



Waitomo District Council

Long Term Plan 2015-2025

***Creating a better future with vibrant
communities and thriving business.***

www.waitomo.govt.nz



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Report of the Audit Office



Independent auditor's report on Waitomo District Council's 2015/25 Long-Term Plan

I am the Auditor-General's appointed auditor for Waitomo District Council (the *Council*). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long term plan (the plan). I have carried out this audit using the staff and resources of Deloitte. We completed the audit on 23 June 2015.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and coordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 137 to 142 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the District Council's audited information.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the plan.

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our audit procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;
- the information in the plan is based on materially complete and reliable asset and activity information;
- the Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to the preparation of the plan;
 - presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
 - having systems and processes in place to enable the preparation of a plan that is free from material misstatement.
- I am responsible for expressing an independent opinion on aspects of the plan, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.



Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.

A handwritten signature in black ink, appearing to read "M. Youngson", is written over a faint, light-colored signature line.

Melissa Youngson

DELOITTE

On behalf of the Auditor-General, Hamilton, New Zealand

Message from the Mayor and Chief Executive

We are pleased to present the Long Term Plan 2015-25 (LTP) which sets out our direction and plans for the ten year period July 2015 to June 2025.

The 2015-25 LTP signifies the next phase in our journey towards achieving our vision "Creating a better future with vibrant communities and thriving business". We intend to make this possible by placing greater emphasis on community and economic development.

Our district is a special place with a unique history, picturesque natural environment and home to many exciting recreational opportunities. We need to promote this. We would also like to enable commercial development and create job growth.

Across New Zealand there is a demographic trend of shrinkage in rural population. Waitomo district has also had a slight decline in the 2013 census. We can accept this as the inevitable; or we can develop strategies to maintain our current population and attract more people to live and work here. As a Council, we are very much in support of making changes and taking action to shape our future.

Faced with population relocation away from the District, we consider it vital that Council facilitate economic growth and community connectivity and development. As part of the consultation process, we put a proposal forward to the community that we continue with our focus on economic development in a staged but steady manner and that we deliver our economic development initiative in-house. The feedback received was supportive of these proposals and Council has agreed to progress with them.

Tourism development is taking place right on our doorstep. The Hobbit Film Location Tour in Piopio, Timber Trail in Pureora Forest Park and the development of a private hotel and café business in Benneydale; are examples of successful initiatives in this area. We look forward to working closely with all of our key stakeholders in the Waitomo district to support the tourism industry.

We also aim to be working closer with Iwi in economic development initiatives which will be beneficial, especially as Pureora develops as a destination.

Significant progress has been made in our goal to consolidate delivery of services and upgrade our infrastructure which was important from a legislative compliance and public health perspective. We have also taken big strides in improving our financial sustainability with external debt decreasing by 4.6% over the last 3 years.

Reducing debt remains a key priority for this Council. Guided by the debt reduction strategy, we are committed to decreasing public debt by approximately 30% (\$14m) over the life of the plan.

An Infrastructure Strategy (IS) covering a planning period of 30 years (2015-45) has been developed by Council, which outlines how Council intends to manage its Water Supply, Wastewater, Stormwater and Roads and Footpath and Infrastructure Assets.

Council has been investing in core services/ infrastructure over the last 7-8 years; keeping up with the replacement of old assets at the end of their useful lives and developing assets to meet community needs and increasing environmental and public health standards. Council's approach in the IS is informed and consistent asset renewal over time, as the majority of Council's significant infrastructure has been upgraded in the recent past.

Asset maintenance and upgrades, essential elements of prudent asset management, will continue to form a vital part of Council's future planning.

We understand the need for balancing the service delivery and future plans for our District with what is affordable and therefore we have agreed to a rates increase of 2.72% for the 2015/16 year (year one of the LTP). The average annual rates increase will be 3.18% over the life of this LTP.

We would like to thank everyone who participated in the consultation process. Your views were appreciated by Council. You can read further about the submission process on page 20.



Brian Hanna
Mayor

A handwritten signature in black ink that reads "Brian Hanna".



Chris Ryan
Chief Executive

A handwritten signature in black ink that reads "Chris Ryan".