

Waipa
DISTRICT COUNCIL
2007/08
ANNUAL REPORT

SUMMARY

Waipa District Council recently published its Annual Report for 2007/08, which detailed its achievements against the activities, projects and budgets signalled in the 2007-08 Annual Plan. The information contained in this summary is drawn from the full Annual Report dated 9 September 2008.

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 or at Council offices at 23 Wilson St, Cambridge or 101 Bank St, Te Awamutu.

Significant milestones achieved

Council had another busy year in 2007/08 with significant milestones achieved contributing to our community outcomes which relate to health, sustainability, economic security, strength, vibrancy and liveability.

The annual National Research Bureau survey of residents conducted in June confirmed an increased level of community satisfaction with the services that Council provides and our shared environment. We are pleased with this result, which reflects well on all who contribute to our community well-being.

The district has continued to grow at anticipated levels. The number of properties increased by 388 (2%) and we processed 603 resource consents and 1450 building consents. Council's Building Control Department also became an accredited building consent authority under the terms of the Building Act 2004. We made steady progress on our capital works programme and spent \$18 million out of a budget of \$32 million, which meant at year's end investments were higher than budget and borrowing was less than budget. The projects which did not proceed in this financial year included Cambridge Pool, Karapiro Development and the regional airport wastewater treatment plant and these have been rescheduled for the 2008/09 year.

Refer to the back of this summary for progress on some of our major projects.

Council has continued with its opposition to Transpower's plans to erect a new 400kV capable transmission line through some of Waipa's outstanding landscapes by making submissions to the Electricity Commission and a Government-convened Board of Inquiry.

The year was not without the usual challenges of pressure on budgets, high expectations and demands on resources. We absorbed many costs and although Council incurred



Alan Livingston, JP
Mayor



John Inglis
Chief Executive

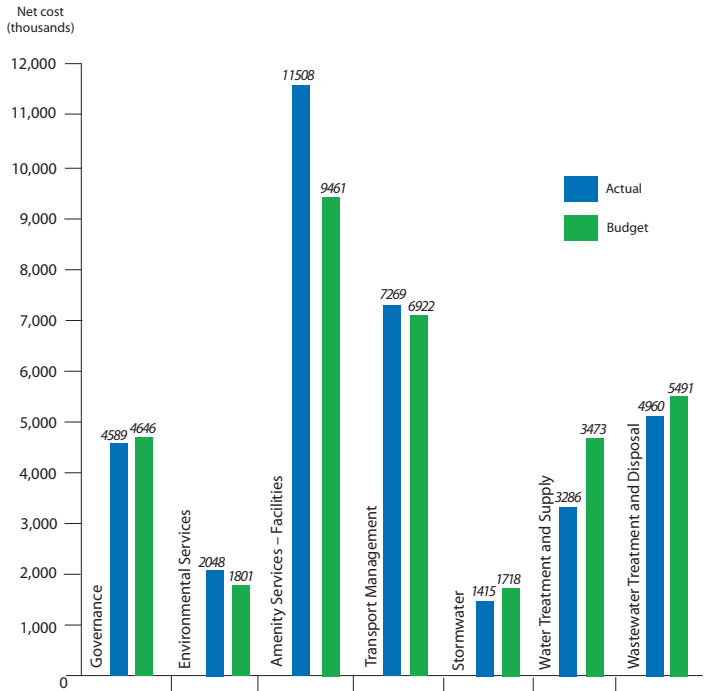


additional expenditure on growth planning, power, fuel, increased contract costs and asset write-offs we are pleased to report an operating surplus of \$6 million against a budget of \$12 million and a strong balance sheet with equity of \$933 million.

The triennial general elections were held in October 2007 and there were three changes to our Council. We take this opportunity to welcome the newly elected representatives to Council and to thank those who have left for their contribution to Council and the community. We also take this opportunity to thank Iwi representatives and the many other people who have been involved in Council affairs and who continue to give so much of their time to the community to make Waipa the great place it is.



Key Activity Areas – Financial Summary 2007/08



Financial Summary

The following summary Financial Statements were extracted from the full audited financial report of Waipa District Council for 30 June 2008. An unqualified audit report was issued on the full financial statements.

Statement of Financial Performance For the Year ended 30 June 2008	2008 Actual \$000's	2008 Budget \$000's	2007 Actual \$000's
Operating Income	54,496	57,865	52,854
Operating Surplus	\$6,446	\$12,051	\$7,073
Statement of Changes in Equity			
Public Equity at the start of the year	926,890	746,675	690,416
Net surplus/(deficit) for the year	6,446	12,051	7,073
Revaluation gains/(losses) taken to Equity	0	0	229,401
Cash flow hedges	(122)	0	0
Total Recognised Revenue and Expenses	6,324	12,051	236,474
Total Equity at End of the Year	\$933,214	\$758,726	\$926,890
Statement of Financial Position as at 30 June 2008			
Current Assets	17,569	7,463	19,337
Non current Assets	941,372	782,456	931,816
Total Assets	958,941	789,919	951,153
Current Liabilities	9,995	7,543	21,991
Non current Liabilities	15,732	23,650	2,272
Total Liabilities	25,727	31,193	24,263
Equity and Net Assets	\$933,214	\$758,726	\$926,890
Statement of Cash Flows for the Year ended 30 June 2008			
Net from Operating Activities	14,251	14,627	15,869
Net from Investing Activities	(17,671)	(24,114)	(11,757)
Net from Financing Activities	1,562	9,562	4,823
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,858)	75	8,935
Cash and Cash Equivalents at the beginning of the year	15,962	4,442	7,027
Cash and Cash Equivalents at the end of the year	\$14,104	\$4,517	\$15,962

Additional Disclosure

Accounting Policies

Reporting Entity

Waipa District Council is a territorial local authority governed by the Local Government Act 2002. The Financial Statements are for the single entity of Waipa District Council. The Financial Statements have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice. The Financial Statements comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement Base

The Financial Statements have been prepared on a historical cost basis, 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 \$103,542 (2007 \$108,542).
- There are currently no professional indemnity claims lodged against Council (2007 1 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 \$4m (2007 \$5m). 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 2008 survey of residents. The survey was undertaken by the National Research Bureau (NRB).

Key:



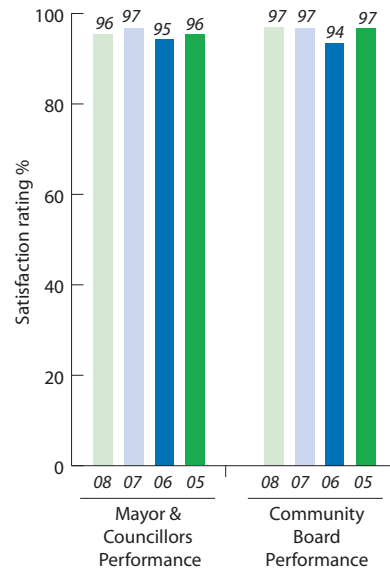
Governance

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

- 31.6% of eligible residents voted in the 2007 local government elections.
- Council sought formal public feedback five times throughout the year.



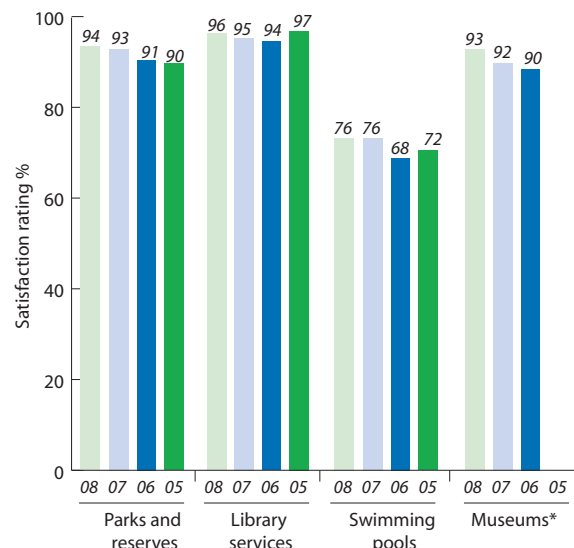
Amenity Services

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 service 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, Cambridge and Te Awamutu Museums, 32 district halls plus our parks, reserves, sports fields, playgrounds and recreational lakes.

Milestones

- Construction of the Rukuhia Hall (\$600,000 budget) was completed during the year. This project was led by the Rukuhia community, and supported by community fundraising.
- Reserve Development – the ongoing implementation of a rolling programme to develop parks and reserves across the District.
- Council provided \$489,143 in grants to community groups and organisations (\$71,842 for district promotions and \$417,301 for community grants). This figure is slightly higher than in previous years due to the provision of additional grants to Rukuhia Hall and Karapiro Hall projects.



* New category from 2006

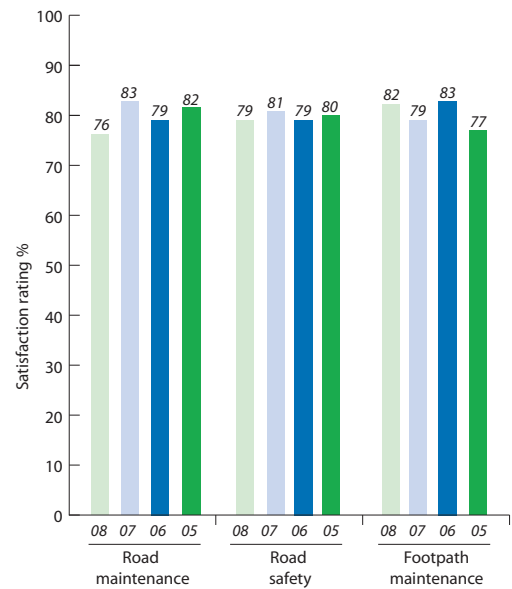
Transport Management

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: 1057km of roads (82km unsealed), 189 bridges, 194km of footpaths and our street lights, road signs and marker posts.

Milestones

- Council sealed 5.8km of previously unsealed roads.
- Council continued the enhanced footpath development programme in Cambridge, and a similar programme is underway in Kihikihi, following the completion of the wastewater scheme. During the year new footpaths were constructed in Cambridge and Te Awamutu/ Kihikihi.



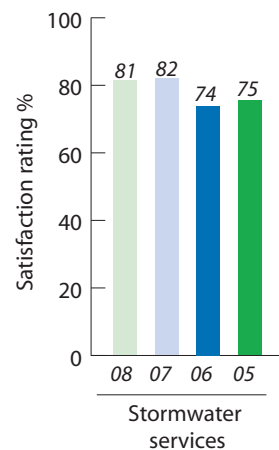
Stormwater

NRB survey results

Stormwater activities include the provision and maintenance of stormwater drainage systems in both rural and urban areas. Our stormwater assets include 122km 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.



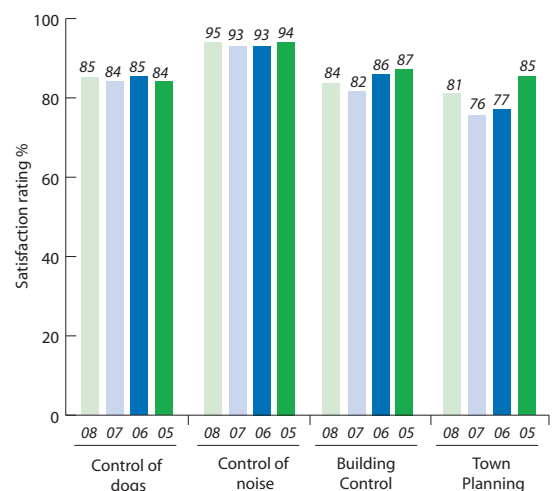
Environmental Services

NRB survey results

Council has a legal obligation to promote, protect and manage natural and physical resources, and 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

- During the year Council completed the review of its bylaws, which involved the review of 23 bylaws, and these have subsequently been replaced by 14 new bylaws.
- The review of the District Plan, which commenced in 2007, is underway, and includes the development of a 50-year District Growth Strategy, the preparation of concept development plans for major urban areas of the District.
- 96.1% of the 3,980 planning and building-related applications were processed within statutory timeframes.



Water Treatment and Supply

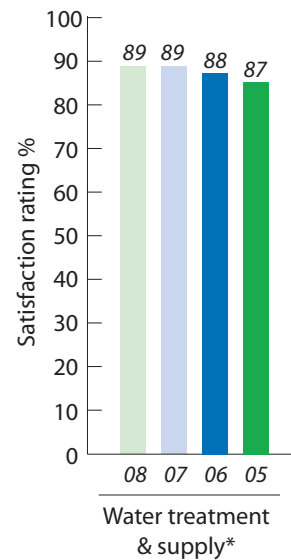
NRB survey results

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 9,800 million litres of water.
- 13,478 properties are connected to a Council water supply.

* These results are for: Water: Full (unrestricted) Council supply.



Waste Management

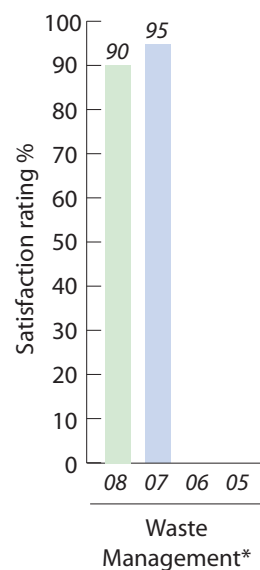
NRB survey results

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

Milestones

- All of the District's rural and residential households now have access to a regular recycling service.

* New category from 2007



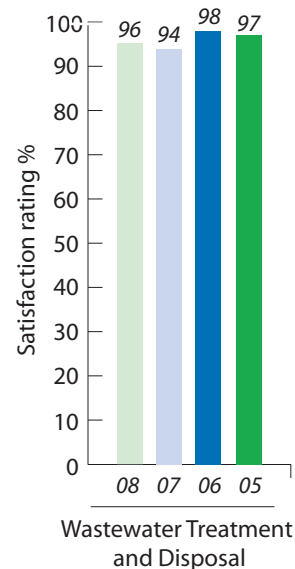
Wastewater Treatment and Disposal

NRB survey results

Wastewater Treatment and Disposal encompasses the collection, treatment and disposal of sewage. Our sewage disposal assets include two treatment plants, 39 pump stations and 201.9km of mains and reticulation.

Milestones

- High level of compliance with resource consent requirements.
- 2,800 million litres of sewage was treated.
- 10,374 properties are connected to a Council sewerage system.





WAIIPA

HOME OF CHAMPIONS

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:

■ Heart of Te Awamutu

The purpose of this project, which was initiated in 2007, is to prepare a long-term development plan for the central area of Te Awamutu. The key outputs of the plan will be a design concept to guide future development and a prioritised programme of works. To assist in preparing the plan the Council established a Steering Group, who invited community input/feedback on initial proposals and used the information to prepare the draft concept plan and programme of works. The draft concept plan and works programme are subject to a full public consultation process, with Council expected to confirm the plan (with amendments) in August 2008 following consideration of submissions. Council has a budget of \$630,000 in 2008/09 for development works related to the project. Council will confirm the works to be undertaken in 2008/09 following the confirmation of the concept plan. Projects not able to be undertaken in 2008/09 will be prioritised for inclusion in the draft 2009-19 10-year Plan.

■ Karapiro Development

Work is progressing 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 finalised, with the staging of development to complement the staging of the World Rowing Championships at Karapiro in 2010. Council's focus is to ensure the nature of the development serves the wider community, rather than any particular interest group.

■ 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. Council has appointed a project manager and cost management advisor. Design consultants have also been appointed, with the design work expected to be completed by the end of 2008, at which time tenders will be called. Construction is expected to commence in early 2009.

■ Stormwater upgrades

These were required to address chronic drainage problems in particular areas of urban communities. While flooding events have occurred during the year, the work undertaken has meant the impacts were minor, with no reported property damage. Further work in Cambridge and Te Awamutu is programmed over the next few years.

■ Recycling

In July 2007 Council commenced a fortnightly recycling service covering all households in the rural areas of the District. This initiative complements the kerbside recycling service for urban areas. All households in the District now have access to a regular collection service.

■ Sub-regional Growth Strategy (Future Proof)

Waipa District Council, in conjunction with Hamilton City, Waikato District, Environment Waikato and Matamata-Piako District Councils, is embarking on the development of a growth strategy for the sub-region. The strategy will establish a 50-year land-use/settlement plan for the sub-region, with associated future road network and general infrastructure needs identified. The strategy development process will be subject to extensive public consultation in 2008/09. This work, together with Council's concurrent District Growth Strategy project, will assist in the preparation of Council's 2009 10-year Plan.

■ 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 six year (\$650,000) programme of restoration works, with 2007/08 being the second year of the programme.



WAIPA HOME OF CHAMPIONS

Major initiatives... *continued*

■ *Water Supply and Wastewater System Upgrades*

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

■ *Cambridge Museum*

In line with an agreement with the Cambridge Historical Society, responsibility for the management and operation of the Cambridge Museum has transferred to Council. This arrangement will ensure that residents of Cambridge (and the District) have continued access to a quality museum service in Cambridge. Ownership of the museum collection remains with the Historical Society.

■ *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 Plan review*

This project, which commenced in 2007, includes the development of a 50-year District Growth Strategy, the preparation of concept/development plans for major urban areas of the District and the review of the District Plan. The Growth Strategy and Concept Plans are expected to be finalised in 2009, with a proposed District Plan likely to be notified in 2010.



To the Readers of Waipa District Council's Summary Annual Report for the year ended 30 June 2008.

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 Statements and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 9 September 2008, 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.

John Scott, Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand
9 September 2008