

**Document No:** 317340**File No:** 037/043**Report To: Council****Meeting Date:** 10 October 2013**Subject: Motion to Exclude the Public for the Consideration of Council Business****Purpose of Report**

- 1.1 The purpose of this business paper is to enable the Council to consider whether or not the public should be excluded from the consideration of Council business.

**Commentary**

- 2.1 Section 48 of the Local Government Official Information and Meetings Act 1987 gives Council the right by resolution to exclude the public from the whole or any part of the proceedings of any meeting only on one or more of the grounds contained within that Section.

**Suggested Resolutions**

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 Council agree the following staff, having relevant knowledge, remain in attendance to assist Council with its decision making: ...
- 3 The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General Subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>S 48(1) grounds for this resolution</b>
1. Deputation: Deloitte – Presentation of 2012/2013 Audit Opinion to the 2012/2013 Annual Report	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6, Section 7 or Section 9 of the Official Information Act 1982 as the case may require are listed above.

A handwritten signature in blue ink, appearing to read "Michelle Higgie".

MICHELLE HIGGIE  
**EXECUTIVE ASSISTANT**

Confidential

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## WAITOMO DISTRICT COUNCIL

### MINUTES OF THE WAITOMO DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 24 SEPTEMBER 2013 AT 9.00AM

**PRESENT:** Mayor Brian Hanna, Council Members Phil Brodie, Charles Digby, Allan Goddard, Pat Hickey, Lorrene Te Kanawa and Guy Whitaker

**IN ATTENDANCE: Media**  
Todd Ward (Waitomo News)

**Submitters to Draft Local Alcohol Policy**

Avineshwaran Mudaliar, Hilary Karaitiana, Sandra Jones; Jim Kernohan; Eddie Neha; Bart Hoera; Nick Chester and Ross Henderson (Population Health); Curly McErlach; Garry Mullany; Phillipa Clifford; Julie Daniels and Phil Hollings

**Other**

Mike McGuire and Dede Downs (Sport Waikato)

**Staff**

Chris Ryan, Chief Executive; Michelle Higgie, Executive Assistant; Helen Beever, Group Manager – Customer Services (for part only); Donna Macdonald, Community Development Coordinator (for part only); John Moran, Manager – Regulatory Services (for part only); John De Luca, Group Manager – Community Services (for part only); Christiaan van Rooyen,

<b>1. Council Prayer</b>
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<b>2. Hearing of Submissions – Draft Local Alcohol Policy</b>	<b>File 350/001A</b>
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Avineshwaran Mudaliar, Hilary Karaitiana and Sandra Jones entered the meeting at 9.10am.

**9.10am Hilary Karaitiana**

Hilary Karaitiana spoke in support of her written submission and answered Members' questions.

**Clowdy Ngatai (apology)**

Hilary Karaitiana left the meeting at 9.15am.

**9.15am Sandra Jones – Riverside**

Sandra Jones (The Riverside) spoke in support of the written submission and answered Members' questions.

Jim Kernohan (NZ Police) entered the meeting at 9.26am.

**9.27am Avineshwaran Mudaliar (Piopio Superette)**

Avineshwaran Mudaliar spoke in support of his written submission and answered Members' questions.

<b>3. Confirmation of Minutes – 27 August 2013</b>	<b>File 037/001</b>
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**Resolution**

The Minutes of the Waitomo District Council meeting held on 27 August 2013, including the public excluded Minutes, be confirmed as a true and correct record subject to the following amendment:

Lorraine Te Kanawa was in attendance.

Moved/Seconded Goddard/Whitaker Carried

Eddie Neha entered the meeting at 9.30am.

<b>4. Hearing of Submissions – Draft Local Alcohol Policy</b> <i>(continued)</i>	<b>File 350/001A</b>
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**9.50am Maniapoto Family Violence Intervention Network (Edward Neha)**

Eddie Neha spoke in support of the written submission from Maniapoto Family Violence Intervention Network and answered Members' questions.

Sandra Jones left the meeting at 9.38am.

<b>5. Review of Policy on Elected Members Allowances and Expenses</b>	<b>File 037/037/005B</b>
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Council considered a business paper presenting for review the Policy on Elected Member Remuneration in line with the recent review of Local Authority Remuneration completed by the Remuneration Authority.

**Resolution**

- 1 The business paper on Review of Policy on Elected Members' Allowances and Recovery of Expenses be received.
- 2 The Policy on Elected Members' Allowances and Recovery of Expenses (Doc 316085) be adopted.
- 3 The Policy on Elected Members' Allowances and Recovery of Expenses be forwarded to the Remuneration Authority for approval.

Moved/Seconded Digby/Goddard Carried

<b>6. Civic Assurance Half Annual Accounts to 30 June 2013</b>	<b>File 054/001</b>
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Council considered a business paper presenting a request from Maraeroa C Incorporating for Council's support in regard to a Sister Mountain concept.

The Mayor and Chief Executive expanded verbally on the business paper and answered Members' questions.

**Resolution**

- 4 The business paper on Civic Assurance Half Annual Accounts to 30 June 2013 be received.
- 5 The unaudited half-yearly accounts from Civic Assurance covering the 6 months ended 30 June 2013

Moved/Seconded Whitaker/Te Kanawa Carried

Bart Hoera entered the meeting at 9.43am.

The Group Manager – Corporate Services entered the meeting at 9.45am.

<b>7. Interim Unaudited Financial Report for the year ending 30 June 2013</b>	<b>File 100/018A</b>
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Council considered a business paper presenting the Interim Unaudited Financial Report for the 7year ended 30 June 2013.

The Group Manager expanded verbally on the business paper and answered Members' questions.

Resolution

The business paper on Interim Unaudited Financial Report for the year ending 30 June 2013 be received.

Moved/Seconded Digby/Whitaker Carried

The Group Manager – Corporate Services left the meeting at 9.53am.

Nick Chester and Ross Henderson (Population Health) entered the meeting at 9.56am

<b>8. Hearing of Submissions – Draft Local Alcohol Policy</b> <i>(continued)</i>	<b>File 350/001A</b>
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**9.53am Bart Hoera – The Muster Bar**

Bart Hoera (The Muster Bar) spoke in support of his written submission and answered Members' questions.

The Community Development Coordinator entered the meeting at 10.10am.

**9.56am Population Health (Nick Chester and Ross Henderson)**

Nick Chester and Ross Henderson (Population Health) spoke in support of their written submission and answered Members' questions.

Curly McErlich entered the meeting at 10.19am.

Garry Mullany entered the meeting at 10.19am.

Phillip Clifford entered the meeting at 10.25am.

The meeting adjourned for morning tea at 10.25am.

The meeting reconvened at 10.43am.

The Community Development Coordinator left the meeting at 10.25am.

**Ivan Haines (Panorama/Caves Motor Inn) (apology)**

**Cancer Society of New Zealand (apology)**

**10.40am Curly McErlich (Dimac Limited)**

Curly McErlich spoke in support of his written submission and answered Members' questions.

**Hospitality New Zealand (Curly McErlich representing)**

Curly McErlich spoke in support of the written submission from Hospitality New Zealand and answered Members' questions.

**11.00am Super Liquor (Garry Mullany)**

Garry Mullany spoke in support of his written submission and answered Members' questions.

**11.10am Progressive Enterprises Limited (Phillipa Clifford)**

Phillipa Clifford spoke in support of the written submission and answered Members' questions.

Julie Daniels and Phil Hollings entered the meeting at 11.21am.

**11.25am Foodstuffs North Island Limited (Julie Daniels)**

Julie Daniels and Phil Hollings spoke in support of the written submission and answered Members' questions.

**Alcohol Healthwatch (Amy Robinson) (apology)**

**11.37am NZ Police (Sgt Jim Kernohan and Murray van der Beekam)**

Sgt Jim Kernohan spoke in support of the written submission and answered Members' questions.

The Mayor thanked all Submitters and adjourned the meeting for lunch at 11.54am .  
 The Submitters left the meeting at 12 midday.  
 The Manager – Regulatory Services left the meeting at 12 midday.  
 The meeting reconvened at 12.32pm.  
 The Group Manager – Assets entered at 12.32pm.

**Resolution**

- 1 The business paper on Hearing of Submissions to the Waitomo District Council Draft Local Alcohol Policy be received.
- 2 The written submissions to Council's Draft Local Alcohol Policy be received.
- 3 Deliberation of the submissions be deferred to later in this meeting.

Moved/Seconded Te Kanawa/Brodie Carried

<b>9.</b>	<b>Beach Road, Mokau - Seawall</b>	<b>File 504/014B</b>
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Council considered a business paper providing a brief on seawall work completed at the end of Beach Road, Mokau.

The Group Manager – Assets expanded verbally on the business paper and answered Members' questions.

**Resolution**

The business paper on Beach Road, Mokau – Seawall be received.

Moved/Seconded Brodie/Te Kanawa Carried

The Group Manager – Assets left the meeting at 12.38pm.  
 The Community Development Coordinator entered the meeting at 12.38pm.

<b>10.</b>	<b>Waitomo Caves Discovery Centre – Report against Service Level Agreement for 2012/2013</b>	<b>File 037/042</b>
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Council considered a business paper presenting the Waitomo Caves Discovery Centre Report against the Service Level Agreement for 2012/2013.

The Community Development Coordinator expanded verbally on the business paper and answered Members' questions.

The Group Manager – Customer Services undertook to make enquiries of the Department of Conservation regarding health and safety issues with the Summer Programme.

**Resolution**

- 1 The business paper on Waitomo Caves Discovery Centre: Reporting against Service Level Agreement for 2012/2013 be received.
- 2 The Waitomo Caves Discovery Centre Report against the Service Level Agreement for 2012/2013 be received.

Moved/Seconded Brodie/Te Kanawa Carried

The Community Development Coordinator left the meeting at 12.42pm.

<b>11. Otorohanga District Development Board – Service Level Agreement</b>	<b>File 092/015A</b>
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Council considered a business paper presenting the Otorohanga District Development Board Services Level Agreement.

The Group Manager – Customer Services expanded verbally on the business paper and answered Members’ questions.

**Resolution**

- 1 The business paper on the Otorohanga District Development Board Services Level Agreement be received.
- 2 That a review of the Performance Targets be carried out annually by the 31<sup>st</sup> of March.

Moved/Seconded Goddard/Brodie Carried

<b>12. Maraeroa C Block Incorporation – Draft Memorandum of Understanding</b>	<b>File 092/015A</b>
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Council considered a business paper presenting the Draft Memorandum of Understanding between Waitomo District Council and Maraeroa C Block Incorporation.

The Group Manager – Customer Services and Chief Executive expanded verbally on the business paper and answered Members’ questions.

**Resolution**

- 1 The business paper on the Maraeroa C Block Incorporation Draft Memorandum of Understanding be received.
- 2 Council support adoption of the Memorandum of Understanding between Maraeroa C Block Incorporation and Waitomo District Council.

Moved/Seconded Brodie/Te Kanawa Carried

<b>13. Hamilton &amp; Waikato Tourism – End of Year Report 2012/2013</b>	<b>File 400/180</b>
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Council considered a business paper presenting the Hamilton Waikato Tourism (HWT) End of Year Report 2012 – 2013.

The Group Manager – Customer Services expanded verbally on the business paper and answered Members’ questions.

**Resolution**

The report on the Hamilton Waikato Tourism End of Year Report 2012 - 2013 be received.

Moved/Seconded Digby/Te Kanawa Carried

The Manager – Regulatory Services re-entered the meeting at 1.00pm.

<b>14. Dog Control Policy and Practices for the period 1 July 2012 to 30 June 2013</b>	<b>File 037/054A</b>
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Council considered a business paper providing a report on the administration of the Dog Control Policy and Practices for the period 1 July 2012 to 30 June 2013.

The Manager – Regulatory Services expanded verbally on the business paper and answered Members’ questions.

**Resolution**

- 1 The business paper on Dog Control Policy and Practices Report for the 2012/2013 financial year be received.
- 2 The Waitomo Dog Control Policy and Practices Report for 2012/2013 be adopted pursuant to Section 10A of the Dog Control Act 1996.

Moved/Seconded Goddard/Whitaker Carried

The Group Manager – Community Services entered the meeting at 1.02pm.

<b>15. Playground Signage – Smoke Free Area</b>	<b>File 401/0588473200</b>
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Council considered a business paper seeking Councils approval for the erection of “No Smoking” signage at the children’s playgrounds across the District.

The Group Manager – Customer Services expanded verbally on the business paper and answered Members’ questions.

**Resolution**

- 1 The business paper on Playgrounds – Smoke Free Signage be received.
- 2 Council approve placement of the Smoke Free advisory signs in each of Council’s playgrounds.

Moved/Seconded Te Kanawa/Brodie Carried

**16. Deliberation of Submissions to the draft Local Alcohol Policy File 350/001A**

Council considered a business paper providing advice on the suggested treatment for submissions received on Council’s draft Local Alcohol Policy.

The Manager – Regulatory Services expanded verbally on the business paper and answered Members questions.

Council requested that the following be taken into consideration in finalising a draft Policy for presentation back to Council -

- Want clarification of the definition of “outdoors” i.e. private deck versus street frontage.
- Licensed Premises should be able to open early but not be able to sell alcohol before 9am.
- Special Licenses need tightening up – particularly regarding a requirement to have Licensed Managers.
- Explore wording definitions for clarity i.e. proximity; what constitutes “new”? Supermarkets
- One-way door policy “may” be applied.
- A matrix be provided of any differences in Policies between the three Councils (Waitomo, Otorohanga, Waipa).

**Resolution**

- 1 The business paper on Deliberation on Submissions on the draft Local Alcohol Policy be received.
- 2 Changes to the draft Local Alcohol Policy be made following deliberations on submissions and the amended Policy be presented back to Council.

Moved/Seconded Whitaker/Brodie Carried

Mike McGuire and Dede Downs entered the meeting at 1.49pm.

<b>17. Deputation: Sport Waikato – Presentation of Six Monthly Report (1 January – 30 June 2013)</b>	<b>File 037/054A</b>
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Council received a Deputation from Mike McGuire and Dede Downs presenting the Sport Waikato Six Monthly Report for the period 1 January to 30 June 2013.

**Resolution**

The Deputation from Sport Waikato presenting their Six Monthly Report (1 January – 30 June 2013) be received.

Moved/Seconded Brodie/Te Kanawa Carried

Mike McGuire and Dede Downs left the meeting at 2.07pm.

<b>18. Motion to Exclude the Public for the consideration of:</b>	<b>File 037/043</b>
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Council considered a business paper pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987 giving Council the right by resolution to exclude the public from the whole or any part of a meeting on one or more of the grounds contained within that Section.

**Resolution**

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 Council agree that the following staff, having relevant knowledge, remain  
Chris Ryan, Chief Executive  
Michelle Higgie, Executive Assistant  
Kit Jeffries, Group Manager – Corporate Services  
Helen Beever, Group Manager – Customer Services  
John Moran, Manager – Regulatory Services  
Christiaan van Rooyen, Group Manager - Assets
- 3 The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General Subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Section 48(1) grounds for this resolution</b>
1. Waitomo District Animal Control Review	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(a)

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for this resolution
2. Request for Review of Additional SUIPs charged on 54 Te Kumi Road, Te Kuiti	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(a)
3. Land Acquisition – Gribbon Road	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(a)
4. Land Acquisition – Mangaotaki Road	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(a)
5. Progress Report: Rural Halls	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(a)
6. Progress Report: Mayoral Forum Work Streams and Regional Shared Service Initiatives	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6, Section 7 or Section 9 of the Official Information Act 1982 as the case may require are listed above.

Moved/Seconded Digby/Whitaker Carried

There being no further business the meeting closed at 3.10pm.

Dated this 10<sup>th</sup> day of October 2013

BRIAN HANNA  
**MAYOR**

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Document No: 315279

File No: 037/005A

**Report To: Council****Meeting Date:** 10 October 2013**Subject:** **Verbal Reports: Council Representation on External Organisations and Elected Member Portfolios**

## Purpose of Report

1.1 The purpose of this business paper is to enable individual Council Members to report back to the full Council, on a needs basis, in respect to:

- 1 Appointments as Council's representative on External Organisations
- 2 Reporting back on issues arising from allocated Portfolios

## Commentary

2.1 Set out below are details of Council appointed representatives on External Organisations and allocated Portfolios.

<b>External Organisation</b> .....	<b>Council Representative</b>
Benneydale Residents and Ratepayers Assn .....	A Goddard
Brook Park Advisory Committee .....	P Hickey
Brook Park Leadership Work Group.....	P Hickey, C Digby, G Whitaker
Brook Park Management Plan Working Group.....	P Hickey
Creative Communities Assessment Committee .....	P Hickey, L Te Kanawa
DC Tynan Trust .....	P Hickey, L Te Kanawa, G Whitaker
Hillview / St Andrews Court / Redwood Flats .....	L Te Kanawa
Kawhia Harbour (Foreshores) .....	C Digby
Marokopa Recreation Ground Committee.....	C Digby
Mokau Residents and Ratepayers Assn.....	P Brodie
North King Country Development Trust .....	Mayor
Piopio Retirement Board .....	P Brodie
Piopio Wastewater Community Liaison Group .....	Mayor, P Brodie, GM-Assets
Regional Land Transport Committee .....	Mayor or C Digby (Alternate)
Regional LTC Hearings Committee .....	Mayor
Regional Passenger Transport Committee .....	Waipa District Councillor
SPARC Assessment Committee .....	P Hickey and L Te Kanawa
Tainui Wetere Domain Board .....	P Brodie
Te Kuiti Community House .....	L Te Kanawa, GM-Com Services
Te Kuiti Historical Society .....	P Hickey
Transit NZ - State Highway 3 Working Party .....	Mayor and/or Cr Brodie
Waikato Region Civil Defence EMG.....	Mayor or C Digby (Alternate)

Waikato Valley EOA EMC ..... Mayor  
 Waikato Region Triennial Agreement Forum ..... Mayor and Chief Executive  
 Waipa Catchment Liaison Committee ..... C Digby

**External Organisation..... Council Representative**

Tere Waitomo Trust ..... L Te Kanawa  
 Waitomo Clean Air Healthy Homes Working Party ..... L Te Kanawa, Mayor  
 Waitomo/Otorohanga Road Safety Committee..... P Hickey  
 Waitomo Safer Community Council..... Mayor, C Digby  
 Waitomo/Tatsuno Sister City Committee ..... P Hickey  
 West Coast Liaison Subcommittee ..... P Brodie  
 Wintec Employment Partnership Group ..... Mayor , G Whitaker

**Portfolio ..... Council Representative**

Leadership ..... Mayor and Deputy Mayor  
 Community Facilities ..... G Whitaker, P Brodie; Cr Hickey  
 Community Development..... Mayor and/or L Te Kanawa  
 Projects: (Whitaker and Hickey)  
 Regulatory Services ..... C Digby  
 Iwi Liaison ..... Mayor and Cr Te Kanawa  
 Solid Waste..... Deputy Mayor and Cr Digby  
 Water Supply ..... Deputy Mayor and Cr Digby  
 Sewerage ..... Deputy Mayor and Cr Digby  
 Stormwater ..... Deputy Mayor and Cr Digby  
 Land Transport..... Mayor and/or C Digby  
 Community Liaison  
     Te Kuiti ..... L Te Kanawa, G Whitaker, P Hickey  
     Piopio..... P Brodie  
     Mokau ..... P Brodie  
     Benneydale ..... A Goddard  
     Waitomo..... Mayor and Cr Te Kanawa  
     Te Anga / Marokopa ..... C Digby

**Suggested Resolutions**

The Verbal Reports from Elected Members relating to representation on external organisations and allocated portfolios be received.

MICHELLE HIGGIE  
**EXECUTIVE ASSISTANT**

Document No: 317140

File No: 037/048A

**Report To: Council****Meeting Date:** 10 October 2013**Subject:** **Delegations to the Chief Executive during Interim Election Period**

## Purpose

- 1.1 The purpose of this business paper is for Council to consider delegating to the Chief Executive during the interim election period (approximately seven (7-10 days) the responsibilities, duties and powers of the Council, except for certain powers.

## Background

- 2.1 The Council will need to consider arrangements to ensure the effective and efficient conduct of the Council's business during the period from the day after the declaration of the electoral result until the new Council is sworn in at the Inaugural meeting of the Council. This is likely to be for the period 16 – 23 October 2013.
- 2.2 Clause 14 of Schedule 7 of the Local Government Act 2002 provides that a person newly elected to Council may not act until they have made the necessary declaration at the inaugural Council meeting. This provision combines with sections 115 and 116 of the Local Electoral Act 2001 (as set out below) to the effect that, from the day after the declaration of election results (which is by way of public notice in a local newspaper), until the new members declaration is taken at the inaugural Council meeting, neither the outgoing nor the incoming elected members can act in their capacity as members of the Council. The previous members go out of office at the same time as the new members come into office (the day after the public notice in the newspaper).

### **115 When members come into office**

*Candidates at a triennial general election who are declared to be elected come into office on the day after the day on which the official result of the election is declared by public notice under section 86.*

### **116 When members leave office**

- (1) *Every member of a local authority or community board, unless vacating office sooner, vacates office,—*
- (a) *in a case where the member's office is the subject of an election, when the members elected at the next election come into office:*

(b) *in a case where provision is made by any enactment to fill a vacancy by appointment, when the member's successor comes into office.*

(2) *Despite subsection (1)(a), if a member's office is the subject of an election, and neither the member nor any other person is elected at the election to that office, the member vacates office at the same time as any other member of the local authority who is not re-elected at the election.]*

2.3 Delegating powers to a Chief Executive for the triennial election period is a common practice amongst local authorities resulting from legal advice.

2.4 It is recommended that the Council make a delegation to the Chief Executive of all of its responsibilities, duties, and powers for the period in question except those set out in paragraphs (a) to (h) of clause 32(1) of Schedule 7 of the Local Government Act 2002. This clause provides:-

*"Unless expressly provided otherwise in this Act, or in any other Act, for the purposes of efficiency and effectiveness in the conduct of a local authority's business, a local authority may delegate to a committee or other subordinate decision-making body, community board, or member or officer of the local authority any of its responsibilities, duties, or powers except—*

*(a) the power to make a rate; or*

*(b) the power to make a bylaw; or*

*(c) the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; or*

*(d) the power to adopt a long-term plan, annual plan, or annual report; or*

*(e) the power to appoint a chief executive; or*

*(f) the power to adopt policies required to be adopted and consulted on under this Act in association with the long-term plan or developed for the purpose of the local governance statement.*

*(g) Repealed*

*(h) the power to adopt a remuneration and employment policy."*

2.5 This delegation is for the limited time period between the declaration of the election result and the first meeting of the new Council. This is anticipated to be seven (7) days as the declaration is expected on 15 October 2013 and the inaugural Council meeting is expected to be held on 24 October 2013. However, these dates may be subject to change.

2.6 The delegation is also subject to a requirement that the Chief Executive may only act after consultation with the person elected to the position of Mayor, and may only attend to those matters that cannot reasonably await the first meeting of the new Council. The Chief Executive is required to report any decisions to the first meeting of the new Council.

2.7 The risks involved in delegating to the Chief Executive include the Council not agreeing with the decisions made and overturning decisions at a later date. The risks of not delegating would be the risk of the Council not being able to undertake its business during the period from the declaration of the election result until the first meeting of the new Council.

- 2.8 The limited time period and the fact that any decision by the Chief Executive is required to be made in consultation with the Mayor elect and that it would only be pressing matters that must be attended to does provide a degree of comfort to elected members that decisions will not be made unless required for the smooth running of the Council.

### Recommendation

- 3.1 The Council consider arrangements to ensure the effective and efficient conduct of the Council's business during the period from the day after the declaration of the electoral result until the new Council is sworn in at the first meeting of the Council. Until the new members' declaration is taken at the first Council meeting, neither the outgoing nor the incoming elected members can act in their capacity as members of the Council.
- 3.2 It is recommended that the Council delegate its responsibilities, duties, and powers (with the exception of those set out in Schedule 7, Clause 32(1)) to the Chief Executive for the period from the day after the declaration until the swearing in of the new Council.

### Suggested Resolutions

1. The business paper on Delegations to the Chief Executive during Interim Election Period be received.
2. Subject to the limitations set out in clause 32(1) of the Seventh Schedule to the Local Government Act 2002, Council delegate all of its responsibilities, duties, and powers to the Chief Executive for the period from the day after the declaration of the election results until the swearing in of the new Council, subject to a requirement that the Chief Executive may only exercise this delegation after the following:
  - (a) consultation with the person elected to the position of Mayor,
  - (b) may only attend to those matters that cannot reasonably await the first meeting of the new Council and;
  - (c) shall be reported to the first meeting of the new Council; and



MICHELLE HIGGIE  
**EXECUTIVE ASSISTANT**

**Document No:** 317350**File No:** 037/000A**Report To: Council****Meeting Date:** 10 October 2013**Subject:** Draft Stakeholder Engagement Strategy

### Purpose of Report

- 1.1 The purpose of this business paper is to present the Draft Stakeholder Engagement Strategy (SES) for Council feedback.

### Background

- 2.1 Council recognises the importance of effectively engaging with its stakeholders to ensure that relationships are developed, maintained and enhanced.
- 2.2 Effective stakeholder relationships are vital for Council to achieve better social, economic and environmental outcomes for its communities
- 2.3 Quality stakeholder engagement is not only critical from a strategic viewpoint but will also assist Council in achieving its service level goals and the deliverables stated in its Long Term Plan.
- 2.4 Given the above, Council intends to have in place an SES which will document how Waitomo District Council (WDC) will manage its stakeholder relationships.

### Commentary

- 3.1 A Draft SES has been developed which is included in this Business Paper as an attachment.
- 3.2 The Draft SES is intended to provide a framework for how Council will engage with its stakeholders.
- 3.3 It covers the three building blocks of strategy –
- Why are we doing it (Context – the opportunity or problem to address)
  - What are we doing (Purpose, Scope and Principles)
  - How will we do it (Implementation)
- 3.4 The implementation is presented in outline rather than full detail as it requires various elements to be worked through for example identification of key stakeholders, willingness of stakeholders to engage and the 'when' and 'how often' aspects of engagement.

- 3.5 Proper resourcing is vital to the successful implementation of the SES. For stakeholder engagement to be effective and to deliver the intended outcomes it needs to be carried out in a structured manner and resourced accordingly.
- 3.6 Council feedback is requested on the following aspects –
- Is the strategy expected to be a statement of intent or a firm direction that Council wants to drive in, which has resource implications.
  - Is the scope of the strategy on the mark. It has deliberately been confined to strategic organizational stakeholders at this stage.
  - Other stakeholders that need to be added to the list (note: key stakeholders will be identified later)
- 3.7 Implementation aspects will be workshopped further with Council as the next step before the final SES is presented for adoption.

### **Suggested Resolutions**

- 1 The business paper Draft Stakeholder Engagement Strategy be received.
- 2 The Draft Stakeholder Engagement Strategy be endorsed for further work on implementation aspects.



VIBHUTI CHOPRA  
**STRATEGY AND POLICY ADVISOR**

3 October 2013

Attachment Draft Stakeholder Engagement Strategy (Doc# 317351)



**Draft**  
**Stakeholder Engagement**  
**Strategy**

# 1. Context

1.1 Stakeholders are individuals or organisations that can influence or are affected by Council's activities and functions. Waitomo District Council (Council) has to work with a variety of stakeholders as part of its day to day business. It is important to effectively engage with these stakeholders and develop enduring relationships with them so that Council can:

- achieve better social, economic and environmental outcomes for its communities
- better manage its risk
- make informed decisions
- inform and influence stakeholders in their decisions and actions which could have an impact on Council
- use effective engagement as a planning mechanism

1.2 Effective engagement with stakeholders will assist Council in early identification of opportunities and challenges. This in turn will support Council's planning and response to matters in a timely and coordinated manner. Stakeholder engagement can not only makes critical strategic contribution but also improves overall operational efficiency of an organisation.

# 2. Purpose

2.1 The purpose of this Stakeholder Engagement Strategy (SES) is to put in place a framework that will guide Council's engagement with its key stakeholders. It will build or strengthen Council's relationships with its stakeholders which in turn will assist Council in achieving the best social, economic and environmental outcomes for the Waitomo District.

# 3. Scope

3.1 Council engages with a range of stakeholders from community to business groups and other Government departments and Ministries. The purpose of its engagement with these stakeholders also differs and can be categorised into two broad categories – strategy and operations. That is, Council can engage to enhance planning and strategic views or for operational inputs and improvements.

3.2 Council's community engagement occurs within a legislative framework, especially as per the requirements of the Local Government Act 2002. It is well entrenched within the organisation and is guided by Council's Communication Strategy. SES is one part of Council's overall Communication Strategy. It does not cover all communication approaches of the Council. For example specific and separate communications are undertaken for stakeholder engagement on key projects or in the case of specific requests from the community. Therefore, the scope of the SES does **not** include community engagement or stakeholder engagement for operations.

- 3.3 The scope of the SES is limited to organisational stakeholders with whom Council will seek to engage for a strategic purpose.
- 3.4 Council staff also engages with its stakeholders at various levels. However, given the scope and purpose of engagement outlined, strategy execution will be carried out by the Senior Leadership Team (SLT) while the role of Governance is to *enable* the development and execution of this strategy. The scope of the strategy can be expanded when a review is undertaken, depending on the benefits achieved from implementation.

## 4. Principles

- 4.1 Council acknowledges the importance of effective relationships with its key stakeholders in conducting its business. The principles that Council will follow in implementing the SES are:
- Care in handling of sensitive or confidential information
  - Open and transparent communication within the organisation
  - Recognise information sharing to be a two-way process
  - Understand that effective engagement is an interactive and continuous process.
  - Continuous evaluation and improvement of the engagement processes

## 5. Implementation

### 5.1 Key Stakeholders

- 5.2 Council's various organisational stakeholders can be categorised under the following groups:

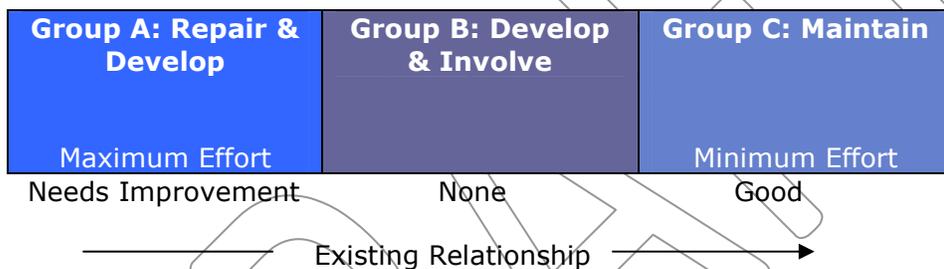
- Government
- Iwi
- Industry/business/business groups
- Community groups

- 5.3 However, the level of influence of the stakeholders will vary. Some, amongst these, can have a significant impact on Council's strategic direction and activities as well as on the achievement of the social, economic or environmental outcomes for the District. Such organisational stakeholders have been classified as 'key stakeholders' for the purpose of this strategy. The initial focus of engagement will be on these 'key stakeholders'.

- 5.4 Appendix 1 includes a list of stakeholders. As part of the implementation, the key stakeholders will be identified from this list and the outlined engagement process will be undertaken. The key stakeholders are expected to change from time to time depending on external factors like strategic business challenges and internal factors like change in organisational priorities or community needs.

## 5.5 Engagement Process

- 5.6 Stakeholder engagement can be proactive or a reactive process as it has to be carried out within the constraint of available internal resources and also the capacity of the stakeholder organisation.
- 5.7 For Council's key stakeholders (those identified as having greater influence) a proactive process will be undertaken that will help to build enduring and effective relationships. Engagement with other stakeholders will be carried out on a more reactive (or 'as required') basis. This acknowledges the importance of maintaining a level of relationship with all stakeholders as a matter of good practice, however, effort is clearly focused where contribution to outcomes is maximum.
- 5.8 Although proactive engagement will be undertaken with all key stakeholders, the level of engagement will vary depending on the nature of existing relationship with the stakeholder. The levels of engagement on a continuum are:



- 5.9 There is good value in undertaking proactive engagement in a structured format. It ensures that there is a consistent and informed approach to delivering and receiving information. Stakeholders feel involved and Council benefits by being prepared and responsive. Grouping stakeholders by level of engagement required, will ensure that the relationship management is fit for purpose.
- 5.10 Good communication is a key aspect of effective engagement. An integrated approach to managing and sharing information from stakeholders will ensure that Council is well informed and aware of its strategic environment at all times. This will also ensure organisational alignment in responding to stakeholders and keeping them informed in turn (two-way information flow). Emphasis in the strategy will be on regular verbal report backs and updates at SLT meetings and more formally to Council on an 'as required basis'.

## 5.11 Roles and Responsibilities

- 5.12 A clear definition of roles and responsibilities is vital to the success of the SES. All members of Council's SLT will be responsible for the implementation of the strategy. Executive Managers will have key stakeholders allocated to them and will be responsible for the management of those relationships as well as reporting back regularly to the SLT on the information exchange and any issues.

5.13 The allocated Executive Manager will act as the information conduit for their set of stakeholders, however, this will primarily be for the purpose of strategic information. Exchange of operational or project specific information is expected to follow usual channels. The Executive Manager, however, should be aware at all times of the key business being transacted with the stakeholder. And Executive Manager updates at SLT meetings will keep the overall Executive Team informed.

5.14

### **5.15 Resourcing**

5.16 Effective engagement and relationship management need time and resources which need to be expended on meetings, report back, follow-up on issues raised and maintenance of information. The strategy implementation responsibility has been placed on the SLT. This will spread stretched resources even further. Therefore, it is crucial to the success of the strategy that a budget allocation is made for the implementation of the strategy.

5.17 The allocation of Executive Managers to key stakeholders will require consideration of priorities and resources. The 'how', 'when' and 'how often' to engage become important as does the identification of 'key' stakeholders. The core criteria which will be used to allocate Executive Managers to stakeholders are:

- Alignment with area of responsibility
- Current relationship area with stakeholder
- Priority needs of the stakeholder
- Strategic importance
- Workload of the Executive Managers (the idea being to balance the workload between the EMT)

## **6. Monitoring**

6.1 Engagement with key stakeholders is considered to be an important part of Council's business to ensure Council is well informed and prepared for any strategic challenges or improvements. It is therefore important to monitor the implementation and effectiveness of Council's engagement with key stakeholders.

6.2 Monitoring of the implementation will involve assessment of:

- Are the processes set up for engagement working – how, when and how often to engage
- Is consistent information being disseminated
- Are information updates and report back happening
- What is the impact on workload
- Are the support systems working – information storage

6.3 Monitoring of the effectiveness will involve assessment of:

- Are Executive Team members and Councillors aware of strategic issues concerning the key stakeholders

- How is the information gathered being used
- Is the SES implementation assisting in direction setting, prioritising and decision making

## 7. Review

7.1 It is important that this strategy is flexible and responsive since it relates mostly to Council's external operating environment. This lends itself to an annual review of this strategy. The review should cover these basic aspects –

- Updating the list of key stakeholders
- Is the Strategy continuing to add value to Council's decision-making and work
- Any changes to the level of engagement with different stakeholders
- Assessment of level of interest of stakeholders
- Strengths and challenges in strategy implementation
- What improvements are needed

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## Appendix 1: List of Stakeholders

<b>GOVERNMENT</b>	<b>IWI</b>	<b>INDUSTRY/ BUSINESS GROUPS</b>	<b>COMMUNITY GROUPS</b>
Waikato Regional Council	Maniapoto Maori Trust Board	Federated Farmers	Te Kuiti Development Inc
NZ Transport Agency	Te Tokanga Nui A Noho	Inframax	Project Piopio Trust
Waikato District Health Board	Te Nehenehenui	McDonalds Lime	TERE Waitomo Community Trust
Other Councils in Waikato region	Mokau Ki Runga	UBP	Benneydale Resident & Ratepayer Group
Ministry of Health	Hauauru Ki Uta	Crusader Meats	Brook Park Incorporated Society
LGNZ	Nga Tai O Kawhia	TKT Meats	Piopio Community Incorporated Society
Waikato Mayoral Forum		Lines Company	
Local Authority Shared Services (LASS)			
SOLGM		King Country Energy	
Hamilton & Waikato Tourism			
Dept of Internal Affairs		Tourism Holdings Ltd	
Ministry for Environment		Waitete Sawmills	
Dept of Labour		Tregoweths Sawmills	
Ministry of Social Development		Downer	
Population Health		Veolia	
Department of Conservation		Envirowaste	

<b>GOVERNMENT</b>	<b>IWI</b>	<b>INDUSTRY/ BUSINESS GROUPS</b>	<b>COMMUNITY GROUPS</b>
<b>Ministry of Business and Innovation</b>			
<b>Ministry of CDEM</b>			
<b>Land Information NZ</b>			
<b>Office of the Auditor General</b>			

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Document No: 315555

File No: 039/004

**Report To: Council****Meeting Date:** 10 October 2013**Subject:** **Amendment to 2013-2015 Roadmap Work Programme****Purpose of Report**

- 1.1 The purpose of this business paper is to advise Council of an amendment required to the Roadmap relating to Representation Arrangements in respect of Maori Wards or Maori Constituencies.

**Local Government Act S.11A Considerations**

- 2.1 There are no Section 11A of the Local Government Act considerations relating to this business paper.

**Background**

- 3.1 At a Council Workshop on 13 October 2011 a discussion paper on Maori wards and constituencies was presented for feedback and input.
- 3.2 At its meeting held 25 October 2011, after due consideration of its statutory obligations, Council concluded that there was no compelling reason to change the existing representation status (i.e. 6 elected members plus a Mayor elected at large) and resolved that it be retained and reviewed again in 2014 in time for the triennial elections in 2016.
- 3.3 It's appropriate that the incoming Council undertake that review.

**Commentary**

- 3.1 An error in dates contained in the recently adopted 2013-2015 Roadmap has become apparent.
- 3.2 The indicative timeframe for the review of the introduction of Maori wards or constituencies is shown in the Roadmap as follows:

**Maori Wards and Constituencies**

Key Milestone	Indicative Timeframe	Commentary
<b>Council Workshop:</b> Consideration of briefing paper on Maori Wards and Constituencies	17 September 2013	
<b>Council Meeting:</b> Resolution to be taken in respect to Council's consideration of Maori Wards and Constituencies	10 October 2013 Statutory Deadline 23 November 2014	

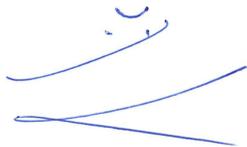
- 3.3 The indicative timeframe should read September 2014 and October 2014, not 2013, and the Roadmap should be amended accordingly.
- 3.4 Council will therefore review its Representation Arrangements (including Maori Representation) again in 2014.
- 3.5 **N.B.** Any resolution relating to Maori wards or constituencies, if made after 23 November of the year that is 2 years before the next triennial general election (i.e. 23 November 2014 for the 2016 election), will take effect for the purposes of the next but one triennial general election (i.e. implementation would not be able to take effect until the 2019 election).

However, the Act also defines that such resolution, if made after 23 November of the year that is 2 years before the next triennial general election (i.e. 23 November 2014 for the 2016 election), would take effect for the purposes of the next but one triennial general election (i.e. implementation would not be able to take effect until the 2019 election).

- 3.6 Should Council wish to consider consulting Iwi as part of its review on whether or not to establish Maori Ward(s) for the 2016 election, it will need to do so in time for the review to be considered by Council before 23 November 2014.

<b>Suggested Resolution</b>
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- 1 The business paper 'Amendment to 2013-2015 Roadmap Work Programme' be received.
- 2 The indicative timeframes for the review of Maori Representation, as contained in 2013-2015 Roadmap Work Programme, be amended from 2013 to 2014.



C.E. (KIT) JEFFRIES  
**GROUP MANAGER – CORPORATE SERVICES**

12 September 2013

<b>Document No:</b> 317025		<b>File No:</b> 037/013/2013AR	
<b>Report To:</b>		<b>Council</b>	
	<b>Meeting Date:</b>	10 October 2013	
	<b>Subject:</b>	<b>Adoption of 2012/2013 Draft Annual Report</b>	

### **Purpose of Report**

- 1.1 The purpose of this business paper is to present the Draft 2012/2013 Annual Report for Council's consideration and adoption.
- 1.2 Please bring your copy of the Draft 2012/13 Annual Report to the meeting, as previously circulated.

### **Background**

- 2.1 Council received the Interim Financial Report (IFR) for the year ended 30 June 2013 at the 24 September 2013 Council meeting.
- 2.2 As well as presenting the Draft Annual Report for Council's consideration this report also provides a summary of changes made since the IFR and commentaries on Council and Group results.
- 2.3 Council's auditors (Deloitte) will be in attendance at the Council meeting to discuss the audit and to present the audit opinion.

### **Changes between Interim Financial Report and Draft Annual Report**

#### **3.1 Statement of Comprehensive Income (page 53)**

- 3.2 There have been no changes to the financial result for the 2012/13 financial year from that presented in the IFR at the 24 September 2013 meeting, with the exception of a \$2,000 rounding which reduces the reported surplus to \$5.596 million.
- 3.3 There have been changes through the reclassification of items (as either revenue or expenditure) from those in the IFR, meaning the total revenue and total expenditure amounts have changed without materially affecting the reported net result. These changes are summarised in the following table:

Description	Rates Revenue \$000's	Other Revenue \$000's	Expenditure \$000's	Surplus \$000's
<b>Total reported in IFR</b>	<b>16,735</b>	<b>12,031</b>	<b>23,168</b>	<b>5,598</b>
Rates on Council properties were removed from both rates revenue and expenditure in the cost of service statements – i.e. internal transactions 'netted' off.	(319)	0	(319)	0
External interest, insurance proceeds and roundings netted off in expenditure in the IFR.	0	36	36	0
Roundings and other minor adjustments	0	0	(2)	(2)
<b>Total Reported in Annual Report</b>	<b>16,416</b>	<b>12,067</b>	<b>22,887</b>	<b>5,596</b>

### 3.4 Balance Sheet (page 55)

3.5 A number of very minor changes as a result of reclassifying items between current and non current liabilities for employee entitlements and roundings that did not materially impact on the balance sheet from what was reported in the IFR.

Description	Interim Financial Report \$000's	Roads & Footpaths Revaluation \$000's	Reclassification of items and roundings \$000's	Draft Annual Report \$000's
Total Equity	270,525	0	0	<b>270,525</b>
Current Assets	5,809	0	0	<b>5,809</b>
Current Liabilities	18,077	0	14	<b>18,091</b>
Non Current Assets	315,848	0	(3)	<b>315,845</b>
Non Current Liabilities	33,055	0	(13)	<b>33,038</b>

### 3.6 Cashflow Statement (page 56)

3.7 The statement of cash flows details the cashflow transactions for the year, these are categorised as operating, investing or financing activities.

3.8 The IFR did not include a cash flow statement because it is developed late in the Annual Report development process.

- 3.9 During the year the cash and cash equivalents balance decreased by \$2,540,000 from \$2,711,000 to \$171,000. Part of the cash was used to repay some borrowings and the remaining opening cash along with a cash surplus from operating activities was used for purchases of property, plant and equipment.
- 3.10 Purchases of property, plant and equipment are different than those disclosed in the capital expenditure note which is accounted for on an accrual basis.
- 3.11 Cash flows from operating activities are significantly more than the prior year mainly due to cash receipts of government subsidies for Roothing, Sewerage and Water Supply activities as well as increased cash receipts for rates revenue.
- 3.12 The WDC accounting policy requires that cash flows are presented with Goods and Service tax included, whereas for the remainder of the Annual Report (unless otherwise stated) the presentation is on a net basis. The budgeted cash flow is also presented on GST net basis.

### **3.13 Capital Expenditure**

- 3.14 The total capital expenditure reported in the IFR was \$13,359,000, Note 30: Capital Expenditure (on pages 93-94) shows total expenditure of \$13,387,000. The difference of \$28,000 includes of an adjustment to the Open Landfill Aftercare asset – refer Note 20 on page 83. This adjustment was a result of a minor change in assumptions used in the calculation of the provision and was required to ensure the provision was accurately disclosed in the Cost of Service Statements.

<b>Commentary</b>
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### **4.1 Statement of Comprehensive Income (page 53)**

- 4.2 The 2012/13 budget in Council's Annual Plan provided for a surplus of \$3.439 million. The actual result was \$5.596 million. The variances are detailed below.

### **4.3 Revenue**

- 4.4 Revenue was \$1.677 million more than budget. The main factors contributing to this result were:
- \$2.609 million of unbudgeted subsidies received for wastewater capital projects. These were not included in the 2012/13 budgets as there was uncertainty at the time subsidy applications were made whether WDC could establish its eligibility for financial assistance from central government.
  - The Railway Buildings in Te Kuiti, purchased by WDC for \$1.00 in July 2012, were subsequently revalued. This resulted in an increase of \$0.2 million in the value of the buildings which is disclosed as revenue on acquisition in Other Gains/(Losses) in the Statement of Comprehensive Income and in Note 5 (page 69).
  - An increase of \$0.5 million in trade-waste revenue due to increased operational activity at local meat works.
  - Rates revenue was \$0.2 million less than budget to due actual rates revenue excluding rates paid on Council properties. The budget included rates on Council properties. This was partially offset by a higher level of rates penalties (\$90K) charged during the year.

- Delays with commencing the Mokau raw water storage dam project meant that budgeted subsidy of \$0.8 million was not able to be claimed during 2012/13.
- Refuse dump charges and sales of recycled materials at the Landfill were \$0.2 million less than budget.
- As the combined expenditure for roading maintenance and renewals was less than budgeted, total subsidies claimed during the year were correspondingly \$0.4 million less than budget.

#### 4.5 Expenditure

4.6 Expenditure was \$0.5 million less than budget. The main factors contributing to this result were:

- Finance costs were \$0.5 million less than budget due to extended favourable economic conditions and debt restructuring which achieved lower interest rates than those forecast in the preparation of the 2012/13 budgets.
- Reductions of \$0.5 million in kerbside refuse collections, waste minimisation, refuse transfer stations and landfill operational costs.
- Electricity and insurance costs at the District's water and wastewater schemes were \$0.2 million less than budget due to changes in Council's insurance arrangements and delayed capital works.
- A \$0.8 million increase in expenditure over budget for environmental roading maintenance and emergency reinstatement works, the latter as a result of weather events during the year. This was offset with savings of \$0.5 million in other budgeted roading categories.
- Depreciation charges were \$0.7 million more than anticipated, in particular for Council's roading network and water and wastewater infrastructural assets. This reflected the increased asset values following the 2012 revaluations (which also included a number of changes in the assumptions on the lives of assets). The effect of those revaluations was unknown at the time the 2012/13 budgets were prepared.

#### 4.7 Balance Sheet (page 55)

4.8 **Total equity** was **\$18.0 million** more than budget. The significant part of this was due to the increase in the revaluation reserve that was not included in the budget preparation.

4.9 **Current assets** were **\$0.1 million** less than budget. The \$1.2 million budget for inventory included the Parkside Subdivision. The fair value of the subdivision is now shown in the Non-Current Assets section of the Balance Sheet as 'Assets Held for Sale' as a result of a change in accounting treatment. Debtors and other receivables were higher than anticipated due to subsidies that were receivable at 30 June 2013 and an increase in rates arrears.

4.10 **Current liabilities** were **\$8.6 million** more than budget due mainly to three floating rate notes (FRNs) for \$13.8 million maturing during the 2013/14 financial year. These are recognised as current borrowings. Creditors and other payables were \$0.1 million less than forecast.

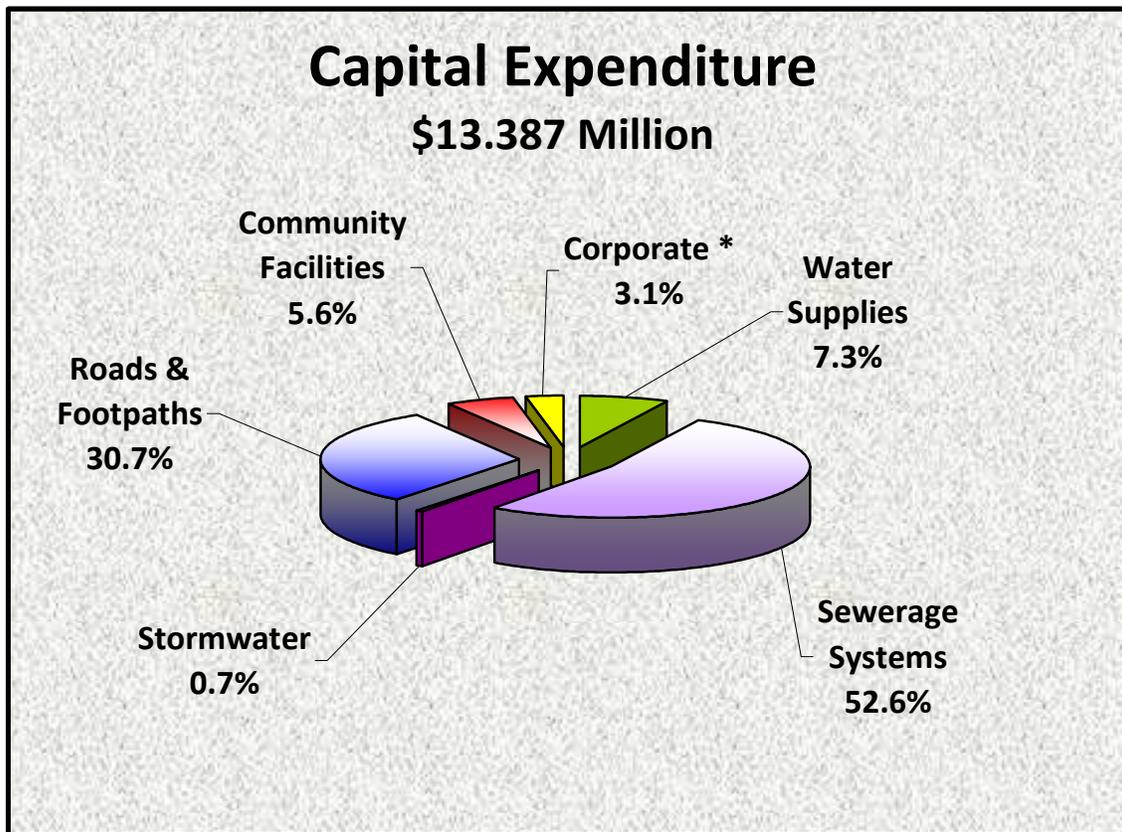
4.11 **Non current assets** were **\$15.9 million** more than budget due to the revaluation of assets at 30 June 2012 and the introduction of Parkside Subdivision

as Assets Held for Sale. Neither of these were recognised during preparation of the 2012/13 budgets.

- 4.12 **Non current liabilities** were **\$10.9 million** less than budgets as a greater portion of borrowings was anticipated to be non current when the budgets were prepared. This is offset by a change in Council's banking arrangements that occurred during the year in which the maturity date for Council's wholesale advance banking facility was extended – this had been recognised in the 2012/13 budgets as current borrowings.

#### 4.13 Capital Expenditure (pages 8–10 and Note 30)

- 4.14 Total capital expenditure for the year ended 30 June 2013 was \$13.387 million against a budget of \$13.906 million. The main contributing factors were the uncompleted works for Te Kuiti and Mokau water supply upgrade projects. The roads capital expenditure programme was also reduced to compensate for additional expenditure incurred for emergency reinstatement works.
- 4.15 With the exception of Te Waitere, all planned upgrades of sewerage systems were completed during the year. The major variances between actual and budgets reflect timing issues and the fact that some works cover more than one financial year – e.g. budgets for some capital works were provided in the previous year where they exceeded actual expenditures.



\* Corporate includes vehicle replacements, office equipment and computer hardware renewals

#### 4.16 Statement of Service Performance (Key Performance Indicators)

- 4.17 The Statements of Service Performance provide detailed information on our performance measures and targets for each our 10 significant activities. These are disclosed on pages 16 to 49 of the draft Annual Report.
- 4.18 Of the 62 key performance indicators measured, 47 (76%) were achieved, 14 (23%) were not achieved and 1 (1%) was not measurable during 2012/13.
- 4.19 There were a variety of reasons for the '**Not Achieved**' results, most of which related to wastewater, water and roads – (refer to pages 39, 43 and 48 respectively).

#### 4.20 Public Debt and Reserves

- 4.21 Council's LTP's provide annual forecasts for the levels of public debt and reserve funds. Set out below is a summary of the movement in Public Debt for the year.

Summary of Public Debt Movements \$000's	Actual Position 30 June 2012	Actual Position 30 Jun 2013	Movement
Borrowings			
Current Portion	14,264	13,851	(413)
Non-current Portion	32,741	31,331	(1,410)
<b>Total Borrowings</b>	<b>47,005</b>	<b>45,182</b>	<b>(1,823)</b>
Cash and cash equivalents	2,711	171	(2,540)
<b>Public Debt (net of cash and cash equivalents)</b>	<b>44,294</b>	<b>45,011</b>	<b>717</b>

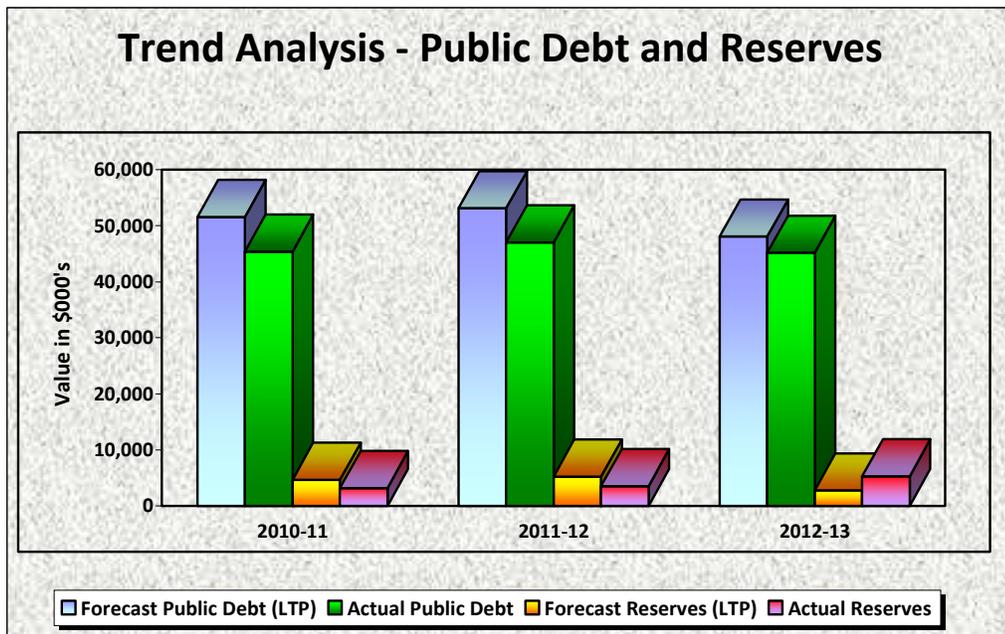
- 4.22 The first year of the LTP 2012-22 forecasted public debt to be \$48,086,000 at 30 June 2013. The forecast assumed public debt would increase by \$5,581,000 for the year generally because of the intensive capital programme; however the increase did not eventuate because of the re-sequencing of water supply upgrades for Te Kuiti and Mokau to the 2013/14 financial year and cash received from operating activities being more than budget which allowed for some capital expenditure to be funded from available surpluses.
- 4.23 The following tables illustrate favourable trends in the levels of both public debt and reserve funds over the last three financial years.

Public Debt	30 June		
	2011	2012	2013
Forecast Public Debt (LTPs)	51,548,000	53,123,000	48,086,000
Actual Public Debt	45,372,000	47,005,000	45,182,000
<b>\$ Trend</b>	<b>-6,176,000</b>	<b>-6,118,000</b>	<b>-2,904,000</b>
<b>% Trend</b>	<b>-12.0%</b>	<b>-11.5%</b>	<b>-6.0%</b>

- 4.24 These trends show that actual debt requirements were considerably less than forecast and that despite major capital works (\$31.537 million) having been completed over the last 3 years, (particularly on water and wastewater networks for the District’s urban communities), Council has managed to fund those works from subsidies and available cash whilst reducing its overall debt during that time.
- 4.25 This is a positive result for Council and indicates that Council’s debt is being well managed and under control.

Reserves	30 June		
	2011	2012	2013
Forecast Reserves (LTPs)	4,675,000	5,257,000	2,765,000
Actual Reserves	3,199,000	3,529,000	5,277,000
<b>\$ Trend</b>	<b>-1,476,000</b>	<b>-1,728,000</b>	<b>2,512,000</b>
<b>% Trend</b>	<b>-31.50%</b>	<b>-32.9%</b>	<b>+90.8%</b>

- 4.26 In its 2012-2022 LTP Council indicated that it intended utilising \$630,288 of reserves over 5 years (2013-2017) to smooth the projected increased in rates over that period, and that from 2018 onwards Council will recover overdrawn (or deficit) reserves through rates to restore long-term financial sustainability for the District.
- 4.27 The re-sequencing of water upgrades for both Te Kuiti and Mokau communities, together with additional revenue from user charges and savings in operational costs achieved during 2012/13 has meant that at 30 June 2013 Council’s reserves now considerably exceed forecast – refer to Note 12.
- 4.28 This is an excellent result for Council as it positions itself for the preparation of its 2014/15 Annual Plan and the triennial review of the LTP during the 2014/15 financial year.



#### 4.29 Group Performance

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

#### 4.31 Group Income Statement (page 53)

4.32 The Group's overall performance for the year was an after-tax profit of **\$5.6 million**.

4.27 Even though it experienced a drop of \$2.583 million in operating revenue, the subsidiary's performance improved considerably during 2012/13 with a net pre-tax loss of \$92,000 compared to the original forecast of a \$1.1 million loss at 30 June 2013 in the approved Recovery Plan and the actual \$1,932,000 loss at 30 June 2012.

4.28 When combined with the result from Independent Roadmarkers Taranaki Limited (IRT), the two subsidiaries produced a net pre-tax profit of \$75,110, a significant turn-around on the combined net pre-tax loss of \$2,012,197 at 30 June 2012.

4.29 This is a most encouraging result for ICL and for Council as shareholder, particularly as intense competition still exists in the roading maintenance and construction industry with low tender prices and subsequent profit making trading conditions very difficult.

#### 4.30 Group Balance Sheet

4.31 **Total equity** for the Group was \$271.2 million. There was a \$6.4 million increase in equity reflecting the Group's after-tax profit of \$5.5 million and the upward movement in reserve funds at 30 June 2013.

4.32 **Current assets** decreased by \$5.4 million due to a \$2.8 million decrease in cash and cash equivalents, a \$1.2 million decrease in inventory and a \$1.4 million decrease in trade and other receivables.

4.33 **Current liabilities** decreased by \$6.8 million mainly as a result of the \$5.8 million decrease in current portion of borrowings and \$1.0 million decrease in creditors and other payables.

4.33 **Non current liabilities** increased by \$3 million due mainly to the portion of borrowings being recognised as non-current liabilities – i.e. maturity and/or refinancing dates further out than 30 June 2014.

4.34 **Non current assets** increased by \$8.1 million due mainly to capital additions during the year (mainly sewerage, roads and footpaths and water networks) less depreciation and the \$1.1 million re-classification of Parkside Subdivision as Assets Held for Sale.

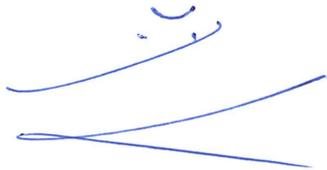
<h3>Acknowledgements</h3>
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5.1 I wish to thank and acknowledge all those involved with the preparation and completion of the 2012/13 Annual Report, in particular Tina Hitchen, Kelly Marriott and Wayne La Roche for the significant contributions they made.

- 5.2 I also wish to thank and acknowledge Council's Auditors, Deloitte, for their advice on matters relating to the audit and for the positive and constructive way in which the audit was conducted.

<b>Suggested Resolutions</b>
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- 1 The business paper on the 2012/2013 Draft Annual Report be received.
- 2 The Chief Executive be delegated authority to ensure any feedback from Council's Auditors is accurately reflected and to make formatting/grammatical changes to the Final Annual Report prior to publication.
- 3 The audited 2012/2013 Draft Annual Report be adopted.



C.E. (KIT) JEFFRIES  
**GROUP MANAGER – CORPORATE SERVICES**

8 October 2013