the Property Institute of New Zealand Professional Practice Standard 2009, and in particular New Zealand Valuation Guidance Note 1 (effective from 1 October 2009, including changes that become effective 1 January 2012 to IVS 300 Valuations for Financial Reporting).

Under IVS 300, all valuations must be assessed as at the date of inspection of the property, except where the valuation instructions are to assess the value at a retrospective date. Accordingly, the valuation date is the date of inspection. The valuers considered the use of the valuation for financial reporting at 30 June 2012.

22• Asset held for sale

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Balance at 1 July	0	0	0	0
Additions	1,269	0	0	0
Disposals	(39)	0	0	0
Gains/(Losses) due to change in Fair Value	(118)	0	0	0
Balance at 30 June	1,112	0	0	0

In October 2011 Council agreed to purchase the Parkside subdivision from Inframax Construction Ltd at book value. The subdivision was subsequently revalued at 30 June 2012 resulting in loss on valuation of \$118,351. One section was sold resulting in a gain on sale. The remaining 31 sections continue to be actively marketed on a sale by section basis.

An independent valuation of the Group's Assets held for sale was performed by Darroch Valuations, independent registered valuers, to determine the fair market value of the investment properties.

Darroch Valuations are members of the Property Institute of New Zealand and have the appropriate qualifications and recent experience in the valuation of properties within the Waitomo District.

The valuation was prepared with reference to the Property Institute of New Zealand Professional Practice Standard 2009, and in particular New Zealand Valuation Guidance Note 1 (effective from 1 October 2009, including changes that become effective 1 January 2012 to IVS 300 Valuations for Financial Reporting).

Under IVS 300, all valuations must be assessed as at the date of inspection of the property, except where the valuation instructions are to assess the value at a retrospective date. Accordingly, the valuation date is the date of inspection. The valuers considered the use of the valuation for financial reporting at 30 June 2012.

23• Capital Commitments and Operating Leases

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Commitments for capital contracted by not provided for:				
Capital Expenditure	3,388	1,045	3,388	1,045
Non Cancellable Operating Leases as Lessee				
Not later than one year	56	50	247	160
Later than one year but not later than five years	144	41	231	244
Later than five years	0	0	0	0
Total Non Cancellable Operating Leases	200	91	478	404
Operational Commitments				
Not later than one year	7,155	3,846	8,003	5,134
Later than one year but not later than five years	11,221	5,849	12,558	7,909
Later than five years	0	990	522	1,753
Total Operational Commitments	18,376	10,685	21,083	14,796
Total Commitments	21,964	11,821	24,949	16,245

24• Contingencies

Council

In respect of the mining licence for McKenzies Quarry, Council has provided the Ministry of Commerce with a land reinstatement bond of \$10,700 (2011: \$10,700), in lieu of a cash deposit.

Council is a shareholder in Local Authority Shared Services Ltd. LASS is jointly owned by 12 local authorities and has been set up to develop shared service initiatives, including a valuation database. There is uncalled capital of \$34,221 (2011: \$34,221) that Council may be required to pay if called. Council considers it unlikely that it will be called upon for the capital and therefore have not provided for this claim.

Council has provided in its provisions amounts for calls for New Zealand National Mutual Riskpool of which Council a member of (Note 16). It is possible further calls may be demanded of Council in the future. The timing and amount of further calls is currently unknown.

Group

A contingent liability of \$1,348,851 exists at 30 June 2012 (2011: \$1,385,439) being bonds guaranteed by Westpac New Zealand Ltd and will be payable if the Group cannot fulfil its contractual obligations.

Provision for Financial Guarantees

The Council is listed as sole guarantor to a community organisation's bank loan for a total of \$70,000 (2011: \$70,000). The Council is obligated under the guarantee to make loan payments in the event the organisation defaults on a loan arrangement. The exercising of guarantees will be dependent on the financial stability of the community organisations, which will vary over time. Council considers it unlikely that the group will default on the loan arrangement and therefore have not provided for this guarantee.

25• Operating Cash Flow Reconciliation

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Net Surplus/(Deficit) After Tax	2,641	2,051	1,390	(3,547)
Add/(Less) Non Cash Items				
Depreciation and Amortisation	4,887	4,609	6,240	6,339
Gain in change of fair value of Investment Property	(25)	(55)	(25)	(55)
Impairment loss on Available for Sale Financial Assets	800	0	0	0
Loss on Revaluation of Forestry Assets	0	36	0	36
Loss/(Gain) on Disposal of Assets or Impairment of Assets	221	420	(704)	628
Change in Unrealised Derivative Financial Instrument	0	0	(175)	(76)
Change in Deferred Taxation Asset/Liability	0	0	(23)	1,387
Add/(Less) Movements in Working Capital Items				
Increase/(Decrease) in Trade and Other Payables	177	428	351	1,149
(Increase)/Decrease in Trade and Other Receivables	(1,524)	(2,079)	(1,644)	(1,819)
(Increase)/Decrease in Inventories	10	(5)	(19)	616
Increase/(Decrease) in Employee Entitlements	(2)	77	(182)	(30)
Increase/(Decrease) in Provisions	(200)	108	(200)	102
Add/(Less) Items Classified as Investing or Financing Activities	1,227	1,484	826	1,496
Net Cash Flows from Operating Activities	8,212	7,074	5,835	6,226

26• Capital Expenditure

(\$000's)	NOTE	Waitomo District Council		
		2012 BUDGET	2012 ACTUAL	2011 ACTUAL
Capital by Significant Activity				
Leadership		434	467	172
Community Facilities		594	259	684
Community Development		0	0	2
Solid Waste Management		147	5	407
Stormwater		24	85	36
Sewerage		7,418	3,318	2,383
Water Supply		1,193	608	236
Land Transport		4,786	3,903	4,317
Investments		0	1,269	0
Total Capital Expenditure		14,596	9,914	8,237
Shown as Additions to				
Property, plant and equipment	18	14,596	8,597	8,204
Intangible assets	19	0	37	22
Investment Property	21	0	11	11
Assets held for sale	22	0	1,269	0
Total Capital Expenditure		14,596	9,914	8,237
Funded by				
Loans		3,739	2,818	2,211
Subsidy Revenue		7,884	3,685	3,685
Reserves		2,973	3,411	2,341
Total		14,596	9,914	8,237

Summary of Significant Capital Additions and Replacements

Activity (Total spend in \$000's)	Description	Budget \$000's	Actual Expenditure \$000's		
			Additional demand	Improve performance	Replace existing asset
Leadership (Total Spend \$467)	Replacement of failed air conditioner and renewal of existing office equipment, vehicles and computer equipment to meet organisational need.	\$434			\$467
Community Facilities (Total Spend \$259)	Refurbishment of Te Waitere Wharf which has reached the end of its life.	\$0			\$46
	Stage One of the Arts and Cultural Centre refurbishment and renewal.	\$99			\$53
	Heating and filtration upgrade at Te Kuiti Swimming pool to ensure efficient operation of the facilities.	\$349			\$105
	Library book stock renewal to maintain the standard of books available at the library.	\$67			\$55
	Purchase Cemetery Land for continued provision of burial services.	\$80			
Solid Waste (Total spend \$5)	Safety improvements at Waitomo District Landfill and improvements to ensure operational efficiency and support waste minimisation targets.	\$105		\$5	
	Complete upgrades at the rural transfer stations.	\$42			
Stormwater (Total spend \$85)	Ongoing renewals of Council stormwater infrastructure for the management of rain water runoff for the protection of properties.	\$24			\$85
Sewerage (Total spend \$3,318)	Te Kuiti Wastewater Treatment Plant resource consent and upgrade. Upgrade the existing plant to increase the plant performance to achieve discharge consent compliance.	\$5,985		\$2,468	
	New pump and pipeline at Te Waitere to provide sewerage disposal services to properties with failing septic tank systems.	\$183			
	Establish a wetlands soakage field and renew and extend the reticulation network in Benneydale to allow a significant number of the community to connect to the scheme.	\$23		\$111	
	Construction of a new wastewater scheme for Piopio residents to resolve public health and environmental issues for low lying properties in the township.	\$1,104	677		\$27
	Ongoing renewals of Council sewerage infrastructure assets including pipes pump stations and treatment plants.	\$124			\$36
Water (Total spend \$608)	Mokau dam upgrade and raw water storage to ensure that the dam structure meets new building compliance standards and to improve security of supply.	\$1,153		\$52	
	Te Kuiti Water Treatment Plant Upgrade Design to meet Drinking Water Standards.	\$0		\$61	
	Piopio Water Treatment Plant Upgrade to meet Drinking Water Standards	\$0		\$391	
	Various pipe and plant renewals to maintain the reticulation system.	\$40			\$104
Roads (Total spend \$3,903)	Sealed road surfacing - ##km of reseal across the district to improve the smoothness of the road surface where the existing surface has deteriorated beyond normal capacity.	\$1,280			\$1,162
	Pavement rehabilitation carried out to reduce future road maintenance costs.	\$918			\$966
	Stock Effluent Disposal Facility to improve the environment of and around the roads network.	\$160			
	Unsealed road metalling to renew structural support to unsealed roads district wide.	\$593			\$466
	Emergency reinstatement to repair damage to roads as a result of bad weather events.	\$240			\$238
	Drainage renewals to renew culverts in road network.	\$394			\$561
	Minor improvements including several areas of guard rails and alignment of roads to improve road safety.	\$384		\$96	
	Traffic services renewals to improve road safety through additional signage district wide and installation of new and replacement street lights.	\$270			\$175
	Structures components replacement including construction of a new deck on Bridge 204 Ramaroa Rd to improve the safety of the bridges through the district.	\$331			\$232
	Other minor road renewals of footpaths, retaining wall replacement and other structures, that is not eligible for NZTA subsidy.	\$66			\$70
	Other minor road improvements of footpaths, retaining walls and other structures that is not eligible for NZTA subsidy.	\$100			
Road corridor land changes	\$50				
Investments (Total spend \$9,978)	Purchase of Parkside Subdivision Sections to assist in improving the performance of Councils investment activity.	\$0		\$1,269	
		\$14,598	\$677	\$4,453	\$4,846

Refer to Section 1.0 for commentary on Significant Variation to Budget.

27• Financial Instruments

	Waitomo District Council		Waitomo District Group	
(\$000's)	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
The accounting policies for financial instruments have been applied to the line items below:				
Financial Instrument Categories				
Financial Assets				
Fair Value through Profit and Loss - held for trading				
Derivative Financial Instrument Assets	46	54	46	54
Loans and Receivables				
Cash and Cash Equivalents	2,711	5,154	3,024	5,172
Trade and Other Receivables	6,475	5,039	10,934	9,390
Loans and Advances - Current	2	2	2	2
Loans and Advance - Non Current	773	25	23	25
Total Loans and Receivables	9,961	10,220	13,983	14,589
Available for Sale				
Shares in Companies	20	7	20	7
Shares in Subsidiaries	0	0	0	0
Total Available for Sale	20	7	20	7
Financial Liabilities				
Fair Value through Profit and Loss - held for trading				
Derivative Financial Instrument Liabilities	748	155	871	454
Financial Liabilities at Amortised Cost				
Trade and Other Payables	3,918	3,616	7,293	7,066
Bank Overdraft	0	0	2,876	3,308
Secured Loans - Current	14,208	9,781	19,453	16,088
Secured Loans - Non Current	31,847	35,500	31,847	35,581
Unsecured Loans - Non Current	750	0	750	0
Lease Liabilities - Current	56	50	247	160
Lease Liabilities - Non Current	144	41	231	244
Total Financial Liabilities at Amortised Cost	50,923	48,988	62,697	62,447

Inframax Construction Limited continued its poor financial performance and remained in breach of its banking covenants. Refer to Note 31, the facts noted here have not given cause for Council to revise the valuation of its investment in its subsidiary from the nil written down value it made in 30 June 2010.

Credit Risk

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

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

The Group also minimises credit risk by limiting investments to registered banks, local government stock and other entities with a Standard and Poor's credit rating no less than AA-.

Maximum Exposure to Credit Risk

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

	Waitomo District Council		Waitomo District Group	
(\$000's)	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Cash and Cash Equivalents	2,711	5,154	3,024	5,172
Trade and Other Receivables	6,475	5,039	10,934	9,390
Loans and Advances	775	27	25	27
Total Credit Risk	9,961	10,220	13,983	14,589

Credit Quality of Financial Assets

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

	Waitomo District Council		Waitomo District Group	
(\$000's)	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Counterparties with Credit Ratings:				
Cash and Cash Equivalents				
AA	0	5,154	0	5,172
AA-	2,711	0	3,024	0
Derivative Financial Instrument Assets				
AA	0	54	0	54
AA-	46	0	46	0
Counterparties without Credit Ratings:				
Other Financial Assets - Loans and Advances				
Existing counterparty with no defaults in the past	25	27	25	27
Existing counterparty with defaults in the past	750	0	0	0

Trade and other receivables mainly arise from Group's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings.

The Group has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and the Council has a range of powers under the Local Government (Rating) Act 2002 to recover outstanding debts from the ratepayers, the property mortgagee and/or through property sales.

Liquidity Risk

Management of Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The Group aims to maintain flexibility in funding by keeping committed credit lines available. The Group manages its borrowings in accordance with its funding and financial policies. These policies have been adopted as part of the Council's Long Term Plan.

Contractual Maturity Analysis of Financial Liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows:

	Effective Interest Rates %	Carrying Amount	Contractual Cashflows \$000's	Less than 1 Year \$000's	1 - 2 Years \$000's	2 - 5 Years \$000's
Council 2012						
Trade and other payables	0.00%	3,918	3,918	3,918	0	0
Bank Overdraft	0.00%	0	0	0	0	0
Secured Loans - Current	5.88%	14,208	14,637	11,886	111	2,640
Secured Loans - Non-current	5.16%	31,847	35,778	1,643	14,698	19,437
Unsecured Loans - Non-current	7.30%	750	827	55	772	0
Lease Liabilities - Current & Non-current	10.56%	200	243	77	73	93
Derivative Financial Instruments	0.00%	702	722	268	262	192
Total		51,625	56,125	17,847	15,916	22,362
Group 2012						
Trade and other payables	0.00%	7,243	7,243	7,243	0	0
Bank Overdraft	5.18%	2,876	3,025	3,025	0	0
Secured Loans - Current	5.73%	19,452	20,150	17,399	111	2,640
Secured Loans - Non-current	5.16%	31,847	35,778	1,643	14,698	19,437
Unsecured Loans - Non-current	7.30%	750	827	55	772	0
Lease Liabilities - Current & Non-current	12.04%	479	551	293	154	104
Derivative Financial Instruments	0.00%	825	845	391	262	192
Total		63,472	68,419	30,049	15,997	22,373
Council 2011						
Trade and other payables	0.00%	3,616	3,616	3,616	0	0
Secured Loans - Current	5.12%	9,781	9,939	9,939	0	0
Secured Loans - Non-current	5.55%	35,500	39,303	1,969	18,046	19,288
Lease Liabilities - Current & Non-current	11.53%	91	108	63	42	3
Derivative Financial Instruments	0.00%	155	96	119	39	(62)
Total		49,143	53,062	15,706	18,127	19,229
Group 2011						
Trade and other payables	0.00%	7,066	7,066	7,066	0	0
Bank Overdraft	5.55%	3,308	3,308	3,308	0	0
Secured Loans - Current	5.20%	16,089	16,190	16,190	0	0
Secured Loans - Non-current	5.52%	35,581	39,392	1,977	18,127	19,288
Lease Liabilities - Current & Non-current	12.75%	404	478	207	250	21
Derivative Financial Instruments	0.00%	454	423	322	163	(62)
Total		62,902	66,857	29,070	18,540	19,247

Sensitivity Analysis

The table below illustrates, the potential profit and loss impact for reasonably possible market movements, with all other variables held constant, based on Group's financial instrument exposures at balance date. The impact on Equity is the same as, the profit and loss impact below except for cashflow hedges which only have an impact on equity. A movement of 50bps (basis points), which is 0.50% and represents managements assessment of the reasonably possible change in interest rates:

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Interest Rate Risk				
Market Interest Rates increase by 50bps	(67)	(68)	(95)	(96)
Market Interest Rates decrease by 50bps	67	68	95	96

The sensitivity analysis is prepared assuming the amount of liability outstanding at balance date was outstanding for the whole year.

Explanation of Sensitivity Analysis - Council

Council has floating rate debt with a principal amount totalling \$13,447,000 (2011: \$13,650,000). A movement in interest rates of plus or minus 50bps would result in a movement of \$67,000 (2011: \$68,000). A movement in market interest rates on fixed debt does not have any impact because secured loans are accounted for at amortised cost using the effective interest method.

Explanation of Sensitivity Analysis - Group

Group has floating rate debt with a principal amount totalling \$19,003,800 (2011: \$19,200,000). A movement in interest rates of plus or minus 50bps would result in a movement of \$95,000 (2011: \$96,000). A movement in market interest rates on fixed debt does not have any impact because secured loans are accounted for at amortised cost using the effective interest method.

Fair Value

The carrying value of cash and cash equivalents, trade and other receivables, loans, advances, current borrowings, bank overdraft and trade and other payables approximates their fair value. The fair value of non-current portion of borrowings of Council is \$33.13 million (2011: \$36.14 million) and for the Group \$33.22 million (2011: \$36.49 million).

Council holds a small shareholding interest in NZ Local Government Insurance Corporation Limited and Local Authority Shared Services Limited, of which it has no intention of disposing of. The fair value of these unlisted companies cannot be disclosed because their fair value cannot be reliably measured, due to a lack of an active market and lack of appropriate projected cash flow and revenue stream information for these securities.

The assumptions for fair value of non-current portion of bank borrowing (bank term loans) is based on yields in the secondary market for Government Bonds for 2,5 and 10 year maturities plus Council's bank customer margin (interest rate margin) quoted at or near balance date. Fair value of the non-current portion of Floating Rate Notes is based on mark to market valuations based on the inter-bank interest rate yield curve at balance date.

Fair Value Measurement

The table below provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(\$000's)	Level 1	Level 2	Level 3	Total
Council 2012				
Financial Assets at FVTPL				
Derivative Financial Instruments Assets	0	46	0	46
Available-for-sale financial assets				
Shares in Companies	0	0	20	20
	0	46	20	66
Financial Liabilities at FVTPL				
Derivative Financial Instrument Liabilities	0	748	0	748
	0	748	0	748
Group 2012				
Financial Assets at FVTPL				
Derivative Financial Instrument Assets	0	46	0	46
Available-for-sale financial assets				
Shares in Companies	0	0	20	20
	0	46	20	66
Financial Liabilities at FVTPL				
Derivative Financial Instrument Liabilities	0	871	0	871
	0	871	0	871
Council 2011				
Financial Assets at FVTPL				
Derivative Financial Instrument Assets	0	54	0	54
Available-for-sale financial assets				
Shares in Subsidiaries	0	0	7	7
	0	54	7	61
Financial Liabilities at FVTPL				
Derivative Financial Instrument Liabilities	0	155	0	155
	0	155	0	155
Group 2011				
Financial Assets at FVTPL				
Derivative Financial Instrument Assets	0	54	0	54
Available-for-sale financial assets				
Shares in Companies	0	0	7	7
	0	54	7	61
Financial Liabilities at FVTPL				
Derivative Financial Instrument Liabilities	0	454	0	454
	0	454	0	454

Recognition of Level 3 fair value measurements of financial assets

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Balance at 1 July	7	7	7	7
Purchases of Shares	813	0	13	0
Impairment loss recognised in profit or loss	(800)	0	0	0
Balance at 30 June	20	7	20	7

28• Related Party Transactions

The Council is the ultimate parent of the Group. Related parties include its subsidiary Inframax Construction Ltd and Inframax's subsidiary Independent Roadmarkers Taranaki Ltd, the Council's investment in Local Authority Shared Services Ltd and NZ Local Government Insurance Company.

Council

Council has a 100% shareholding in Inframax Construction Ltd. The following related party transactions are included in Council's financial statements.

(\$000's)	Waitomo District Council	
	2012 ACTUAL	2011 ACTUAL
Transactions with Inframax Construction Ltd		
Road construction and maintenance expenditure	1,730	7,419
Other revenue	79	167
Interest on Advance	31	0
Sale of Parkside Subdivision	1,269	0
Balances Outstanding with Inframax Construction Ltd		
Creditors	56	988
Debtors	13	55
Advance	750	0

Inframax Construction Limited

The Company paid plant hire fees of \$27,720 (2011: \$22,210) to R & M Simpson Contracting, a business owned by R Simpson, an employee of the Company. There was \$5,095 owing at year end (2011: \$1,812).

Remuneration of the Chief Executive (Council)

In the 2011/12 financial year the total remuneration paid to the Council's Chief Executive was \$216,147 (2011: \$207,645).

Elected Representatives

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Mayor Hanna	68	56	68	56
Deputy Mayor Goddard	34	23	34	23
Councillor Hickey	25	27	25	27
Councillor Whitaker	25	18	25	18
Councillor Digby	26	19	26	19
Councillor Brodie	26	19	26	19
Councillor Te Kanawa	25	18	25	18
Mayor Ammon (up to Oct 2010 Elections)	0	19	0	19
Councillor Keeling (up to Oct 2010 Elections)	0	8	0	8
Councillor Ryan (up to Oct 2010 Elections)	0	7	0	7
Councillor Smith (up to Oct 2010 Elections)	0	10	0	10
Directors Fees	0	0	106	110
Total Elected Members Remuneration and Directors Fees	229	224	335	334

Key Management Personnel

(\$000's)	Waitomo District Council		Waitomo District Group	
	2012 ACTUAL	2011 ACTUAL	2012 ACTUAL	2011 ACTUAL
Short Term Employee Benefits	1,018	1,019	1,386	1,486
Post Employment Benefits	0	0	0	0
Other Long Term Benefits	0	0	0	0
Termination Benefits	0	15	0	15
Share Based Payments	0	0	0	0
Total Payments made to Key Management Personnel	1,018	1,034	1,386	1,501

Council's key management personnel include the Mayor, Councillors, Chief Executive and other senior management personnel.

The Group's key management personnel include the Mayor, Councillors, Chief Executive and other senior management personnel and the Directors and executive staff of Inframax Construction Ltd.

There were no other related party transactions during the year (2011: Nil).

29• Construction Contracts

Waitomo District Group

(\$000's)	NOTE	2012 ACTUAL	2011 ACTUAL
Recognised Contract Profits		3,771	1,865
Retentions		366	366
Progress Billings		(3,523)	(1,378)
Contracts in Progress at 30 June		614	853
Amounts Due from Customers	12	569	649
Retentions Receivable	12	353	366
Amounts due to Customers	14	(336)	(162)
Construction Contract Accrued Income	12	28	0
Contracts in Progress at 30 June		614	853

30• Severance payments

Council

There were no severance payments made during the year (2011: \$15,000).

Group

The Company made payments to eleven former employees in respect of termination of employment totalling \$110,635 (2011: \$47,900).

31• Capital Management

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

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

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

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. And the Act set out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the Revenue and Financing policies in the Council's LTCCP.

Council has the following council created reserves:

- Operational reserves are held for short term funding surpluses (or deficits) that arise from the various activities of Council.
- Depreciation reserves are held from accumulated funds from rates to fund repayments of loans raised for capital expenditure and to maintain the service capacity and integrity of assets throughout their useful lives.
- Investment revaluation reserves are held from the periodical review of the value of its investment property. These valuation movements do not form part of the revaluation reserve shown in the equity section of the balance sheet.
- Special purpose reserves are held when Council has been donated funds that are restricted for particular purposes.

32• Events after balance date

On 5 September 2012, Council agreed to extend the Refuse and Recycling contract with Envirowaste for another two years. The new contract expiry date is 1 September 2014. The total value of committed expenditure relating to the extension is \$660,493.

33• Explanations of Variances to Budget (Council)

Revenue was \$3,734,000 less than budgets due to:

- Rates revenue was \$207,000 less than budget due to the actual rates revenue excluding rates paid on Council properties. The budget figure includes the rates revenue paid on Council property.
- Additional rates penalties of \$76,000 were received due to a higher level of rates arrears than anticipated at the time the budgets were set.
- A total of \$3,107,000 of budgeted subsidies not being received due to delays in the water and wastewater capital projects and a reduced roads capital expenditure programme, partly offset by \$383,000 of subsidies received for water and wastewater capital projects and youth development that were not budgeted for.
- The impairment loss of \$118,000 on the Parkside subdivision and the loss on valuation of the investment in Inframax Construction Ltd of \$800,000 have been recognised in Other Gains/(Losses). These items were not included in the budgets.

Expenditure was \$382,000 more than budget due to:

- Additional depreciation expenses of \$359,000 being charged. Road assets that were constructed during the year incurred a higher depreciation expense in the budgets. The budgets were prepared on the basis that the assets would be completed in June 2012. In addition to this there were also changes in assumptions to the lives of assets compared to the assumptions that were made at the time the budgets were prepared.
- Additional employee benefit expenses of \$288,000 were incurred due to changes in the resourcing requirements of the organisation that occurred during the year.
- Finance costs were \$428,000 less than budget due to unplanned economic conditions resulting in lower interest rates than what was used in the budget preparation.
- Other expenditure was \$163,000 more than budget. Additional road expenditure was incurred for emergency reinstatement, environmental maintenance, sealed pavement maintenance and asset management operational expenditure. Additional expenditure was incurred in the processing of rates and rates penalty remissions on Māori Freehold land. Unbudgeted expenditure was also incurred in holding and maintaining the Parkside subdivision. These costs were offset by reduced expenditure incurred for parks and property maintenance and lower than anticipated operating costs for the landfill.

Balance sheet

Council's total equity was \$13,469,000 more than budget. The significant part of this was due to the increase in revaluation reserve that was not included in the budget preparation. This increase was partially offset by the lower than expected surplus than what was budgeted.

Current assets were \$5,003,000 more than budget. Loans were raised in anticipation of the capital works program which was delayed, these additional funds were invested in short term investments which increased the cash and cash equivalents at year end. Trade and Other Receivables was also higher than anticipated due to the subsidies that were receivable at 30 June 2012.

Current liabilities were \$14,012,000 more than budget due to terms loans being refinanced using the wholesale advance facility which are recognised as current borrowings.

Non current assets were \$12,046,000 more than budget due to the revaluation of assets at 30 June and the purchase of Parkside subdivision which were not included in the budgets.

Non current liabilities were \$10,432,000 less than budgets as a greater portion of borrowings was anticipated to be non current when the budgets were prepared however term loans were refinanced using the wholesale advance facility which is recognised as a current liability.

34• Compliance with Legislation

Council

In 2011 Waitomo District Council breached their statutory deadline of 31 October 2011 as required by the Local Government Act 2002, section 98 (3). This was due to the delay in receiving Inframax Construction Ltd's financial statements within the statutory timeframe. Further to this, delays were experienced in receiving the Company's recovery plan and supporting information to enable WDC to make an informed decision about further funding injections to the Company.

Group

Inframax Construction breached Section 69 of the Local Government Act 2002 which requires consolidated financial statements and Section 9 (1) of Schedule 8 which requires the Statement of Corporate Intent to be prepared on a Group basis.

In 2011 breaches of the Local Government Act 2002 are noted for the Group:

Section 69 as Inframax Construction Limited did not prepare consolidated financial statements;

Section 9 (1) of Schedule 8 as the 2010/11 Statement of Intent for Inframax Construction Limited was not prepared on a group basis;

Section 66 as the 31 December 2010 half year accounts prepared did not include information required by the company's statement of intent for Inframax Construction Limited and Independent Roadmarkers Taranaki Limited;

Schedule 8, Clause 7 as the Statement of Intent was not made publicly available within one month after the date it was delivered to the shareholders or adopted as the case may be for Inframax Construction Limited and Independent Roadmarkers Taranaki Limited; and

Section 67(1) as audited accounts were not delivered to the shareholder within three months of balance date and the 2009/2010 audit accounts were not made available to the public for Inframax Construction Limited and Independent Roadmarkers Taranaki Limited; and

Schedule 8, Clause 2 which requires delivery of the draft Statement of Intent to the Shareholders before 1 March each year for Independent Roadmarkers Taranaki Limited.

35• Prior period adjustment

Two adjustments were required in the Group's prior period results.

The first transaction involved was the de-recognition of the deferred tax asset. This transaction was recorded in its entirety as part of retained earnings however a portion (\$49,515) should have been recorded in the revaluation reserve as it related to fixed asset revaluations. This has been corrected in the current period Statement of Changes in Equity.

The second transaction was to correct the Group Property, plant and equipment balance. In the prior year the Group's Motor Vehicles and Furniture and Fittings was overstated and other expenditure was understated by \$352,000.

4.0 Inframax Construction Limited

4.1 Inframax Construction Ltd - Statement of Performance Measures: Year ended 30 June 2012

The results achieved compare with the performance criteria contained in the Statement of Corporate Intent as follows:

Financial Performance

	Statement of Corporate Intent	Actual Achievement
Return on net assets	1%	(179%)
Equity ratio	20%	7%
Dividend and Subvention Payment	0	0

The Return on net assets ratio is the ratio of net profit before tax (after adding back subvention payments) expressed as a percentage of average net assets.

The Equity ratio is the ratio of average shareholder's funds expressed as a percentage of average total assets.

Average assets and average shareholder's funds are based on 30 June 2011 and 30 June 2012 figures.

Non-financial Performance

	Statement of Corporate Intent	Actual Achievement
Lost time injury accident (LTIA) rate	0.00	5.90

The Lost time injury accident rate is a measurement of the effectiveness of the Company's health and safety policies. It is calculated as the number of lost time injury accidents per million hours worked.

An LTIA rate of zero was achieved until February 2011 when an accident occurred. The Company is focussed on achieving a zero lost time injury rate.

4.2 Inframax Construction Ltd - Statement of Comprehensive Income: Year ended 30 June 2012

	2012 Actual \$000's	2011 Actual \$000's
Total Revenue	29,010	32,779
Total Expenditure (including Depreciation and Interest)	30,942	37,096
Subvention Payment	0	0
Net Profit/(Loss) Before Tax	(1,932)	(4,317)
Company Tax/(Credit)	0	1,385
Net Profit/(Loss) After Tax	(1,932)	(5,702)

5.0 Groups of Activity Performance

5.1 Introduction

This section contains our Statements of Service Performance and detailed commentary about what we did in our 11 Significant Activities.

We set out the Levels of Service we aim to reach, the performance measure targets for the 2011/12 year as well as our actual results for the year.

The measures have targets based on the results achieved in Year 3 of the 2009-19 Long Term Plan. The performance measures used are either customer or technical focussed.

Technical focussed performance measures are based on best practice industry standards. The customer focussed measures come primarily from our own Service Request results, or our annual Resident Satisfaction Survey.

5.2 Requests for Service performance measures

The Council has a Service Request system to manage and track all requests that members of the public make for various Council services.

These requests are received by Customer Services Staff and after hours via Councils' Service Request System.

Each activity area has a range of specifications each with their own timeframe for when Council is required to respond to and/or resolve the request.

These requests range from urgent matters that must be resolved within hours to ongoing requests that can take much longer depending on work plans and budgets.

5.3 Survey Information

Every year the Waitomo District Council undertakes a survey of its residents to find out what they think about the services and facilities provided by Council.

The Resident Satisfaction Survey is a telephone survey of some 407 residents and was undertaken in July/ August 2012. The Survey measures: residents' satisfaction with key services provided by Council; satisfaction with a range of attributes regarding roads; residents' perceptions of safety in the District; residents' awareness and rating of Council publications; and residents' satisfaction with Council on a range of performance measures. The residents are asked whether they are very satisfied, satisfied, dissatisfied or very dissatisfied with the level of service provided by Council.

This is a subjective judgement based on the individual's own interpretation of satisfaction. The Survey is designed to be fully representative of the Districts' wards. Areas were grouped to ensure all areas of the District are represented. The Survey has a margin of error plus or minus 4.86%.

The number of 'don't know' responses included in this year's survey report signifies to Council, that a review of the method for measuring resident satisfaction with Council services and performance is now required. Therefore WDC intends to review the method used for measuring resident's satisfaction in 2012/13.

5.4 Commentary

We have provided additional information on those targets we have not achieved by including a Summary of Service Performance.

The Summary is intended to provide an insight into the challenges WDC faced in its endeavours to achieve its' strategic goals and what plans have been made to improve the performance result going forward.

A Key has been added to the Statement of Service Performance tables on the following page.

Note: Only the Statements that have had explanations included in the Summary of Service Performance, have keys. The keys link the Performance result to the related explanation.



Leadership

Strategic Goal 1: To exercise good stewardship and leadership in ensuring that community and stakeholders' views on key issues are considered as part of decision making processes.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
Decision making in compliance with provisions of the Local Government Act 2002.	Number of challenges to the process for decision-making. Target 0 (No Challenges)	Achieved No challenges to date.	(a)
Consultation is in accordance with the Special Consultative Procedure outlined in LGA 2002.	Number of challenges to the decision making process. Target 0 (No Challenges)	Achieved No challenges to date.	(b)
Effective communication with the community.	Number of focus group surveys per year. Target 10	Not Achieved	(c)
	Customer satisfaction rating of effectiveness and usefulness of WDC communications "good or better". Target > = 55%	Achieved 78% of residents were satisfied or very satisfied with Council communications.	(d)

Summary of Service Performance

- (c) The performance target for *10 focus group surveys per year* was not achieved. No focus group surveys were undertaken in 2011/12 financial year. WDC will continue to aim for success in its' strategic goal of ensuring that community and stakeholder's views on key issues are considered as part of the decision making process. WDC will look to set appropriate performance targets aimed to provide effective communication with the community.

Strategic Goal 2: Policies and plans are integrated and promote the principles of sustainable development.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12
Annual Plan published each year in accordance with the Local Government Act 2002.	Annual Plan adopted on or before 30 June each year. Target 100%	Achieved The 2012-2022 Long Term Plan was adopted by 30 June 2012.
Long Term Plan published every 3 years in accordance with the Local Government Act 2002.	Long Term Plan adopted on or before 30 June every 3 years. Target 100%	Achieved The 2012-2022 Long Term Plan was adopted on 29 June 2012.

Community Facilities



Strategic Goal 1: To ensure that adequate parks and reserve facilities are provided (by either private or public means) for the residents within the District.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
High quality parks and reserves will be provided.	Percentage of community satisfied with the quality of parks and reserves in annual and research surveys. Target = > 80%	Achieved 87% of the community is satisfied with the quality and provision of parks and reserves.	(a)
Public enquiries will be responded to in a timely manner.	Number of service requests not actioned within three days. Target = < 10	Achieved Ten service requests were not actioned within the three day time frame.	(b)
Play equipment and under surfacing will comply with NZSS 5828 (2004).	Percentage of play equipment compliant with NZSS5828 Target 100%	Not Achieved	(c)
Playground equipment is safe to use for parks and reserves users.	Number of accidents directly attributable to poor design. Target Nil accidents per year directly attributable to poor design	Achieved Nil accidents recorded through Council's service request system this year.	(d)

Summary of Service Performance

- (c) The performance target of 100% of play equipment compliant with NZSS5828 was not achieved. The 2012 Audit of the playgrounds and under surfacing measured a compliance of 70% which was below the target for this performance measure. The report does however note that compliance level rates highly in comparison to other areas throughout NZ. The commentary in the Audit Report indicates compliance level can only be improved by implementing a full renewals programme for the aged equipment. WDC will continue to implement an improvement programme for the playground assets including the safety surfacing components and has included a budget in the 2012/13 and 2013/14 years of the LTP to replace key equipment.

Strategic Goal 2: To provide community-agreed levels of service in the most cost effective way through the creation, operation, maintenance, renewal and disposal of assets to provide for existing and future users.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12
Elderly Person's Housing affordable to the community.	Variance of actual rental income against median market rentals. Target 20% below market rents	Achieved At present the rentals (for the various types of accommodation) are 19%, 17% and 3% below market median.
WDC's rate input into Elderly Person's Housing (EPH) to be reducing.	Percentage of costs for Elderly Person's Housing from rate sources. Target < 40%	Achieved 39.9% of costs for Elderly Person's Housing from rates sources.

Strategic Goal 3: To encourage community involvement in the future use of WDC's parks and reserves.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12
Reserve Management Plans will be prepared and adopted in compliance with the Reserves Act requirements.	Completion of identified reserve management plans. Target Nil for 2011/12	Not measurable for 2011/12

Community Facilities



Strategic Goal 4: To ensure that an adequate Housing and Other Property portfolio is provided and maintained for the well-being of the user groups.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
Provision and maintenance of Elderly Person's Housing that meets the needs of the tenants.	Percentage of users satisfied with the provision and maintenance of Elderly Person's Housing in the Customer Satisfaction Survey. Target >80%	Not Achieved	(a)
Users of WDC owned buildings are safe.	Number of accidents recorded in building/property accident register. Target Nil	Not Achieved	(b)

Summary of Service Performance

(a) The performance target of *greater than 80% Customer Satisfaction with the provision and maintenance of Elderly Persons Housing* was not achieved this year. 407 residents rated their satisfaction with the provision and maintenance of the housing service for pensioners. Overall 38% were satisfied or very satisfied, 10% were dissatisfied or very dissatisfied and 52% (or 212 out of 407) said they didn't know what rating to give. The most common reason for dissatisfaction was that the complex needs to be upgraded and limited availability of EPH. This high number of 'don't know' responses indicates that the type of survey used was not successful in correctly measuring this performance target. WDC's internal survey of residents undertaken in August 2011 (10 responses from 16) indicated an overall satisfaction of "satisfied" or "very satisfied" for all residents. However tenants were generally dissatisfied with the current car parking arrangements. Council's development of the 2012-2022 LTP concluded a comprehensive review of EPH provision is required due to the poor functionality of the existing complex.

(b) The performance target of *no accidents recorded in building or property register* was not achieved. Two accidents were recorded in 2011/12, one at the Waitomo Cultural and Arts Centre and one at the Queen Street Administration Building, in the public car park area. Council investigated both accidents and identified visibility as the key issue.

A trip hazard at the Waitomo Cultural and Arts Centre has been removed. The obstacle located in the public car park area at the Queen Street building has been addressed using hazard chevron tape. The purpose of this is to increase the visibility of the obstacle and make the area more safe.

Strategic Goal 5: To ensure that the long-term operation and maintenance of the housing and other property asset portfolio is sustainable.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12
WDC property meets standards of fitness for use.	Achievement of Building Warrant of Fitness sign-off. Target 100% compliant	Achieved All Council buildings with Compliance Schedules hold current Building Warrant of Fitness.

Strategic Goal 6: To demonstrate responsible management in the operation, maintenance, renewal of WDC owned Recreation and Culture asset portfolio.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
Seasonal pool facilities available to residents and visitors during warmer months.	Number of months per year pool is open to the public. Target 7	Achieved The Pool opened for the 2011/12 Summer Season in October 2011 and closed on the 1 May 2012.	(a)
Pool is safe for use of pool patrons at all times.	Percentage of staff holding Pool life guard certification. Target 100%	Not Achieved	(b)
	Pool accreditation in place. Target 100% achieved	Achieved Pool Accreditation in place to April 2013.	(c)
	Number of non-complying pool water quality readings per year. Target < 5	Achieved No non-complying water readings recorded.	(d)

Summary of Service Performance

(b) The performance target of *100% of pool staff holding life guard certification* was not achieved this year. Council undertakes the life guard training for pool staff in-house. This means that once staff have been employed for the pool season, they undertake their life guard certificate training. This does not affect the required ratio of trained life guards supervising the pool at any one time and therefore the pool is safe for use by pool patrons at all times.

Community Facilities



Strategic Goal 7: To ensure that adequate recreation and culture facilities are provided for (by either private or public means) for the residents within the District.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
Provision of comprehensive library facilities for the community.	Percentage of community satisfied with the library facilities and service in the annual satisfaction survey and research survey results. Target > 85%	Not Achieved 82% of the community are satisfied with the library facilities and service.	(a)
Provision of effective pool facilities for the community.	Percentage of community satisfied with the quality of the pool facilities and service in the annual satisfaction survey and research survey results. Target = > 75%	Not Achieved 62% of the community are satisfied with the quality of pool facilities.	(b)
Provision of effective Arts and Culture facilities for the community.	Percentage of community satisfied with the quality of the Arts and Culture facilities and service in the annual satisfaction survey and research survey results. Target = > 75%	Not Achieved 71% of the community satisfied with Arts and Culture facilities.	(c)
Promote the use of the Cultural and Arts Centre for events, private functions and Community benefit activities.	Number of bookings per year. Target 105	Not Achieved 39 bookings recorded for the 2011/2012 year.	(d)
Promote the use of the library facilities.	Number of visitors per year. Target 40,000 - 41,000	Achieved The total number of visitors to the Library this year was 48,478.	(e)
	Number of borrowers using the library per year. Target 13,750 - 14,250	Not Achieved The total number of borrowers using the library was 11,109.	(f)
	Number of issues per year. Target 66,000 - 68,000	Not Achieved Total number of book issues was 51,183.	(g)

Summary of Service Performance

- (a)** The performance target of *greater than 85% community satisfaction with the library facilities and service* was not achieved this year. Of the 407 residents surveyed, 82% were very satisfied or satisfied and 7% were very dissatisfied or dissatisfied. 11% said they didn't know what rating to give. The main reasons for dissatisfaction were related to the opening hours and staffing levels. For affordability reasons, WDC made the decision via the 2011-2012 EAP to reduce the opening hours at the Library by five hours per week. This reduction was scheduled for between 9am and 10am Monday to Friday, the quietest time for the Library to minimise the impact on the community. It is believed that the staffing required to provide for these hours meets the demands of the users.
- (b)** The performance target of *equal to or greater than 75% community satisfaction with the quality of the pool facilities* was not achieved this year. Of the 407 residents surveyed, 62% were very satisfied or satisfied and 17% were dissatisfied or very dissatisfied. 21% said they didn't know what rating to give. While not achieving the target of 75%, a significant satisfaction increase of 9% was achieved with a corresponding decrease of 16% of respondents who were dissatisfied or very dissatisfied. The main reasons for dissatisfaction were the opening hours and the cost of the admission charge. The opening hours are aligned to allow maximum usage by all age groups within the constraints of affordability and the admission cost is in line with similar public pool facilities.
- (c)** The performance target of *equal to or greater than 75% community satisfaction with the quality of Arts and Culture facilities* was not achieved this year. Of the 407 residents surveyed, 71% were very satisfied or satisfied and 9% were dissatisfied or very dissatisfied. 20% said they didn't know what rating to give. The main reasons for dissatisfaction are that there is not enough facilities and variety of facilities within our District. Satisfaction was marginally below the target of 75%. It is anticipated that WDC's ongoing commitment to the refurbishment of this facility will improve resident satisfaction over time.
- (d)** The performance target of *105 bookings for the Waitomo Cultural and Arts Centre* was not achieved for the year with a total number of bookings of 39. The impact of the economic times and condition of the facility appears to be affecting the number of bookings for the Cultural and Arts Centre. Stage 2 of the Centre's refurbishment was completed at the end of the 2011/12 year and may assist in getting patronage back on target for the future.

A proposed promotional budget has been included in Council's Recreation and Culture Facilities Activity Plan, beginning 2012/13 to promote the facility to the wider community. A combination of a review of the 2012/13 fees and charges regime for the facility, easing the costs of setup and breakdown times for events and the planned promotion of the facility, will assist Council in responding to the requirements of the community.

Community Facilities



Strategic Goal 7: To ensure that adequate recreation and culture facilities are provided for (by either private or public means) for the residents within the District.

Summary of Service Performance continued...

(f) The performance target of *more than 13,750 borrowers using the library per year* was not achieved. The decline in borrowers is attributed to a decline in use by families. An increase in the fees and charges for children and young person’s using the service is considered to be the reason for this result. Historically families have been the Library’s most frequent users. The combination of recent changes to fees and charges and the local economic environment have made the Library service less affordable for some families.

Usage statistics show that these families are borrowing less frequently and are taking fewer items. This change in borrowing patterns contributes to a decline in both the number of users and the items borrowed. To encourage families back into this community facility, the fees and charges for children’s books have been reviewed for 2012/13.

(g) The performance target of *more than 66,000 issues per year* was not achieved. Contributing factors include:

- A decrease in borrowing by families with children and teenagers;
- Limited Community Library Loans undertaken; and
- A national and local trend towards an increase in use of online resources including databases and e-books.

At present, statistics for the use of online collections are not recorded. To address the shift in user practices, including a trend towards the increased use of online resources, statistical collection and reporting for the Library will include the statistics for the use of the electronic collections, including e-books and the online databases subscribed to by Waitomo District Library.

Community Library loans will also be reinstated for 2012/13. These exchanges will be undertaken quarterly to ensure fresh book stock is available for use within the Districts rural communities.

Strategic Goal 8: To ensure that WDC’s public amenities are maintained to a high standard for the residents within and visitors to the District.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12
Compliance with maintenance standards and specifications for toilets.	Number of non-compliance notices per year issued for the Contract. Target = < 5	Achieved No non-complying notices issued.
High quality public amenities will be provided.	Percentage of community satisfied with the quality of public cemeteries and toilets. Target > = 80%	Achieved 82% of the community are satisfied with the quality of public cemeteries and toilets
Compliance with the Burials and Cremations Act and Births, Deaths, Marriages Registration Act.	Compliance with legislative requirements. Target 100%	Achieved No non-compliance issues recorded.
Public enquiries will be responded to in a timely manner.	Number of service requests not actioned within three days. Target = < 10	Achieved Nine service requests have not been actioned within the three day timeframe.

Community Development



Strategic Goal 1: To support and foster a District that is caring and inclusive and provides a safe, healthy and friendly place to live, work or visit.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
Provide assistance for community support activities.	Availability of discretionary grant funding advertised quarterly. Target 100% compliance	Achieved	(a)
	Grants for Community Halls will be distributed by 31 December each financial year. Target 100% compliance	Achieved Grants were distributed to Community Halls in November 2011.	(b)
	Review service level agreements for provision of annual grants in excess of \$10,000 by 31 December, every three years. Target Nil for 2011/12	Achieved Service Level Agreements budgets approved as part of the LTP adoption. SLA documents were completed subsequent to adoption.	(c)
Development of youth within the District.	Number of Youth forum established and held within the school year. Target 3 (per annum)	Achieved 1. Youth Forum was held 6 December 2011 at the Waitomo Cultural and Arts Centre. 2. The Youth Leadership Camp was held 25-26 January 2012. 3. The Youth Council hosted a concert in collaboration with Maniapoto FM, for young people during Youth Week. Schools from around the District were invited. 250 youth attended the concert.	(d)
WDC will continue to foster and promote Sister City Relationships.	The Relationship Committee will meet not less than four times per annum to ensure the relationship remains strong and active. Target 100% compliance	Achieved Sister City Relationship Committee met on the following days: 24 August 2011, 27 October 2011, 1 December 2011, 23 February 2012, 26 April 2012 and 28 June 2012	(e)
Enhance community safety.	Frequency of routine maintenance checks carried out on CCTV system. Target Quarterly	Not Achieved Two routine maintenance checks of the CCTV system has been undertaken; 27 July 2011 and 9 February 2012. The contract requires two routine maintenance inspections per year.	(f)
	Number of reported outages of CCTV system. Target < 4 per annum	Not Achieved Four outages of the CCTV system were reported for 2011/12.	(g)

Summary of Service Performance

- (a)** The September Funding Round was advertised in the Waitomo News on 11 and 25 August 2011 with grants being allocated in September 2011. The December Funding Round was advertised in the Waitomo News on 8 and 15 November 2011 with grants being allocated in December 2011. The March Funding Round was advertised in the Waitomo News 9 and 16 February with grants being allocated in March. The June Funding Round was advertised in the Waitomo News 9 and 22 May 2012 with grants being allocated in June.
- (f)** The performance target of *quarterly maintenance checks carried out on CCTV system* was not achieved. The current Support and Maintenance Agreement allows for two on-site preventative maintenance checks to be carried out on the CCTV system. This conflicts with the current performance target. However, several other non-preventative visits were undertaken during 2011/12.
- (g)** The performance target of *less than four reported outages of CCTV system per year* was not achieved. A total of four outages of the CCTV system were reported this year. Outages were a result of a business (source of power) either closing down or removing power source, and one outage was due to a faulty camera that needed to be replaced.
1. The Lines Company switched off the power supply when deactivating Christmas lights.
 2. A secondhand shop (Bargain Centre) closed down and so the camera was relocated to the Lines Company building.

Community Development



Strategic Goal 2: To support the growth of the economy through the effective promotion of District attractions to domestic and international markets.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12
I-SITE will deliver effective and efficient services to visitors.	Accurate volume and statistical trends on visitor usage are recorded and reported at management level. Target Monthly	Achieved Visitor and usage statistics are recorded and reported to management every month.
	Number of co-ordinated meetings per annum with other information centres in the District. Target Min 2 per annum	Achieved The i-SITE Regional Managers meetings were attended on 28 November 2011 and 27 February 2012.
WDC will support major District events that build community pride and raise the District's profile.	Number of major District events held on time and to budget. Target One major event (The Great NZ Muster) and one minor event (The Christmas Parade).	Achieved The District Christmas Parade was held on 9 December 2011. The Great NZ Muster was held 31 March 2012. Both events were held on time and to budget.
WDC will ensure enhanced presence in the national and international markets for the District.	Number of District promotion opportunities taken in key publications. Target > 4	Achieved Five District Promotion opportunities were taken in key publications: <ul style="list-style-type: none"> • Hamilton and Waikato Short Escapes campaign with AA Tourism. • Australian Campaign titled "Get Amongst It". • Domestic Campaign titled "Explore Your Own Backyard". • EXPLORE Central North Island (Great New Zealand Touring Route) International Trade Manual. • Te Kuiti Article published in the New Zealand Herald.
Regular communications established with tourism operators.	Number of District wide communications to all tourism operators, commencing 31 December 2009. Target 4 per annum (quarterly)	Achieved Four communications to tourism operators were established: <ul style="list-style-type: none"> • Contact with all operators re marketing opportunities including - EXPLORE Central North Island (Great New Zealand Touring Route) International Trade Manual and Hamilton Waikato Tourism Brochure. • Tourism Conference WINTEC in April • 'Business After 5' Function - Waitomo and Otorohanga Districts. • Attendance at TRENZ (Tourism Industry Rendezvous NZ) alongside Waitomo operators.

Strategic Goal 3: To facilitate and advocate sustainable economic development in the District that is well supported and promoted.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12
WDC will support business expansion and diversification, and encourage the development of work based skills.	Programme developed to create stimulating environment for existing and new businesses. Target 50% deployment of program	Achieved <ul style="list-style-type: none"> • 'Business After 5' Programme established. • WINTEC research into local training and employment opportunities for young people within the District undertaken. • Joint (Otorohanga and Waitomo) Industry Training Graduation for local ITO students held in May 2012.

Regulation and Safety



Strategic Goal 1: To ensure health and safety is protected by effectively and efficiently administering statutes regulations and bylaws including environmental health, liquor control and noise control.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
All food and liquor retail premises will be inspected and appropriately registered and licensed.	Percentage of registration or licensing of food and liquor retail premises completed. Target 100%	Achieved All food and liquor premises have been inspected and are appropriately registered or licensed.	(a)
Provision of an after hours noise control service using experienced and competent contractor personnel.	Noise complaints to be responded to by contractor within one hour. Target 100%	Not Achieved 95% of after hours call were recorded as being actioned within the required one hour time frame.	(b)
Provision of an effective environmental health service for the community.	Customer satisfaction survey rating on Environmental Health Service. Target > 35%	Achieved 77% of residents were satisfied with the environmental health service.	(c)

Summary of Service Performance

- (b) The performance target of 100% of all noise complaints responded to by contractor within one hour was not achieved. All after hours calls were actioned however in some cases time frames had not been recorded. Noise control staff have been reminded that they must accurately record after hours information such as the time complaints are received and the time that they are actioned, for all complaints received.

Strategic Goal 2: To protect the health and safety of building users by effectively and efficiently administering the provisions of the Building Act 2004.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
Building consents and project information memoranda issued within 15 working days.	Percentage of building consents and project information memoranda issued within 15 working days. Target 90%	Achieved 95% of building consents and project information memoranda were processed within 15 working days.	(a)
Provision of an effective building control service to the community.	Customer satisfaction survey rating on Building Control. Target >35%	Achieved 43% of residents were satisfied with the building control service.	(b)
Recovery of administration costs from applicants.	Percentage of total administration cost recovered from applicants. Target >50%	Not Achieved 25% of total administration costs recovered from applicants.	(c)

Summary of Service Performance

- (c) The performance target of greater than 50% of total administration costs recovered from applicants was not achieved this year. A total of 25% of administration costs were recovered from applicants. This is due to the reduced level of building activity within the District.

Regulation and Safety



Strategic Goal 3: To ensure that animals, particularly dogs are controlled so that people can enjoy the benefits of dog ownership without adversely affecting other members of the community.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
Dog owners' properties will be inspected to ensure compliance with the Dog Control Act 1996 and WDC's bylaws.	Percentage of dog owners' properties inspected per year. Target Urban: 100%, Rural: 10%	Achieved 100% of urban dog owner's properties have been inspected. 11% of rural properties inspected.	(a)
Immediate response by Dog Control Contractor to public safety complaints.	Time of contractors' response to the incident. Target <1 hour for more than 30% of complaints	Achieved All public safety complaints actioned within the required time frame.	(b)
High level of customer satisfaction with animal control service.	Customer satisfaction survey rating on Animal Control. Target >35% good or above	Achieved 71% of residents were satisfied or very satisfied with the animal control service.	(c)
Animal Control Services within budget.	Variance of actual Cost of Service Statement Operating Surplus/(Deficit) for the activity from the annual budget. Target <5%	Not Achieved 9% variation of actual Cost of Service.	(d)

Summary of Service Performance

(d) The performance target of *less than 5% variance of actual Cost of Service Statement Operating Surplus/(Deficit) for the activity from annual budget* was not achieved this year. 9% over budget due to a minor increase in contractor expenses.

Strategic Goal 4: To ensure that WDC and the community is adequately prepared in the case of an emergency event or a rural fire.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
WDC will ensure that staff are equipped and trained to efficiently man the Civil Defence headquarters during an emergency.	One major training exercise involving Civil Defence HQ staff will be held a year. Target Exercise conducted	Achieved Civil Defence Welfare Exercise was undertaken on 17 October 2011. A second exercise was held on 20 March 2012 which tested communications between two Welfare Centres and the Emergency Operating Centre (EOC).	(a)
Educational visits to schools and community groups will take place to prepare the community for emergency events.	Number of educational visits carried out. Target 6 per year	Achieved 9 Schools have been visited by Hamilton City Council's Emergency Management Officer.	(b)
WDC will be represented at any Civil Defence Emergency Management meetings in the Waikato Region.	Percentage of Emergency Management meetings with WDC representation. Target 100%	Not Achieved One meeting not attended from scheduled meetings.	(c)
Tainui Rural Fire Party will be resourced and trained 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	Not measurable.	(d)

Summary of Service Performance

(c) The performance target of *100% representation at Emergency Management meetings* was not achieved. Staff absences resulted in one meeting being missed for the year.

(d) This performance measure is not measurable as the Rural Fire Management Code of Practice no longer exists. Assessment of pumps is however undertaken by an independent assessor using the National Fire Authority (NRFA) standard once a year and pump record test sheets forwarded to Council.

Solid Waste Management



Strategic Goal 1: Ensure environmentally safe disposal of waste.			
Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
The kerbside collection of bagged refuse and recyclables is efficient and effective.	Number of service complaints in any one month regarding the quality of the kerbside refuse/recycling collection service. Target <3	Not Achieved	(a)
Kerbside collection available to all premises in Te Kuiti, Piopio, Mokau and Waitomo Village.	Percentage of residential premises in collection areas that have access to kerbside collection. Target >90%	Achieved 100% of all residential properties have access to kerbside collection.	(b)
Kerbside bagged refuse collection service is 45% self funding.	Percentage of expenditure budget for bagged refuse collection service, including bags, collection and disposal costs, is recovered from user fees. Target 45%	Achieved 64% of expenditure budget for bagged refuse collection service was recovered from user fees.	(c)
The network's recycling facilities are in good condition and 'fit for purpose'.	Number of complaints per month regarding the condition of WDC's recycling facilities. Target <2	Achieved There were no complaints regarding the condition of Council's recycling facilities for the period to 30 June 2012.	(d)
Users find the recycling facilities safe to use.	Percentage of users rate the safety of WDC's recycling facilities as good or better. Target 75%	Achieved 82% of residents were satisfied or very satisfied with the safety of the recycling facilities in the 2012 Resident Satisfaction Survey.	(e)
Provision of effective waste service for the community.	Customer satisfaction rating of waste transfer stations good or better. Target 60%	Not Achieved	(f)
The solid waste management facilities are open and accessible to users at advertised times.	Number of complaints per month due to facilities not being open at advertised times. Target <1	Achieved No complaints were received between 1 July 2011 and 30 June 2012 due to facilities not being open at advertised times.	(g)
The solid waste management facilities feel safe to the user.	Percentage of users rating the District's waste transfer stations and landfill safe to use. Target 70%	Achieved 74% of residents were satisfied or very satisfied with the safety of the District's waste transfer stations and Landfill, in the 2012 Resident Satisfaction Survey.	(h)
Comply with the Resource Management Act 1991 (RMA) for closed and operating landfills.	Percentage compliance with resource consent conditions at Waitomo District Landfill and closed landfills. Target 100%	Achieved No issues concerning consents for the Landfill and closed landfills were raised by the Waikato Regional Council. All consent conditions were met during the year.	(i)

Summary of Service Performance

- (a)** The performance target of *less than three complaints received in any one month* was not achieved. For the months of October 2011, January and February 2012 there were four complaints for each month regarding the quality of the kerbside refuse/ recycling collection service. A total of 21 complaints were received between 1 July 2011 and 30 June 2012. 90% (19) of these complaints were for non-collection of either general refuse or recyclables, 10% (2) were in relation to the contractor for recyclable collection for putting recyclables in with general waste. The customer complaints regarding non collection of refuse and/or recycling are discussed in the first instance by telephone with the contractor requesting immediate collection. These issues are then raised (as a priority) at the WDC and Envirowaste monthly contractor meetings. WDC requests that the issue is discussed at the Contractor's daily tailgate meetings to eradicate any future problems.
- (f)** The performance target of *60% Customer satisfaction with waste transfer stations* was not achieved for this year. Of the 407 residents surveyed about their satisfaction with the service, 52% (or 212 residents surveyed) were satisfied or very satisfied, 13% (51) residents were dissatisfied or very dissatisfied and 35% (144) answered "don't know" to this question. The main reasons for dissatisfaction of this service was that the opening hours are not suitable, service is unavailable, not enough facilities are available and user fees are too expensive. In comparison to the previous years results, there has been a 2% decrease from 54%. The Te Kuiti transfer station is monitored weekly for tidiness and to identify any maintenance issues. The five transfer stations are visibly monitored every two-months with a audit completed for site health and safety on a quarterly basis. Transfer station attendants are monitored during these audits to ensure all practical steps are taken to keep the sites in good maintenance order and to ensure that the sites are safe for public use. WDC takes all practicable measures to ensure that all costs are closely monitored but also must maintain its' balance of rates affordability with the sustainable management of the delivery of services. WDC will continue to promote the benefits of waste reduction through recycling and provide educational communication to the community with an aim to improve understanding of waste minimisation.

Solid Waste Management



Strategic Goal 2: Minimise the creation of waste within the District.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
Waste minimisation education reduces household waste.	Reduction in quantity of recyclables contained in kerbside refuse bags. Target 5%	Achieved This result has been provided following the Waste Audit undertaken in July 2012 – refer to Summary for further detail.	(a)
Sufficient recycling facilities are provided.	Percentages of residents are satisfied with the number of recycling facilities provided. Target 70%	Achieved 75% of residents were satisfied or very satisfied with the number of recycling and refuse disposal services and facilities provided, in the 2012 Resident Satisfaction Survey. This is an increase from 71% resident satisfaction in the previous year.	(b)

Summary of Service Performance

- (a) There are twelve primary waste categories in the Ministry for the Environments' Waste Analysis Protocol 2002; being paper, plastics, putrescibles, ferrous metals, non-ferrous metals, glass, textiles, nappies and sanitary, rubble and concrete, timber, rubber and potentially hazardous.

The amount of glass and plastic bottles, rubble, concrete, timber and rubber in the refuse bags collected for the 2012 audit was negligible. **The 2012 audit results show a dramatic decrease in organic material, paper and plastic containers contained in kerbside refuse bags compared to the 2010 audit.** Out of the forty bags audited, only one large and four small glass containers were found, along with twelve small plastic containers.

The comparison between the 2010 and 2012 Audit for the Waitomo District Landfill Transfer Station shows a marked increase in material being recycled. WDC considers that the upgrade of the Waitomo District Landfill and district waste transfer stations has moved household recycling from the kerbside to the transfer stations.

* There was a large quantity of plastic and paper wraps measured in the 2012 Audit, however these are currently non-recyclable items.

Type of recyclable waste	2012 Waste Audit	2010 Waste Audit
Paper	Negligible	14.90%
Plastic	Negligible	9.50%
Metal	4%	1.95%
Glass	2%	1.50%
Plastic Wrap*	47.2%	Not measured
Paper Wrap*	27.6%	Not measured

Stormwater



Strategic Goal 1: To protect public health and property.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
The urban stormwater activity is managed to protect people and property from the impacts of flooding.	Annual incidence of inundation of habitable buildings in urban areas from a 10% or less Annual Exceedance Policy event. Target 0	Achieved No complaints for the period 1 July 2011 to 30 June 2012.	(a)
	Number of complaints per event per year regarding surface water flooding in urban areas. Target <10	Not Achieved	(b)
A reliable service is provided.	Failure of drainage system due to poor condition or lack of maintenance. Target Nil	Not Achieved	(c)
	Length of disruption to individual properties due to surface flooding. Target <24 hours	Not Achieved	(d)
Service requests and complaints are processed as they come in.	Completion time (working days following receipt) for customer follow up on outstanding requests/complaints. Target <5 days	Not Achieved	(e)
	Urgent requests - Percentage dealt with within one working day. Target 90%	Not Achieved	(f)
	Preparation of a 10 year Urban Stormwater Catchment Assessment Plan for Te Kuiti by 2015. Target 75%	Not Achieved	(g)
Services do not cause a hazard to people.	Number of health nuisances associated with land drainage or stormwater assets (vermin, etc). Target Nil	Achieved	(h)
	Response time for investigation of complaints relating to lack of maintenance of the urban stormwater system. Target 5 working days	Achieved Five complaints were received and all were resolved within 5 working days.	(i)
Services provide social, economic and environmental benefits to the whole community.	Percentage of residents in urban areas rating the standard of urban stormwater drainage as meeting or exceeding their expectations. Target 75%	Not Achieved	(j)

Summary of Service Performance

- (b) The performance target of *less than 10 complaints per event per year regarding surface water flooding in urban areas* was not achieved. A total of 15 complaints were received regarding surface water flooding. Most complaints were received between October 2011 and January 2012 when periods of high rainfall was experienced. Main reasons for complaints related to stormwater flooding onto residential or business premises after heavy rainfall.
- Stormwater collection and disposal becomes an issue only at times of heavy rainfall. While most drainage systems are of reasonable condition requiring just general maintenance, in Te Kuiti there are sites where surface flooding is a well known and historical problem. While there is a project improvement plan in place, the available funds for this project are limited and it will take some years to fully implement. Also the system is only designed for a 50% AEP (1 in 2 year rainfall event) and therefore there will be instances where it will not meet the expectations that it should cope with all rainfall events.
- (c) The target of *no failure of drainage systems due to poor condition or lack of maintenance* was not achieved. From 1 July 2011 to 30 June 2012 there were a total of 14 service request complaints regarding surface water flooding in urban areas. The stormwater system has been historically under maintained and this is now becoming evident with the number of Service Requests (or complaints). The intensity of rainfall affects the capabilities of the stormwater facility. Waitomo District Council is slowly progressing to identify and resolve the problems.
- (d) The target of the *length of disruption to individual properties due to surface flooding, being less than 24 hours* was not achieved. A total of five service request complaints were received, one of which was not resolved within the 24 hour timeframe. Although this performance measure failed to meet the target, there has been a significant decrease in the number of total complaints received in comparison to the previous year (25 complaints received, of which 21 failed to be resolved in under 24 hours). The intensity of rainfall affects the capabilities of the Stormwater network. Waitomo District Council is slowly progressing to identify the problems and rectify these where budgets allow.

Stormwater



Strategic Goal 1: To protect public health and property.

Summary of Service Performance continued...

- (e) The target of *less than five working days completion time for customer follow-up on outstanding Service Requests* was not achieved. A total of 18 Service Request complaints were received, of which 12 were followed up in less than five working days, four were not followed up in less than five working days, one was identified as being not a Council Stormwater issue and one was identified as needing further work in order to be completed. When comparing this result to last years (a total of 41 complaints received from customers) this years results indicate significant reduction in complaints received and that the contractor has made an improvement in reporting completion times to Council in the last year.
- (f) The target of *90% of urgent requests to be dealt with, within one working day* was not achieved with only 81% dealt with in this time frame. A total of 16 urgent requests were received. This result shows an improvement on last years result of 75% of a total of 24 urgent requests resolved within one working day. Of the 19% (three) Service Requests that were not responded to within one working day, one request had been identified as requiring further work to be carried out and the other two requests were dealt with, within 5-7 working days. Some of the urgent requests require further investigation or work in order to resolve the issue. A key factor that impacts on this result is when a high rainfall event has caused flooding to a property because the Stormwater run-off is in excess of what the urban stormwater system is designed for. In this circumstance, the water must drain away before a more in depth investigation can be undertaken and this increases the time frame for the request to be resolved.
- (g) The target of *75% preparation of a 10 year Urban Stormwater Catchment Assessment Plan for Te Kuiti* is not likely to be achieved this year. WDC has commenced the Te Kuiti catchment assessment by ceasing the existing system performance against the required level of service.
- (h) One Service Request was received regarding health nuisances (vermin etc) associated with land drainage or stormwater assets. This complaint was categorised in Council's Service Request System as a Stormwater issue, however it was identified as an actual wastewater (sewerage) complaint. The contractor who attended the site accordingly noted this on the service request.
- (j) The target of *75% resident satisfaction with the urban stormwater drainage* was not achieved with a result of 65% satisfaction rating, declining from the previous years result of 73%. Of those questioned 13% (52 residents) were dissatisfied or very dissatisfied. The main reasons for dissatisfaction were "Always flooding in Winter" and "Inadequate drainage/needs upgrading". Stormwater collection and disposal becomes an issue only at times of heavy rainfall. While most drainage systems are of reasonable condition but require general maintenance, in Te Kuiti there are sites where surface flooding is a known historical problem. The Urban Stormwater System is designed to sustain 'one in two' year rainfall events (or 50% of Annual Exceedence Probability). What this means is where heavy, prolonged rainfall is experienced in urban areas, some surface flooding is inevitable. WDC commenced and has a programme in place for cleaning of the Stormwater reticulation system planned to be carried out over the next few years.

Strategic Goal 2: To Protect the environment from the adverse effects of stormwater.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12
Stormwater quality will be managed effectively.	Percentage of stormwater pollution incidents are corrected within time frames agreed with Waikato Regional Council. Target 100%	Achieved No service request complaints were received regarding stormwater pollution incidents.
	Response time for investigation of all reported pollution incidents associated with stormwater discharge following notification. Target <12 hours	Achieved No service request complaints were received regarding stormwater pollution incidents associated with stormwater discharge.
	Percentage compliance with stormwater discharge consents. Target 100%	Achieved The requirement of the consent is that stormwater discharge is sampled twice a year in October and March to monitor pollution trends. There are no other specific parameters required to be met. Council was 100% consent compliant at 30 June 2012.
	Number of stormwater abatement notices issued. Target Nil	Achieved No stormwater abatement notices issued.

Strategic Goal 3: To enable economic development

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12
Connection of stormwater drainage network available to all urban properties.	Percentage of customers within defined urban stormwater drainage areas can connect to the network. Target 90%	Achieved 100% of properties can connect to the stormwater drainage system kerb and channel, open drain, pipe network or soakhole. This KPI is measured through examination of GIS maps and is carried out annually.



Resource Management

Strategic Goal 1: To provide a safe and sustainable environment by effectively and efficiently administering and enforcing the provisions of the Resource Management Act 1991 and the Waitomo District Plan.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12
WDC will ensure that resource consents are processed in a timely and customer friendly manner so as to facilitate District wide development.	Percentage of notified consents processed within 80 working days of receipt. Target 90%	Achieved There were no notified resource consents processed during 2011/12.
	Percentage of non-notified consents processed within 20 working days. Target 90%	Achieved 97% of non-notified resource consent applications were processed within the required time frame.

Sewerage



Strategic Goal 1: To protect public health and property from sewage overflows.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
A reliable removal and treatment service is provided.	Number of sewage overflow events per year at any one wastewater scheme. Target <5	Not Achieved	(a)
	Length of disruption of service to individual properties: - less than 4 hours. Target 95%	Not Achieved	(b)
	- less than 12 hours. Target 100%	Not Achieved	(c)
Service requests and failures are responded to as they come in.	Response time for feed back to customer on what is being done following receipt of service request/ complaint. Target 1 working day	Not Achieved	(d)
	Response time for urgent requests for service. Target 90% within 4 hours	Not Achieved	(e)
	Response time for non-urgent requests. Target 90% within 10 working days	Achieved Two non-urgent service requests were received and both were responded to within 10 working days.	(f)
	Time to restore service restored within 24 hours. Target 24 hours	Achieved Seven service requests were received and all were completed within 24 hours.	(g)
	Percentage of customers who rate responsiveness of customer services as good or better. Target 75%	Not Achieved	(h)
Sewerage is managed without risk to public health.	Number of sewage overflows into habitable buildings due to faults in the wastewater system. Target Nil	Not Achieved	(i)
	Time to complete clean up and sanitising of overflows. Target within 24 hours of notification	Not Achieved	(j)
Service provides social benefits to the whole of the community.	Percentage of residents at each Waste Water scheme who are satisfied with the quality of the wastewater disposal system in their community. Target 90%	Not Achieved	(k)

Summary of Service Performance

- (a)** The performance target of *less than five sewage overflow events per year at any one wastewater scheme* was not achieved this year. In the period 1 July 2011 to 30 June 2012 WDC received 33 service requests related to sewerage overflows for the **Te Kuiti Wastewater Scheme**. These overflow events either result from a blockage event where inappropriate material such as silt and stones or fat and grease is dumped into the reticulation network. More commonly a blockage can occur when there is a high level of ground and stormwater infiltration into the piped reticulation network during high rainfall events as a result of the underground pipe work being damaged or the pipe joints have lost integrity. Waitomo District Council has a project plan in place to rectify this infiltration issue. Other service requests received were seven from Piopio, two from Benneydale and one from Te Waitere which were also largely due to sewerage overflows.
- (b)** The performance target for the *length of disruption of service to individual properties is less than 4 hours* was not achieved. WDC received a total of 43 service requests from 1 July 2011 to 30 June 2012 relating to disruption of service to properties. Of those 43 requests, 31 were considered critical with the remaining 12 requests defaulting to the *'less than 12 hours disruption'* target. Only 19 of those 31 had a length of disruption of less than 4 hours. A major contributor to these overflows was rainfall in the months March, May and June. On a percentage scale the performance result for this was 61% compared to the performance target of 95%.
- (c)** The performance target for the *length of disruption to service of individual properties is less than 12 hours* was not achieved. WDC received 31 Service requests from 1 July 2011 to 30 June 2012. Eight of these requests had a length of disruption of service to individual properties for less than 12 hours. Again, rainfall was a contributing factor towards the number of service complaints received. The remaining four were not dealt to within the timeframe required. On a percentage scale our performance result in this area was 67% compared to the performance target of 100%.
- (d)** The performance target for the *response time for feedback to customer on what is being done following the receipt of a service request or complaint* was not achieved. Feedback is provided at time of actual response. No specific record of this is kept. Additional management has been placed on contractor to respond to customers immediately.



Sewerage

Strategic Goal 1: To protect public health and property from sewage overflows.

Summary of Service Performance continued...

- (e) The performance target for 90% of urgent service requests to be responded to within 4 hours was not achieved. WDC received six service requests from 1 July 2011 to 30 June 2012 (compared to 53 in 2010/11). Of the six requests received, five (83%) were responded to within four hours and one request was not responded to within the 4 hour timeframe. Weekly operations and maintenance meetings with the contractor commenced early June 2012. The importance of response times across all water services has been communicated to the contractor in relation to various service requests throughout these meetings. With having these meetings on a regular basis, Council is able to monitor the contractors performance more closely and ensure that response times are within the required timeframe.
- (h) The performance target of 75% of customers who rate responsiveness of customer services as good or better was not achieved in the 2012 Resident Satisfaction Survey. The result of 64% satisfaction, although below the target of 75%, shows a significant improvement from the previous years result of 41%. The actual results of the survey showed that 5% of residents were dissatisfied or very dissatisfied with reasons being 'the response time is too slow' or 'they received poor customer service'. These comments are similar to those obtained in the 2011 survey. WDC will continue to strive to provide excellent Customer Service for the community by responding to service requests as efficiently and effectively as possible.
- (i) The performance target for No sewage overflows into habitable buildings due to faults in the wastewater system was not achieved. WDC received three service requests from 1 July 2011 to 30 June 2012. Two of the requests did not cause actual overflowing into the habitable buildings. Due to recent flushing of sewage lines on Taupiri Street, one service request related to sewerage coming up through a toilet at a nearby business premise; however this overflow was due to an internal plumbing blockage which pressurised the private line.
- (j) The performance target for Time to complete clean up and sanitising of overflows within 24 hours of notification was not achieved. WDC received a total of 30 service requests from 1 July 2011 to 30 June 2012. 28 of these requests related to overflows that were cleaned up and sanitised with 24 hours. For two of these requests, the clean up was not completed in the timeframe. One of these complaints was also noted in (e) above as not being completed on time due to internal miscommunication. The other was noted urgent but not critical and occurred on January 2nd where contract staff appeared to have been short and WDC staff being available due to the Council Office being closed over the public holiday period.
- (k) The performance target of 90% of residents at each wastewater scheme who are satisfied with the quality of the wastewater disposal system in their community was not achieved in the 2012 Resident Satisfaction Survey. 86% of residents questioned were satisfied or very satisfied, 4% were dissatisfied or very dissatisfied. The main reasons given for dissatisfaction with the quality of their wastewater system were 'smell, general poor service, too old, requires upgrading and flooding/overflows'. These reasons for dissatisfaction are similar to those obtained in the 2011 survey; however there were much fewer numbers of residents expressing their dissatisfaction this year. This years performance result shows a gradual incline from 77% (2011) to 86% this year, indicating that there has been major improvements to the quality and performance of each scheme and how they are managed.

Strategic Goal 2: To enable economic growth.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
Waste Water connections are available.	Percentage of ratepayers within each defined sewerage area who can connect to the network. Target 100%	Not Achieved	(a)

Summary of Service Performance

- (a) The performance target of 100% of ratepayers within each defined sewage area, who can connect to the network, was not achieved. This result reflects the practicalities involved in fixing service boundaries for reticulated schemes.

The urbanisation over time, of rural land at the margins of existing township communities, creates a demand for sewage connections to reticulated networks. However property owners are often not prepared to pay the cost for connection to a scheme. That process often requires the installation of additional network infrastructure such as pipes, manholes and pumping capacity. This consideration and WDC's commitment to a user pays funding policy limits achievement of this service performance target.

Sewerage



Strategic Goal 3: To Protect the environment from the adverse effects of wastewater.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
The quality of effluent leaving the treatment plant is of a standard required by consents.	Percentage of test results that meet consent conditions. Target 100%	Not Achieved	(a)
Sewage treatment is managed without adversely affecting the quality of the receiving environment.	Number of complaints regarding receiving water quality as a result of effluent discharge. Target Nil	Achieved No complaints were received from 1 July 2011 to 30 June 2012.	(b)
	Percentage compliance with consent conditions. Target 100%	Not Achieved	(c)
	Percentage of risk management plans in place for pumping stations and treatment plants. Target 95%	Achieved Risk management plans are in place for all pumping stations and treatment plants.	(d)
	Number of odour complaints recorded per year at each scheme. Target < 5	Not Achieved	(e)

Summary of Service Performance

(a & c) The performance target of 100 percent of test results to meet consent conditions was not achieved. WDC is required to meet the conditions defined as part of the operative discharge resource consent for the TKWWTP. The service performance target requires that the test results (that measure Treatment Plant performance) must achieve 100% compliance with the conditions fixed by the discharge consents.

As the existing TKWWTP is not able to process and treat the waste water influent load to achieve the standards fixed by the discharge resource consent, the target cannot be met until such time as the upgrade of the TKWWTP is completed. The inadequate treatment performance largely reflects the impact of Trade Waste. It is important to note that those enterprises providing Trade Waste are a key part of the Te Kuiti and Waitomo community as they are major providers of jobs and economic activity. Some pre-treatment of this Trade Waste discharge is carried out prior to release into the Te Kuiti waste water system and WDC and industry are working towards a solution to be implemented as part of the TKWWTP upgrade which will also further reduce the capital cost of the upgrade and improve the overall treatment performance of the TKWWTP.

The performance of the TKWWTP must be improved to meet the requirements of the existing operative resource consent and to meet the forecast resource consent conditions that will be imposed as part of the discharge resource consent application that is in process. The upgrade design is completed and construction is in progress. The piped reticulation component of the Te Kuiti waste water system is subject to groundwater inflow and infiltration (ingress of storm water runoff and groundwater). These inflows in turn pass to the TKWWTP and adversely impact both plant performance and operational efficiency. The 10 year plan to reduce inflow and infiltration, with funding signaled in the LTP, is being implemented and is on track.

(e) The performance target of less than 5 odour complaints recorded per year at each scheme was not achieved. WDC received a total of 28 odour complaints recorded across all schemes for the period 1 July 2011 to 30 June 2012. Most of these complaints were from Te Kuiti (22) with the remainder from Mokau (2), Te Waitere (2) and Piopio (2). The causes for a majority of these complaints was largely due to WDC cleaning sewer lines, properties having blocked pipe or vents, and rainfall causing overflows. In early 2012 WDC installed a biofilter at the Waitete pump station to filter all odours caused by the local Meatworks. Since the installation there has been a reduction in the odour complaints.

Water Supply



Strategic Goal 1: Safe drinking water in accordance with NZ Drinking Water Standards.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
Pleasant tasting and looking drinking water is provided.	Percentage of customers who are satisfied with the quality of their drinking water. Target 85%	Not Achieved	(a)
	Number of complaints per annum regarding water supply quality, at any supply scheme. Target <10	Not Achieved	(b)
	Percentage of customers who are satisfied with the water pressure. Target 95%	Not Achieved	(c)
	Percentage compliance with 2007 Health (Drinking Water) Amendment Act. Target 100%	Not Achieved	(d)
	Minimum pressure at point of supply during normal operations. Target >65 kpa	Not Achieved	(e)
Water resources are used efficiently and sustainably.	Average water consumption per head of population at each scheme area. Target 250 litres	Not Achieved	(f)
	Percentage compliance with Resource Consents. Target 100%	Not Achieved	(g)
Water supply is adequate for public health and fire fighting purposes.	Confirmed illnesses attributable to consumption of WDC water supply services. Target Nil	Achieved There have been no confirmed illnesses attributable to consumption of Council water supply services.	(h)
	Percentage compliance with NZ Drinking Water Standards 2005. Target 95%	Not Achieved	(i)
	Percentage of serviced properties within each scheme area having an operational fire hydrant within distance specified by Fire Service. Target 100%	Achieved 100% of serviced properties within each scheme area having an operational fire hydrant within distance specified by Fire Service.	(j)
	Percentage of fire hydrants meeting annual compliance test with fire fighting standards. Target 90%	Achieved An estimated 90% of fire hydrants meeting annual compliance test with fire fighting standards.	(k)
	Public Health Risk Management Plans adopted and implemented. Target 100%	Achieved 100% adopted and implemented. Long-term improvement plans in progress.	(l)

Summary of Service Performance

- (a)** The performance target of 85% customers who are satisfied with the quality of their drinking water was not achieved this year. A total of 214 residents were surveyed of which 52% (111) were satisfied or very satisfied, 44% (95) were dissatisfied or very dissatisfied and 4% (8) had a "don't know" answer. This is a minor reduction from the previous year's resident satisfaction result of 54%. The main reason for dissatisfaction was poor taste, followed by chlorine taste, colour and smell.

WDC treats its water supplies for taste and odour. Personal opinion of what is deemed as poor taste can vary significantly and this can make it difficult to determine the cause of the satisfaction rating. If the taste is considered poor due to a chlorine taste, it is not possible to remedy this as those residents living near the treatment plant will always have higher chlorine content, in order for WDC to meet the requirements of the Drinking Water Standards for the far end of the reticulation network. If the rating is a result of the water having an earthy taste, then this is a result of the carbon dosing rate being too low. This will be remedied through the upgrades to the Water Treatment Plant (now underway) to enable automated adjustment of the dosing plant. The current 'taste and odour' treatment practices will continue with ongoing reviews of chemical dosage levels with the aim to provide pleasant tasting drinking water to the community.

Water Supply



Strategic Goal 1: Safe drinking water in accordance with NZ Drinking Water Standards.

Summary of Service Performance continued...

- (b)** The performance target of *less than 10 complaints per annum regarding water supply quality, at any supply scheme* was not achieved. WDC received a total of 91 complaints in the period 1 July 2011 to 30 June 2012, regarding the quality of water across all supply schemes. From these complaints 74% (68) related to the Te Kuiti scheme, 12% (11) related to the Piopio scheme, 7% (6) related to the Benneydale scheme and 7% (6) related to the Mokau scheme. The main reasons for the service request complaints were for smell, taste and colour. Another reason was in relation to leaks where the supply had been reduced or congested. Additional management will be placed on contractors to improve the quality and supply of water at all schemes.
- (c)** The performance target of *95% of customers are satisfied with the water pressure* was not achieved this year. From the total of 214 residents questioned on the adequacy of water pressure, 90% (192) were satisfied or very satisfied, 8% (18) were dissatisfied or very dissatisfied and 2% (4) had a "don't know" answer. This is only a minor reduction of satisfaction from the past years result of 92% which was achieved with a target of 90%. As indicated the target has increased from 90% to 95% only just pushing this performance target out of reach. The main reason for dissatisfaction was weak pressure. Other comments reported were that the water pressure was simply just unreliable. Although not achieved this year, the result is consistent with 2011.
- (d)** The performance target that requires *100% compliance with 2007 Health (Drinking Water) Amendment Act* was not achieved for all four of the district's Water Treatment Plants. In order for the plants to comply with those requirements of the standards established under the Act, they will require capital upgrades. Mandatory standards were imposed by the 2007 Health (Drinking Water Act) as amended in 2008. The requirements of the Act do not directly serve to improve water treatment quality or production. The compliance regime looks to impose additional accountability reporting and reduce potential risks to public health by introducing the requirement for additional (barriers) treatment processes. Application for Ministry of Health funding for upgrade of the Piopio water treatment plant was successful - construction is in progress. Application for Ministry of Health funding for upgrades at the Te Kuiti water treatment plant was successful, with upgrades planned to begin in 2013.
- (e)** The performance target for a *minimum pressure of greater than 65 kpa at point of supply during normal operations* was not achieved. The pressure varies due to site level of house compared to the level of the reservoir. There is little that can be done to ensure that the minimum pressure at point of supply is maintained for various levels of private housing. WDC maintains a pressure of greater than 65kpa (>65 kpa) at the point of discharge from the Water Treatment Plant and this is recorded on WDC's SCADA.
- (f)** The performance target of *an average of 250 litres of water consumed per head of population at each scheme* was not achieved. This is a higher allowance than most Territorial Authorities, who only allow an average consumption of less than 200 L/head. Average water consumption was highest in the townships of Te Kuiti and Piopio. Water usage for individual properties is not metered at present so overall consumption suggests there is little, if any, direct incentive to conserve water. This issue is being investigated with the installation of water meters at key locations. The intention of this is to identify general water usage patterns and the results are being used to develop a solution which will include a water demand management strategy. A programme to reduce water usage during peak periods of the year, through community education has been implemented.
- (g)** The target of *100% compliance with Resource Consent conditions* has not been achieved. The total usage referred to above (higher than 250L/head) results in WDC not always complying with water take consents especially during the summer months. This performance result will improve with reductions in water usage as discussed under (f).
- (i)** The performance target of *95% compliance with NZ Drinking Water Standards 2005* was not achieved. To do this requires an upgrade of treatment plant processes and control equipment to allow the continuous monitoring, in real time, of the water treatment performance of the Piopio Water Treatment Plant and the Te Kuiti Water Treatment Plant. This target will not be achieved until such time as a significant upgrade of the plants is made.



Water Supply

Strategic Goal 2: Reliable water supplies, minimising supply disruptions through improved maintenance and meeting peak water supply demands.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
A reliable water supply is provided.	Percentage of customers who are satisfied with the reliability of their water supply service Target 85%	Achieved 92% of residents are satisfied or very satisfied with the reliability of their water supply service in the 2012 Resident Satisfaction Survey.	(a)
	Percentage of affected customers who receive at least 24 hours notice of any planned shutdown. Target 90%	Achieved 100% of customers received at least 24 hours notice of any planned shutdown, by way of letter drop.	(b)
	Availability of a 24x7 service for reporting problems. Target 100%	Achieved – 100% WDC Office hours are 8am to 5pm. After hours call centre is available 5pm to 8am and during weekends.	(c)
	Contingency plans are in place, and have been approved by the appropriate authorities. Target 95%	Achieved - 100% Contingency plans are held by Council and cover the most likely catastrophic events. These plans are in operation manuals, emergency response plan and civil defence management plan.	(d)
Failures and service requests are responded to promptly.	Percentage of supply disruptions restored within 4 hours after first notification. Target 90%	Not Achieved	(e)
	Number of complaints per year per water supply scheme, relating to time to restore service. Target <10	Achieved There were no complaints relating to time to restore service, from any residents on any of the water supply schemes (Te Kuiti, Piopio, Benneydale and Mokau).	(f)
	Number of working days taken to acknowledge complaints. Target <3	Not Achieved	(g)
	Percentage of non-urgent service requests monitored and resolved within one month of receipt. Target 95%	Achieved There were a total of 56 non-urgent Service Requests received for water from 1 July 2011 to 30 June 2012. 97% were resolved within one month.	(h)

Summary of Service Performance

- (e) The performance target of 90% of supply disruptions restored within 4 hours after first notification was not achieved. WDC received a total of 152 service requests, of which 57% (86) had supply disruptions restored within 4 hours of notification. This is a significant decline from the past years result of 73% which also failed to meet the required 90% target. The 43% (66) of service requests that did not restore supply disruptions within the 4 hour timeframe were due to a variety of reasons. Some of the disruptions required further investigation or work in order to resolve the issue. The time taken to restore the supply is also impacted on by volume of workload and resources available at the time, these issues have been addressed with the contractor and WDC considers this will improve on this performance result.
- (g) The performance target of less than three working days taken to acknowledge complaints was not achieved. WDC received a total of 34 service requests of which 71% (24) were acknowledged within three working days (or less). The remaining 29% (10) took more than three working days to be acknowledged. The total number of service requests has reduced from 1 July 2011 to 30 June 2012 in comparison to the past year which had a total of 238 complaints.

Water Supply



Strategic Goal 3: Cost effective operation, maintenance of and improvements to water supply systems including treatment facilities, pumping stations, reservoirs and piped reticulation.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
The services are managed at the lowest possible cost for the required level of service.	Percentage of customers who are satisfied that the water supply cost and service is fair and reasonable. Target 75%	Not Achieved	(a)
	Percentage of capital development programme as set out in the LTP implemented on time and within budget. Target 100%	Not Achieved	(b)

Summary of Service Performance

- (a)** The performance target of *75% resident satisfaction that the water supply cost and service is fair and reasonable* was not achieved. A total of 163 residents were surveyed of which there was a disappointing satisfaction rating of 46% (based on 75 residents) following the annual Resident Satisfaction Survey. There were 29% (47) residents who were dissatisfied or very dissatisfied, and 25% (41) residents had a "don't know" answer. This is a significant decrease in satisfaction in comparison with last year's result of 58%.

Consistent with 2011 results, the main reason for dissatisfaction was that the water supply was too expensive. There is a legacy of deferred maintenance items to be addressed, particularly in relation to the pipe work around the Te Kuiti Water Treatment Plant, optimisation of flow patterns through the clarifier and filters and the SCADA and telemetry monitoring systems. The work is required due to the deteriorated condition of this asset and is fundamental for Council to move towards the goal of compliance with the requirements of the Drinking Water Act 2007 (amended 2008) by the new compliance date of 1 July 2013, as announced by the Government on 24 June 2009.

A programme of renewal and development works to the Te Kuiti Water Treatment Plant was adopted by Council in the last financial year (subject to the assumption that Council's application for DWSS subsidy is successful). The 2nd stage of the proposed upgrade which includes upgrades to carbon dosing and ultra violet treatment capabilities is currently planned for the 2013/2014 financial year.

- (b)** The performance target of *100% capital development programme implemented on time and within budget* was not achieved. The implementation of a proposed Te Kuiti Water Supply capital works programme was delayed until subsidy was obtained from the Ministry of Health. This subsidy has now been granted. Mokau Water supply dam upgrade has received approval of subsidy from the Ministry of Health, but work design is still in discussion with the local Iwi.

Land Transport



Strategic Goal 1: The transport network supports the economic and lifestyle needs of the District through provision of access to properties, passage of through traffic, and effective transportation of goods and services.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
The rideability of the roading network is maintained in good condition and is 'fit for purpose'.	The number service complaints in any one month regarding the condition of the roading surface. Target < 4	Not Achieved	(a)
	Sealed road lane kilometres exceeding a NAASRA roughness count rating of 150. Target < 8%	Achieved 356 of the 9,246 sections of Waitomo District road have NAASRA counts greater than 150 + 3.9%.	(b)
The transportation system is reliable and travel times are predictable.	Percentage of persons who rate the reliability of the District's roading network as good or excellent in the Customer satisfaction survey. Target 65%	Achieved 76% of the 407 residents who rated their satisfaction, were satisfied or very satisfied with the Districts' roading network, in the 2012 Resident Satisfaction Survey.	(c)
Road users find the road environment predictable and the road safe to use.	Percentage of persons who as users rate the District's street lighting as good or excellent in the Customer satisfaction survey. Target 70%	Not Achieved	(d)
The network's traffic marking and signage facilities are up to date, in good condition and 'fit for purpose'.	The number of service complaints per month regarding missing, damaged or inaccurate road signage. Target < 3	Not Achieved	(e)
Traffic services (street lighting, roadside vegetation, road signs, road markings) are visible and accurate.	Percentage of road users satisfied that road signage and markings on the network is accurate and visible in the Customer satisfaction survey. Target 70%	Achieved 86% of 407 residents who rated their satisfaction, were satisfied or very satisfied with the road signage and markings, in the 2012 Resident Satisfaction Survey.	(f)
Road Corridor users (pedestrians, joggers, disabled persons etc) are able to use the road corridors in a safe and convenient manner.	The number of users who agree the standard of footpaths is good or excellent in the Customer satisfaction survey. Target 70%	Not Achieved	(h)
The roading network is open and accessible to users.	The number of road closures per month due to bank slippages or blockages. Target < 1	Not Achieved	(i)
The roading corridor feels safe to the user.	The number of complaints per month regarding damaged footpaths. Target < 3	Achieved WDC received a total of nine complaints. No more than three complaints were received in any one month regarding damaged footpaths.	(j)
	Bridge condition is inspected and reported annually. Target 100% achieved	Achieved As per the New Zealand Transport Agency's requirements, a Consultant carries out six yearly detailed reports and two yearly visual reports. Reports have been steadily coming in from the consultant for 2011/12 year.	(k)
	Time of response to reported defects and faults. Target Within 24 hours	Achieved There have been no complaints received regarding defects and faults in 2011/12.	(l)



Land Transport

Strategic Goal 1: The transport network supports the economic and lifestyle needs of the District through provision of access to properties, passage of through traffic, and effective transportation of goods and services.

Summary of Service Performance

- (a) The performance target of *less than four service complaints in any one month regarding the condition of the roading surface* was not achieved. WDC received a total of 55 service complaints regarding the condition of the roading surface in the period 1 July 2011 to 30 June 2012. A majority of these complaints were located on rural roads and were due to wet and rough weather conditions causing severe corrugations to the carriageway. Weekly operations meetings between WDC and Roading Contract staff cover any planned and emergency works requiring attention.
- (d) The target of *70% of residents rate the District's street lighting as good or excellent* was not achieved. Of the 407 residents surveyed, 67% (272) were satisfied or very satisfied and 18% (75) of residents were dissatisfied or very dissatisfied with the districts street lighting. 15% (60) of the residents questioned had a 'don't know' answer. This shows a decrease from the previous years result of 75% satisfaction with the service. The main reason for dissatisfaction was that there was 'none or not enough street lighting'. The number of streetlights currently maintained has not decreased over the last year. Funding allocation for upgrading of unlit areas in the Waitomo District's townships, was not included in the 2012-22 LTP.
- Other reasons for dissatisfaction with the street lighting include 'poor condition/lack of maintenance' and 'lights are on in day and not at night'. The issue of street lights being on during the day is a power supply issue. WDC reports notifications of this issue to The Lines Company for remedial action.
- (e) The performance target of *less than 3 complaints per month regarding missing, damaged or inaccurate road signage* was not achieved. WDC received 13 service complaints regarding missing, damaged or inaccurate road signage in the period 1 July 2011 to 30 June 2012. In the month of February 2012 there were four complaints which exceeded the target of three or less, resulting in the non-achievement of this performance measure. A large number of these complaints indicate signs that vandalism and theft are the cause of the missing or damaged road signage. Where possible the Te Kuiti Police investigates the theft and vandalism complaints. However this issue is proving difficult to remedy and investigations rarely produce the results that WDC require in order to improve this performance measure.
- (h) The performance target of *70% of users who agree the standard of footpaths is good or excellent in the Customer satisfaction survey*, was not achieved. Of the 407 residents surveyed, 53% (217) were satisfied or very satisfied, 33% (134) were dissatisfied or very dissatisfied and 14% (56) had a 'don't know' answer. This result has declined over the last two years from 73% in 2010 and 69% in 2011. The main reason for dissatisfaction is uneven surface and rough or cracked footpaths. Other reasons include poor maintenance and poor condition. Work is programmed and prioritised for maintenance and repair work to be undertaken on the footpaths. This work will be carried out over a lengthy process (over the life of the 2012-22 LTP) as WDC no longer receives a subsidy from NZTA for footpaths.
- (i) The performance target of *less than 1 road closure per months due to bank slippages or blockages* was not achieved. In the period 1 July 2011 to 30 June 2012 there were a total of nine road closures due to slippages or blockages. A majority of the service request complaints were from rural areas relating to trees or branches falling onto the roads creating blockages in times of heavy rainfall.

Investments



Strategic Goal 1: WDC investments contribute to the economic and environmental well-being of the District community.

Level of Service	Key Performance Indicator and Target	Performance to 30/06/12	Key
Investments contribute to economic and social well-being.	Viability and rationale of investment property regularly reviewed. Target Nil for 2011/12	Not measurable at this time. A Review of Investment property must be completed by 2012/13.	(a)
	Company performance and future investment in Inframax Construction Limited reviewed on an annual basis. Target Review undertaken on ongoing basis	Achieved	(b)

Summary of Service Performance

- (a)** The key performance target of a regular review of the viability and rationale of investment property is not measurable at 30 June 2012. A review of the actions in relation to the main investment land holding was undertaken twice during the 2009/10 financial year and is not required to be completed again until 2012/13.
- (b)** Because of ongoing financial difficulties being experienced by the company, WDC's Shareholder Representative Committee has met frequently with the company's Board of Directors over the last 12 months and has been monitoring and reviewing the performance and financial forecasts of the company and assessing the value of Council's future investment in the company.
- Prior to the June 2011 balance date, Council agreed to provide \$800,000 of additional equity in the form of an increase in the shareholding investment. Those funds were paid into the Company in July 2011.
- In November 2012, Council approved a Recovery Plan prepared by the Company which included purchasing the Parkside Subdivision for book value and advancing a loan to the Company of \$750,000 on terms that are not more favourable than if the Company was to borrow the funds externally.
- In June 2012 PricewaterhouseCoopers (PWC) undertook a valuation of Council's investment (shares) in the Company. The valuation was prepared to assist Council in establishing the carrying value of the Company for financial reporting purposes. As a result of its analysis, PWC assessed the fair value of 100% of the shares of the Company to be nil as at valuation date.

6.0 Appendices

6.1 District Background

The Waitomo County Act was passed in 1904 and the first meeting of the Waitomo County Council was held in September 1905.

The Borough of Te Kuiti was constituted in 1910.

In 1922 the Awakino County was amalgamated with the Waitomo Council in an area of the then Otorohanga County to form a separate local authority.

Part of the Kawhia County was included with Waitomo County in 1956 and the balance incorporated with Otorohanga.

The Te Kuiti Borough and Waitomo County Councils were amalgamated to form the Waitomo District Council on 1st April 1976, and although minor changes to boundaries occurred with the 1989 reorganisation, the District remains substantially unchanged.

The present Waitomo District Council was reconstituted on 1st November 1989 as a result of the local government reorganisation process that occurred across New Zealand.

6.2 District History

The town of Te Kuiti and the majority of the Waitomo District is situated within the King Country, a large tract of the western central North Island. The name King Country arose because this was the region in which King Tāwhiao sought refuge after the Waikato land wars. He prohibited the entry of Europeans to the area.

To the Māori people the region was known as Te Rohe Potae. Within Te Rohe Pōtae there were five tribes who signed an agreement with the Crown, which eventually allowed the North Island Main Trunk Railway line to come into the area. The five tribes were Ngāti Maniapoto, Ngāti Hikairo, Ngāti Raukawa, Ngāti Tuwharetoa and Whanganui.

It was also to this area that the rebel Te Kooti fled in 1871, and in return for sanctuary left as a gift for the Maniapoto people, Te Tokanganui-a-noho, the carved meeting house which now stands at the south end of Te Kuiti's main street. Te Kuiti was also the headquarters for paramount Maniapoto chiefs, Wahanui Huatere and Taonui who were instrumental in the opening up of the King Country to the railway and the North Island Main Trunk Railway line.

Te Kuiti lies on an area known to Māori as Pukenui. The original Te Kuiti was situated at the mouth of the Mangaokewa Gorge, just below where the Mangaokewa River emerges, from the higher country through ramparts of limestone.

Situated in a pleasant valley with this narrow gorge at the south end, Te Kuiti's original name was Te Kuiti O Nga Whakaaro O Te Iwi, meaning the narrowing down or thoughts of the people.

6.3 District Statistics

LOCATION	
Latitude:	38° 21' South
Longitude:	175° 11' East of Greenwich
Altitude:	55m above mean sea level
Area:	336,357 hectares (3363.57 sq km)
CLIMATE	
Temperature Summer Average	18.5°C Winter Average 9.5°C
Sunshine Mean Average	1,749 hours
Rainfall Average	1,473 mm per year
Frosts Average	47 days per year
POPULATION ANALYSIS (Source data 2006 Census)	
Total Population	9,441
2010 estimated population	9,640
Median age	35
Number of households	3,390
Electors	5,793
RATING STATISTICS	
Total Rates Revenue 2011/12 (excluding Penalties) Budget	\$15,489,000
Actual	\$15,498,000
Total Rateable Capital Value as at 30 June 2012	\$3,165,466,900
Total Capital Value as at 30 June 2012	\$3,778,079,250
Number of Rateable Properties as at 30 June 2012	5,672
PUBLIC DEBT OUTSTANDING	
30 June 2012 (Actual)	\$47,005,000
30 June 2012 (Budget)	\$44,642,000
PUBLIC EQUITY	
30 June 2012 (Actual)	\$264,378,000
30 June 2012 (Budget)	\$250,909,000
OTHER INFORMATION	
Number of Building Consents 2011/12	166
Value of Building Consents 2011/12	\$9,378,099
Total District Roding Sealed (June 2012)	449 kilometres
Total District Roding Unsealed (June 2012)	561 kilometres
Registered Dogs Total (30 June 2012)	4,021

6.4 Elected Representatives



Mayor Brian Hanna

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 Mobile: 021 726 282
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 Te Kuiti 3982.



Allan Goddard
 (Deputy Mayor)

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 RD7, Te Kuiti 3987.



Pat Hickey

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 Road, RD5, Te Kuiti 3985.



Lorrene Te Kanawa

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 Te Kuiti 3910.



Guy Whitaker

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 Address: 15 Liverpool Street,
 Te Kuiti 3910.



Phil Brodie

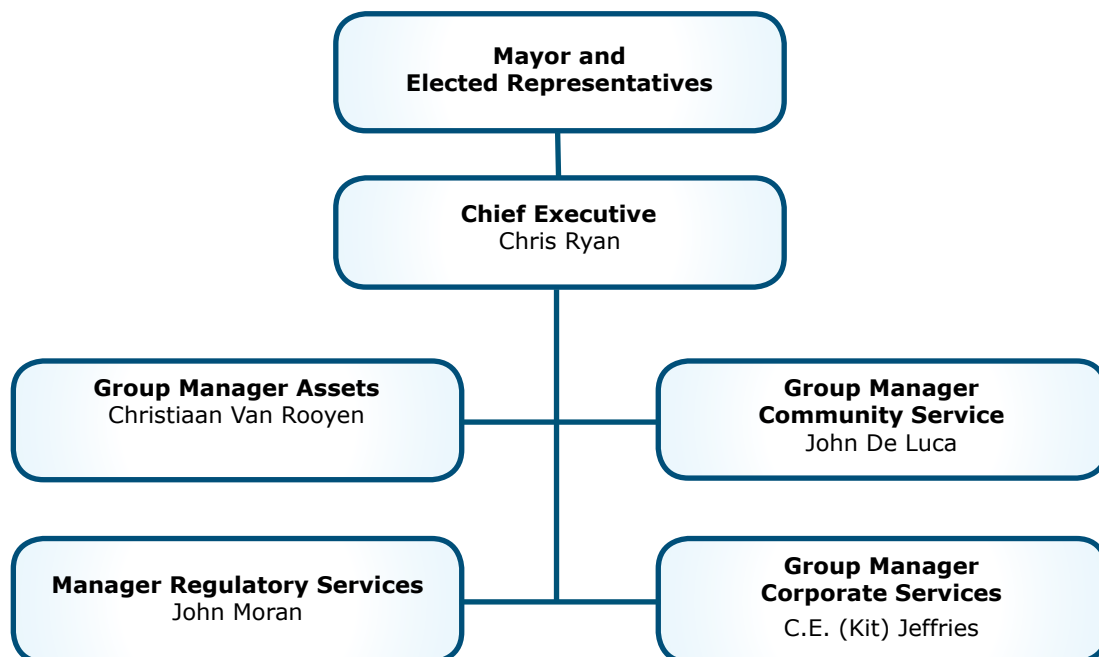
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Charles Digby

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 Te Kuiti 3983.

6.5 Management Structure



6.6 Glossary of Terms

Activity	The goods or services that WDC provides to the Community.
Annual Report	A document that WDC prepares each year which provides the public with information on the performance of the WDC during the year (in both financial and non-financial terms).
Assets	Assets are things that WDC owns, such as roads, parks, buildings and cash holdings.
Asset Management Plan	A planning document that combines management, financial, strategic and engineering techniques to ensure an asset continues to provide the desired level of service to its customers at the lowest long term cost.
Capital Expenditure	The term used to describe expenditure on assets (land, infrastructure, plant and equipment) that will provide benefit to the Community for a period greater than 12 months.
Capital Value	The sum of the unimproved value (land value), and the value of the improvements is equal to the capital value of the land.
Community	A network of people and organisations linked together by common factors. This might refer to a network of people linked by place (that is, a geographic community), common interest or identity (for example, a Hapu, a voluntary organisation or society), or an administrative community (such as a District).
Community Outcomes	The Community's view of what is important for its current and future social, economic, environmental and cultural well-being as identified through a special consultative procedure. These outcomes inform the development of WDC's planning and co-ordinate the activities and planning of all sectors of the community.
Community Well-beings	One of the main purposes of councils, as stated in the LGA 2002, is to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future. These four aspects are known as the 'four community well-beings'.
Corporate Support	Used to describe the inputs that are used by all of WDC's activities.
WDC	The seven elected members that form the governing body (WDC) of the WDC.
WDC Organisation	Any organisation in which one or more local authorities own or control any proportion of the voting rights or have the right to appoint one or more of the directors, trustees, etc.
WDC Controlled Organisation	Any organisation in which one or more local authorities own or control 50 percent or more of the voting rights or have the right to appoint 50 percent or more of the directors of the organisation.
WDC Controlled Trading Organisation	A council-controlled organisation that operates a trading undertaking for the purpose of making a profit.
Current Assets	Assets that can be readily converted to cash, or will be used up during the year. These include cash, stock, debtors, and operational investments.
Current Liabilities	Creditors and other liabilities due for payment within the financial year.
Designated Investments	Investments representing Special Funds and Reserve Accounts.

Development Expenditure	A form of capital expenditure that refers to an investment in an asset to improve its value. The investment in the asset results in the asset's condition being better than when it was first purchased, or built by WDC. This does not include renewing old assets to their original state; these are classed as renewal works.
Exception Annual Plan	A document adopted by WDC in each of the years between LTPs which sets out the budget and sources of funding for the year and reports on any exceptions from those forecast in the LTP.
Infrastructural Assets	Fixed utility systems that provide a continuing service to the Community and are not generally regarded as tradable. WDC's infrastructural assets consist of roads, waste disposal systems, sewerage, stormwater systems and landfill assets.
Key Performance Indicators	Targets set by WDC to enable the Community to monitor WDC's progress towards agreed outcomes each year. A table of performance measures is provided in each activity section.
Levels of Service	WDC has Levels of Service that it has agreed to provide to the Community. Examples include the number of times reserves are mowed per year or response times to customer concerns. Operational levels of service are stated in the activity sections of the Waitomo District WDC Long Term WDC Community Plan (LTP).
Level of Service Expenditure	A form of capital expenditure that refers to an investment in an asset to improve its value as a result of improving the service that the asset provides to the community. The level of service investment in the asset results in the asset's condition being better than when it was first purchased or built by WDC. This does not include improvements to assets as a result of increased need or demand for that asset due to growth, this is classed as Development Expenditure; or renewal of old assets to their original state, which is classed as Renewal Expenditure.
Local Government Act 2002	The Key legislation that defines the regulations and responsibilities for local authorities.
2009-19 Long Term Plan	A plan covering a period of 10 years (2009-2019), developed by the WDC and describing what the WDC will do to contribute to the achievement of Community Outcomes. An LTP describes what the WDC will do over the ten year period, why it plans to do these things, how much these things will cost including how they will be funded and how success will be judged.
2012-22 Long Term Plan	A plan covering a period of 10 years (2012-2022), developed by the WDC and describing what the WDC will do to contribute to the achievement of Community Outcomes. An LTP describes what the WDC will do over the ten year period, why it plans to do these things, how much these things will cost including how they will be funded and how success will be judged.
Operations Expenditure	The expenditure required to meet the costs of normal day-to-day services provided by WDC. This includes expenditure resulting from inputs on such items as contract costs, materials, electricity and plant hire.

Acronyms

AMP	Asset Management Plan
AP	Advisory Panel
Capex	Capital Expenditure
CCO	Council Controlled Organisation
COs	Community Outcomes
DWS	2005 Drinking Water Standards
EAP	Exceptions Annual Plan
FAR	Financial Assistance Rates
ICL	Inframax Construction Limited
KPI	Key Performance Indicator
LGA 2002	Local Government Act 2002
LoS	Level of Service
LTP	Long Term Plan
LTNZ	Land Transport New Zealand
MoH	Ministry of Health
NAASRA	National Association of Australian State Roading Authorities
Opex	Operational Expenditure
PHRMP	Public Health Risk Management Plans
RSS	Resident Satisfaction Survey
RTO	Regional Tourism Organisation
SUIP	Separately Used or Inhabited Part
SWaMMP	Solid Waste (asset) Management and Minimisation Plan
SWSS	Sanitary Waste Subsidy Scheme
TKWWT	Te Kuiti Waste Water Treatment Plant
TUAC	Targeted Uniform Annual Charge
UAC	Uniform Annual Charge
UAGC	Uniform Annual General Charge
WDC	Waitomo District Council
WDHB	Waikato District Health Board
WRC	Waikato Regional Council (formally known as Environment Waikato)

Operating Revenue	<p>Money earned through WDC activities in return for service provided, or by way of a grant or subsidy to ensure particular services or goods are provided.</p> <p>Examples include Land Transport New Zealand (LTNZ) Financial Assistance Rates (FAR) subsidies, rental income and fees and charges.</p>
Operating Surplus	<p>An accounting term meaning the excess of income over expenditure. Income and expenditure in this context excludes "capital" items such as the receipt of repayment of intergeneration loans, the cost of capital works and transfers to and from reserves. An operating surplus is inclusive of non-cash items such as income and expenditure owing but not paid (debtors and creditors) and depreciation.</p>
Outputs	<p>Goods and services the WDC will produce or provide to achieve agreed outcomes.</p>
Renewal Expenditure	<p>A form of capital expenditure that describes WDC's ongoing programme of works, which is aimed at maintaining the District's assets in a good condition by 'renewing' them back to their original state.</p>
Separately Used or Inhabited Part	<p>A separately used or occupied part of a rating unit includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use.</p> <p>As a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation or actual separate use. For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one separately used or inhabited part.</p>
Stakeholders	<p>People, groups and or organisations that have an interest in what happens in the District.</p>
Strategic Goals	<p>WDC has set Strategic Goals for each of its activities. These goals are targeted at ensuring WDC's work programmes are promoting the achievement of Community Outcomes. The goals are long-term and in most cases will take many years to achieve.</p>
Sustainable Development	<p>Development that meets the needs of the present without compromising the reasonably foreseeable needs of future generations.</p>
Targeted Uniform Annual Charge	<p>A targeted rate based strictly on a uniform amount set for each separately used or inhabited rating unit, within a defined (targeted) area, e.g. stormwater, solid waste kerbside collection, etc.</p>
Uniform Annual Charge	<p>A service charge that is levied on each separately used or inhabited rating unit, e.g. solid waste management, sewerage, water supply, etc.</p>
Uniform Annual General Charge	<p>Uniform Annual General Charge that is levied on all separately used or inhabited rating units in the District.</p>
Waitomo District Council	<p>Waitomo District WDC: the organisation established to administer WDC affairs, conduct operations and bring effect to WDC policy and strategies.</p>