

**Waipa**  
DISTRICT COUNCIL  
**2006/07**  
**ANNUAL REPORT**

## SUMMARY

*Waipa District Council* recently published its Annual Report for 2006/07, which detailed its achievements against the activities, projects and budgets signalled in the 2006/07 Annual Plan. The information contained in this summary is drawn from the full Annual Report and both documents were authorised for issue by Council on 25 September 2007.

This summary cannot be expected to provide as complete an understanding as provided by the full financial report of the financial and service performance, financial position and cash flows of the Waipa District Council.

The full Annual Report has been audited by Audit New Zealand who have given an unqualified opinion. The summary has been examined by the auditor for consistency with the full financial report, and audited by Audit New Zealand on behalf of the Office of the Auditor-General.

### **This booklet provides:**

- An outline of Council's end of year financial position;
- A summary of Council's performance in the areas of Governance, Amenity Services, Transport Management, Stormwater, Environmental Services, Water Treatment and Supply, Waste Management and Wastewater Treatment and Disposal;
- An overview of the significant projects and initiatives undertaken by Council during the past year;
- A statement from Council's auditors – Audit New Zealand.

**The full Annual Report is available on-line at [www.waipadc.govt.nz](http://www.waipadc.govt.nz) or at Council offices at 23 Wilson St, Cambridge or 101 Bank St, Te Awamutu.**

### **This year has been another good one for Council and the Waipa District.**

Throughout the year growth has once again been greater than anticipated. Council assumed it would be 1.96%. It has been 3%, over 500 additional properties.

Subdivisions and development, predominantly in Cambridge, have made it necessary to review the planned upgrade of associated infrastructure. Growth has also continued to put increased demands on planning and building consent work.

In addition to work required by development and the usual operational work programmes, Council initiated several large projects and continued to work on some significant issues. These include: the

*Council is pleased with the outcome of 2006/07 and proud of what has been accomplished during its three year term.*

extension of seal on gravel roads that has now taken the total of roads able to be sealed in the district to 95.6%; the problem of heavy traffic in the main street of Te Awamutu, which continues to be a complex matter; the Cambridge Bypass – now in its design stage, and a comprehensive traffic study of Cambridge and the surrounding area; a new covered swimming pool for Cambridge; a community sports hall as a joint venture with the Cambridge High School; and a substantial upgrade of the Karapiro Domain, which will support the world rowing championships to be held in 2010.

The year has not been without the usual challenges but Council is pleased to report an operating surplus of \$7 million compared to a budget of \$6.8 million, and, once



**Alan Livingston, JP**  
Mayor



**John Inglis**  
Chief Executive

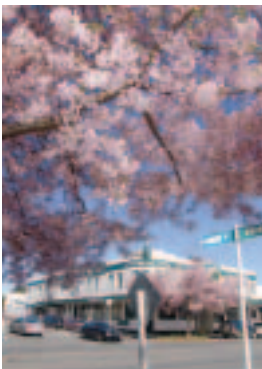


*Karapiro Domain is to be substantially re-developed.*

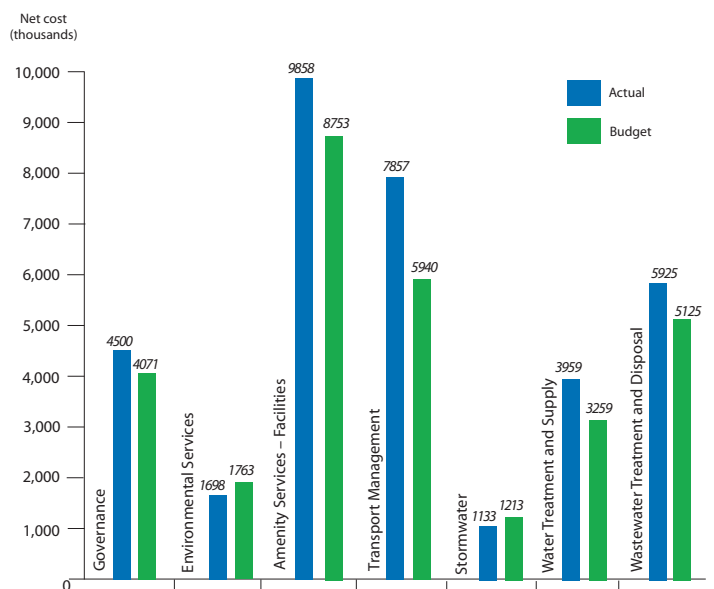
again, a strong balance sheet with an increase in equity of \$229 million. The revaluation of infrastructural assets has played a part in this and vested assets of \$8 million compared to a budget of \$1.3 million has largely offset \$9 million of under expenditure on capital work. Much of this incomplete capital work will continue on in the next year.

The triennial local body elections are to be held in October 2007. Council is pleased with the outcome of 2006/07 and proud of what has been accomplished during its three year term. It takes

this opportunity to thank all those who have been involved in Council business and who have contributed to the good results that have been achieved for the benefit of the district.



### Key Activity Areas – Financial Summary 2006/07



# Financial Summary

The following summary financial statements were extracted from the full audited financial report of Waipa District Council for 30 June 2007. An unqualified audit report was issued on the full financial statements.

Statement of Financial Performance For the Year ended 30 June 2007	2007 Actual \$000's	2007 Budget \$000's	2006 Actual \$000's
Operating Revenue	52,854	47,148	55,851
<b>Operating Surplus/(Deficit)</b>	<b>\$7,073</b>	<b>\$6,836</b>	<b>\$15,457</b>
<b>Statement of Movements in Equity</b>			
Public Equity at the start of the year	690,416	677,960	649,785
Net surplus/(deficit) for the year	7,073	6,836	15,457
Revaluation gains/(losses) taken to Equity	229,401	0	25,174
<b>Total Recognised Revenue and Expenses</b>	<b>236,474</b>	<b>6,836</b>	<b>40,631</b>
<b>Total Equity at End of the Year</b>	<b>\$926,890</b>	<b>\$684,796</b>	<b>\$690,416</b>
<b>Statement of Financial Position as at 30 June 2007</b>			
Current Assets	19,337	7,983	10,575
Non current Assets	931,816	697,952	697,365
Total Assets	951,153	705,935	707,940
Current Liabilities	21,991	8,594	10,729
Non current Liabilities	2,272	12,545	6,795
Total Liabilities	24,263	21,139	17,524
<b>Equity and Net Assets</b>	<b>\$926,890</b>	<b>\$684,796</b>	<b>\$690,416</b>
<b>Statement of Cash Flows for the Year ended 30 June 2007</b>			
Net from Operating Activities	15,869	15,705	13,603
Net from Investing Activities	(11,757)	(21,141)	(13,475)
Net from Financing Activities	4,823	5,286	(7,687)
Net Increase/(Decrease) in Cash and Cash Equivalents	8,935	(150)	(7,559)
Cash and Cash Equivalents at the beginning of the year	7,027	5,180	14,586
<b>Cash and Cash Equivalents at the end of the year</b>	<b>\$15,962</b>	<b>\$5,030</b>	<b>\$7,027</b>

## Additional Disclosure

### Accounting Policies

#### Reporting Entity

Waipa District Council is a territorial local authority governed by the Local Government Act 2002. Council has no subsidiaries and the Financial Statements are for the single entity of Waipa District Council. Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

#### Basis of Preparation

The Financial Statements have been prepared in accordance with generally accepted accounting practice and comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The summary relates to the first set of Financial Statements prepared using NZ IFRS and comparatives for the year ended 30 June 2006 have been restated to comply with NZ IFRS. Reconciliations of equity and net surplus/(deficit) for the year ended 30 June 2006 under NZ IFRS to the balances reported in the 30 June 2006 Financial Statements are detailed in note 2 of the full Financial Statements. These summary financial statements comply with Financial Reporting Standard 43.

The Financial Statements have been prepared on a historical cost basis, modified by the revaluation of certain assets. The Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

#### Contingent Liabilities

- Loans guaranteed by Council of \$108,542 (2006 \$113,542).
- There is currently one professional indemnity claim lodged against

Council via Weathertight Homes Resolution Services (2006 three claims). The total of the claim is \$39,400 and this is covered by Council's insurance policy with a maximum liability to Council of the excess of \$10,000 per claim.

- During May 2004, the shareholders of Waikato Regional Airport (WRAL) of which Waipa District Council has a 15.625% shareholding, authorised the company to issue further shares totalling \$21.6m to shareholders. This capital restructure is part of the WRAL Airport Development and allows WRAL to borrow commercially at favourable interest rates. While there are no plans to call up the capital, Council has a contingent liability for \$3.375m for uncalled capital.
- Council owns one pensioner housing unit where there is a Site Licence Agreement with a provision that if the owner is unable to sell the property within one year of termination of the Site Licence, Council will lend the owner the value of the property, which would then be reimbursed on the future sale. Council has a contingent liability for \$100k.

#### Statement of Commitments

Council's commitment on projects where contracts have been entered into but goods or services have not been received is \$10.2m (2006 \$9.8m). Of this \$5.3m related to capital, and \$4.9m to non-cancellable operating contracts. Council does not enter into operating leases.

## Key Achievements

A summary of Council's achievements in eight key activity areas is outlined in this booklet. Also included is a snapshot of our performance as measured in our 2007 survey of residents. The survey was undertaken by the National Research Bureau (NRB).

**NB:** These figures exclude "Don't Know" responses

Key:

2007 2006 2005

## Governance

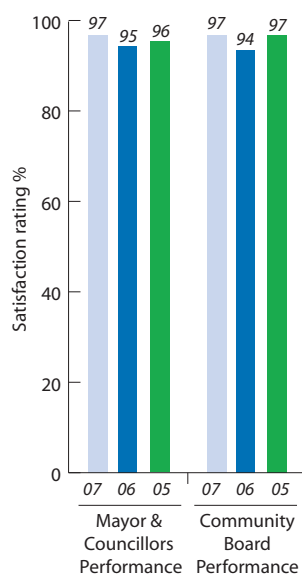
### NRB survey results

Governance is Council's statutory responsibility to provide democratic and decision-making processes.

It includes all meetings, consultation, communication and civic affairs activities, plus conducting elections. Governance assets include our buildings in Te Awamutu and Cambridge and our information management and support systems.

### Milestones

- 41% of eligible residents voted in the 2004 local government elections
- Council sought formal public feedback six times throughout the year
- Council completed a review of representation arrangements for the 2007 local elections



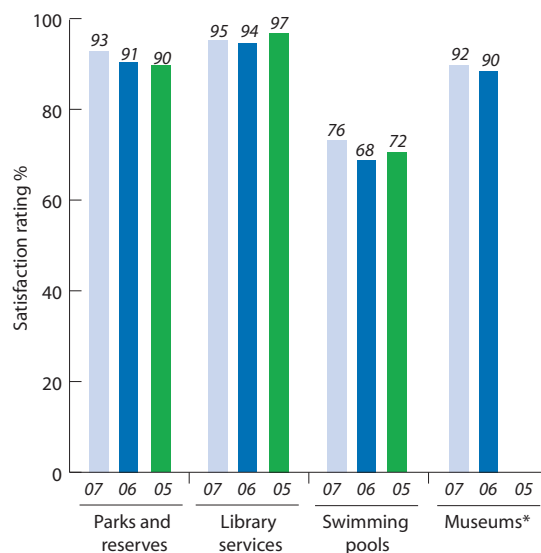
## Amenity Services

### NRB survey results

Amenity Services includes activities which promote community health and well-being such as parks, pensioner housing, community halls, libraries, swimming pools, community grants, rural fire and civil defence. Council's Amenity assets include our libraries, the Trust Waikato Te Awamutu Events Centre, the Cambridge public swimming pool, the cycling velodrome, Te Awamutu Museum, 32 District halls plus our parks, reserves, sports fields, playgrounds and recreational lakes.

### Milestones

- Construction of the Rukuhia Hall (\$600,000 budget) commenced in March 2007, with completion expected in August 2007.
- A full maintenance shutdown of the pool facilities at Te Awamutu Events Centre was successfully undertaken during the year.
- Reserve Development – the ongoing implementation of a rolling programme to develop parks and reserves across the District.
- Council provided \$477,083 in grants to community groups and organisations.



\* New category from 2006

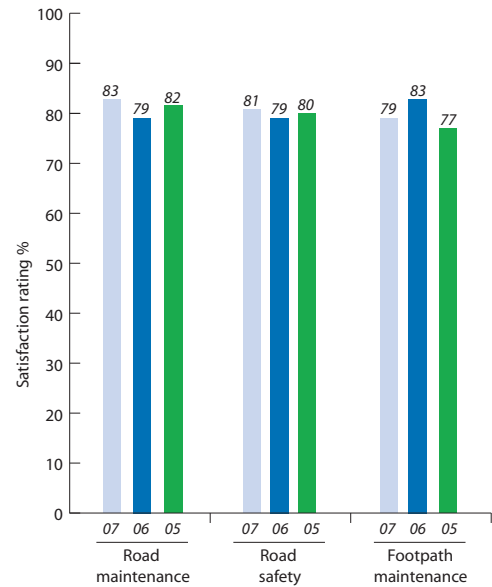
## Transport Management

### NRB survey results

Council's Transport Management activities encompass the construction and maintenance of roads and footpaths to ensure maximum convenience and safety. Our road network assets include: 1055km of roads (87.8km unsealed), 2200m of bridges and large culverts, 174km of footpaths and our street lights, road signs and marker posts.

### Milestones

- Council is completing the sealing of 6km of previously unsealed roads
- Council continued the enhanced footpath development programme in Cambridge with a total of 3.1km of new footpath and the renewal of 1.1km of old footpath completed during the year



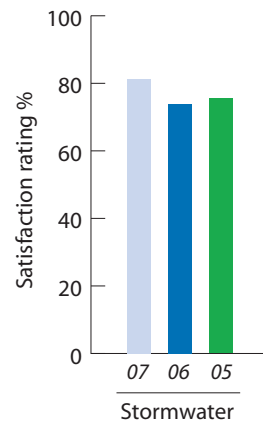
## Stormwater

### NRB survey results

Stormwater activities include the provision and maintenance of stormwater drainage systems in both rural and urban areas. Our stormwater assets include 121.9km of piped urban drains, 231km of rural drains and seven retention dams.

### Milestones

- Completion and continuation of projects to relieve chronic flooding problems in Cambridge and Te Awamutu
- Council achieved a high level of compliance with resource consent conditions



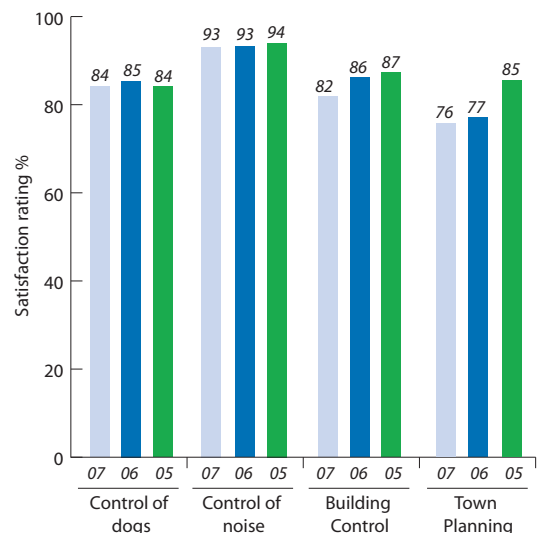
## Environmental Services

### NRB survey results

Council has a legal obligation to promote, protect and manage natural and physical resources, public health and safety. Key activities include planning (resource management), building control, environmental health and animal control. Assets include the dog pounds in Cambridge and Te Awamutu.

### Milestones

- Council completed the review of three Fire Bylaws, the Cemeteries Bylaw, and the Proposed Resource Management Fees and Charges
- 96.8% of the 4,084 planning and building-related applications were processed within statutory timeframes



## Water Treatment and Supply

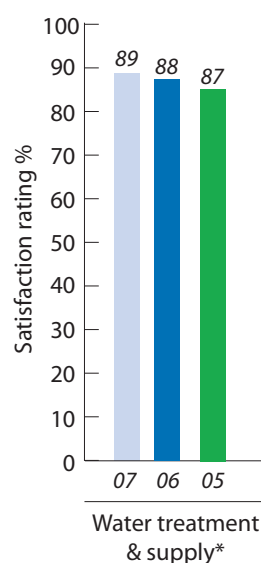
### NRB survey results

A safe water supply is critical. Council's water assets include six water treatment plants, 10 pump stations, 11 reservoirs and 527km of mains and reticulation.

#### Milestones

- High level of compliance with resource consent requirements
- Council treated 9,900 million litres of water
- 13,109 properties connected to a Council water supply

\* These results are for full unrestricted Council supply



## Waste Management

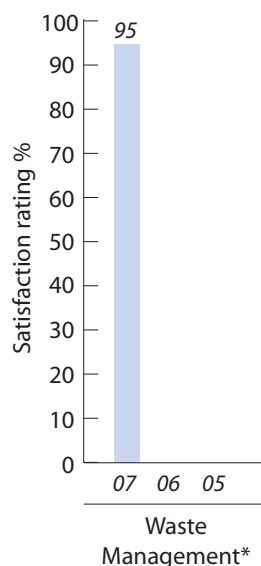
### NRB survey results

Council's Waste Management Plan includes the management of landfills, litterbins and introduction of a kerbside recycling service.

#### Milestones

- The kerbside recycling service was launched to urban households in March 2007 for residents in Cambridge, Te Awamutu, Kihikihi, Pirongia, Ohaupo, Karapiro, Rukuhia and Ngahinapouri. All preparation for the rural service roll out was completed within the year as well.
- Capping the Kihikihi and Pirongia landfills was largely completed during the year.

\* This service began in 2006/07.



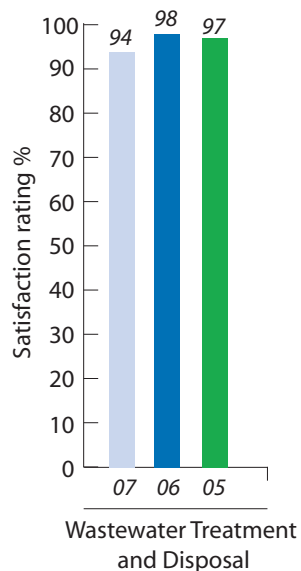
## Wastewater Treatment and Disposal

### NRB survey results

Wastewater Treatment and Disposal encompasses the collection, treatment and disposal of wastewater. Our sewage disposal assets include two treatment plants, 39 pump stations and 225.4km of mains and reticulation.

#### Milestones

- High level of compliance with resource consent requirements
- 2900 million litres of sewage was treated
- 10,101 properties connected to a Council sewerage system





## Major initiatives

*All of the activities, services and projects undertaken by Council are intended to support or improve the social, cultural, economic and environmental well-being of the community. There has been no material change to the potential negative impacts of activities, services and projects undertaken by Council as identified in the LTCCP 2006-16. During the past year a number of initiatives were commenced and/or completed, with each making a significant positive contribution to community well-being. These initiatives are listed below:*

### ■ **Kihikihi Wastewater Scheme**

This project, which was completed in 2006, attracted a \$7.1 million subsidy from the Government. At that time a shortfall in Government funding meant that \$4.1 million of the subsidy was not going to be available to Council until 2009, requiring ratepayers to fund the interest payments on a loan for the outstanding amount. However, Council has now received the remaining subsidy, allowing the loan to be repaid.

### ■ **Karapiro Development**

Work has commenced on the development of the Karapiro Domain in general accordance with the strategic plan adopted by Council in 2005. Designs and concept plans have been progressed, with the staging of development to complement hosting of the World Rowing Championships at Karapiro in 2010. Initial works have involved the construction of footpaths and the widening of the main entrance.

### ■ **Cambridge Pool**

Council has confirmed the location of the new pool at the existing Williamson Street site (budget of \$11.5 million) and committed \$1.8 million to a joint initiative with Cambridge High School for the development of a Community Sports Hall. These projects will be progressed in 2007/08 with the finalising of designs and the commencement of the tendering process.

### ■ **Stormwater upgrades**

These were required to address chronic drainage problems in particular areas of urban communities. Further work in Cambridge and Te Awamutu is programmed for the next 2-3 years.

### ■ **Lake Te Ko Utu**

Following extensive community input, Council commenced a programme of works to improve the water quality and enhance the environs of Lake Te Ko Utu. During the year litter traps were installed on stormwater pipes entering the lake; adjacent community facilities had their septic tanks removed and were connected to the sewerage system; significant upgrades were made to walking tracks and stabilisation of the south-eastern lake edge was undertaken.

### ■ **Rukuhia Hall**

Construction of this facility (\$600,000 budget) commenced in March 2007, with completion expected in August 2007. This project is being led by the Rukuhia community.

### ■ **Remediation of Landfills**

The closed landfills at Kihikihi and Pirongia were capped in accordance with resource consent requirements, with planting at the Pirongia landfill to be completed in 2007/08. The remediation works were required to ensure the landfills can be managed to minimise ongoing environmental effects, and will be subject to routine monitoring.

### ■ **Cambridge North Development**

The ongoing expansion of infrastructure to support residential development in Cambridge.

### ■ **Footpaths**

In 2002, following strong support from the Cambridge community, Council embarked on a \$1 million 5-year footpath development programme in Cambridge. A similar programme is underway in Kihikihi, following the completion of the wastewater scheme. The goal of the footpath programme is to ensure that every residential street in major urban areas have a footpath on at least one side of the road. During the year a total of 3.1km of new footpath has been constructed, with the renewal of 1.1km of old footpath.

### ■ **Seal Extension**

2006/07 was the final year of a five-year, \$5 million District-wide programme to seal roads. During the year, an additional 4.8km of roads were sealed, with a further 1.3km underway to complete the 2006/07 programme. Seal extension is programmed to continue from 2008/09.

### ■ **Te Awamutu Events Centre**

An extensive maintenance programme, including shutdown of the pool facilities, was successfully undertaken during the year.

### ■ **Maungatautari Ecological Island**

The construction of the pest-proof fence has been completed. Council support for the Ecological Island project has continued to focus on the provision of supporting infrastructure and administration. At a governance level the project is being overseen by a Committee of Council.

### ■ **District Promotion Fund/Community Grants**

\$477,083 was allocated to groups and organisations to support work and activities aimed at improving well-being for residents. This figure is lower than in previous years, because the Te Awamutu Museum and Cambridge Museum, which were previously funded by way of annual grants, are now both funded through the Amenity Services significant activity area.



## Major initiatives... *continued*

### Reserve Development

The ongoing implementation of a rolling programme to develop parks and reserves across the District.

### Bylaws Review

During the year 11 Bylaws have been subject to review. Council has progressed the review of 20 of its 23 existing Bylaws. Council will complete its bylaw review programme by 30 June 2008.

### Cambridge Traffic Study

Concerns about congestion and safety issues on the local and state highway network prompted Council to undertake this Study, which was completed in May 2007. The study identified impacts of the proposed Cambridge bypass and the need for associated roading projects, including the need for a full

interchange at Hautapu (intersection of State Highways 1 and 1B) and the time at which a third bridge across the Waikato River is required. The report will inform Council's future road management and planning activities.

### Peat Lakes Accord

These lakes are widely recognised as being unique and worthy of preservation. In conjunction with key conservation and environmental management agencies, Council is overseeing the implementation of a 6 year (\$650,000) programme of restoration works, with 2006/07 being the first year of the programme.

### Water Supply and Wastewater System Upgrades

This work is an essential element in the preservation of public health and the development of any community.



## To the Readers of Waipa District Council's Summary Annual Report for the year ended 30 June 2007.

### We have audited the summary annual report.

#### Unqualified Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements complies with FRS-43: Summary Financial Reports and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 25 September 2007, on:

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

#### Basis of Opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in Waipa District Council.

#### Responsibilities of the Council and the Auditor

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

#### Ben Halford, Audit New Zealand

On behalf of the Auditor-General  
Hamilton, New Zealand  
25 September 2007