



# Annual Report

1 July 2009 – 30 June 2010

# **ANNUAL REPORT 2009/2010**

**① ARARUA DISTRICT COUNCIL**



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# Introduction





# Introduction from the Mayor and Chief Executive

## Overview

The global recession dominated headlines in 2009/10, and against this backdrop, we give thanks to the community, Councillors and staff for the successes delivered.

Following the staff restructure at the start of 2009, we were able to minimise use of engineering consultants, with these savings going into developing and updating Asset Management Plans. This work enabled Audit New Zealand to remove the reference to the qualification in their audit report on the Annual Report. The revised Asset Management Plans, and reduced consultants also meant Council could trim the forecast rates requirements in the 2010/11 year.

Examples of the successes delivered through 2009-10 include

- Reviewing Infracon's service delivery in maintaining our water networks, parks and reserves, and roading. This meant the proposal to bring a Reserves Maintenance team in-house was no longer required, but we will recruit a specialist treatment plant team.
- Awarding a new Roothing and Bridge Maintenance contract for \$11.7 million over three years. This is within \$50,000 of the previous tender five years ago, yet includes a tighter level of service to reflect ratepayer concerns.
- Starting the Reserve Management Plan process for Akitio and Herbertville Coastal area, and consulting on a draft Plan for the iconic Dannevirke Domain and surrounds.
- Obtaining a new 4WD fire appliance with two thirds subsidy from the National Rural Fire Authority. This will enable our volunteers to respond to a wider range of incidents. We have also supplied volunteers with pagers, to reduce response times, and avoid reliance on "phone tree's".
- Gaining better fire weather data to manage risks in the coastal area through building a fully subsidised remote all weather station (RAWS).
- Working with the coastal communities, Police, Fire, Search and Rescue and the Boating Clubs to build a new radio repeater at Cape Turnagain, to provide uninterrupted radio coverage down the coast to the Masterton District.
- Working closely with Horizons Regional Council under the Memorandum of Understanding we jointly signed, to improve the quality of discharges from our wastewater plants. Through an innovative trial conducted by staff, the compliance for discharge of phosphorus has greatly improved.
- Obtaining workers under the Community Max scheme funded by the Ministry of Social Development to build a mountain bike and walking track through the reserve at the north end of Dannevirke.

- Agreeing with Central Hawkes Bay District Council to jointly send staff to promote our districts at the Auckland Home Show
- Reviewed the Class 4 Gambling Policy that controls pokie machines, and agreed to impose a sinking lid policy.

Further successes are outlined under each of the activity headings within the Annual Report.

## Financial Strategy Overview

Council ended the year with a financial loss of \$38,000 for the 2009/10 year. This result was as expected due to:

- awaiting subsidies for the proposed \$8.9 million upgrade of the Pahiatua Track route, that is supported as a strategic project for this region and Wairarapa. Discussions with the NZ Transport Agency have indicated if we can double the benefit-cost ratio by altering the scope of the works, then it is likely to be funded.
- still awaiting the \$1.425 million subsidy for building a new treatment plant and 24 hours storage for Pahiatua water that remains subject to the Ministry of Health programme placed on hold by the Government. In the interim, the Ministry of Health have approved a \$200,000 subsidy to connect the new bore to the current town supply due to the higher quality and security of raw water we can obtain relative to the stream.
- the Broadband network subsidy of \$688,000 is no longer required as the Government has cancelled the regional broadband approach and subsidies of \$622,000.
- reduced fees and charges of (\$153,000) due to less building consents (\$57,000) and water fees (\$60,000) and landfill fees (\$97,000) this was offset by increased revenue with in roading \$24,000 and sewerage \$25,000.
- no dividends were declared by our Council Controlled Trading Organisation (TDC Holdings Ltd) that owns shares in Infracon and Forestry as at 30 June 2010, compared to \$215,000 received in 2009. This has been attributed to the economic downturn affecting the profitability of Infracon Limited.
- reduced income from investments as interest rates fell.

Council operating costs were less than budget by \$601,000. The most significant under expenditure was:

- Within the roading activity, \$372,000 under budget, as NZ Transport Agency approved a lower programme value for sealed pavement maintenance and structures maintenance, therefore a higher emphasis was placed on routine drainage, environmental

maintenance, and traffic services. Emergency reinstatement was also significantly under budget (\$603,000) as actual works completed for 2009/2010 was not required.

- In addition Sewerage operating costs were under budget by (\$293,000) primarily due to savings made by Council on the Infracon Ltd contract for the sewerage treatment plant at Dannevirke \$160,000 and Woodville \$100,000.

Council costs were above budget for:

- Depreciation and amortisation by \$1.106 million as at the time of setting the budgets the significant increase from the 2008/09 asset revaluation and the additional stormwater network assets gained as part of the asset management plans were not known.
- There was an increase of \$189,000 in personnel costs due to a planned retirement not occurring during the year and additional increases in market rates, and a new staff member was employed in Emergency Management, a role formerly contracted out.

## Financial – Capital

Just over \$8.53 million was spent of the total \$15.14 million budgeted on capital developments and renewals during the year.

### Capital Developments

A total of \$1.762 million was spent on capital developments compared to a budget of \$7.82 million (\$15.08 million including 2009 carry forwards). The main expenditure items and variances to budget include:

- Roading contributed \$1.197 million of the total development costs (\$4.098 million budgeted) of which \$3.0 million was unspent on the Pahiatua Track improvements. The seal extension for Coach Road is completed.
- Sewerage capital of \$1.7 million for the Pahiatua Effluent Quality Improvement to be carried forward as the consent is still progressing.
- The Eketahuna effluent quality improvement budget (\$930,000) is to be carried forward as the construction will commence in 2010/2011.
- The Solid waste budget is under spent for the Pahiatua transfer station (\$314,198) and waste disposal investigation (\$14,360). These budgets are to be carried forward.
- The Stormwater Mangapurupuru stream diversion of \$200,000 is to be carried forward and completed in 2010/2011.
- Water developments budget of \$2.73 million for Pahiatua New Well to be carried forward.
- The District Promotion and Development budget of \$688,000 for the Broadband project was to be subsidised funded from the Ministry of Economic Development.

This has not become available and therefore is unlikely to be required.

### Renewal Capital

A total of \$6.768 million was spent on renewals compared to a budget of \$7.282 million. The main expenditure items and variances to budget include:

- Dannevirke Sports Centre building maintenance budget of \$20,000 for a stove and fridge is waiting on contractors.
- Dannevirke Housing maintenance budget of \$18,000 has had \$7,120 spent year to date; the balance will be spent on a concrete drive and turnaround area at Elsinore Court and fences at Burns and Gordon Street flats. The Woodville budget of \$15,000 has had \$8,954 spent; the balance will be spent on a new fence at Ruahine.
- Parks & Reserves under budget by \$152,080 of which the caretaker's house at the Pahiatua camping grounds is currently underway.
- Eketahuna Public Conveniences \$6,500 unspent for a hot water cylinder and cleaner's cupboard.
- Roading renewals of \$345,301 to complete work that is already underway.
- Other support carry forwards including computer system UPS and server, and phone system, \$102,125; Administration building air-conditioning and carpet replacement, \$268,103; plant, equipment and motor vehicles of \$226,077.
- Sewerage has spent \$317,309 this year but is under budget by \$279,608 (including the carry forward from the previous year). The variation all relates to work underway mainly in mains replacements in Dannevirke, Pahiatua and Eketahuna.
- Solid Waste renewal contract costs for Pahiatua are over budget by \$18,441.

### Balance Sheet

Council's assets – property, plant, and equipment are valued at \$795 million, an increase of \$31.7 million from the prior year. During the year there was capital expenditure of \$8.53 million invested in purchasing, developing and renewing Council assets. The total amount of depreciation charged on these assets for the year was \$10.254 million. Depreciation funds are used to fund renewal works, loan repayments, new capital works (in a few cases) or held to meet such future requirements. The Council revalued its assets by \$33.76 million, and this included \$6.7 million of additional stormwater assets.

Council's cash reserves remain very high at \$17 million and external debt remains at \$10 million, this is unchanged from the prior year as Council did not complete the forecast capital works programme. The Council will raise loans to fund capital expenditure when no appropriate revenue or funding sources are available. The Council's borrowing is

within the key parameters of Council's adopted Treasury Management Policy.

## Rating Review

A rating review has been taking place to look at concerns raised by ratepayers to ensure that the current system fairly spreads who pays for what services and whether all possible rating groups are being considered.

Although there was extensive effort and commitment put into the rating review, it was felt that there was still more work to be done before releasing a Statement of Proposal. Council will be recommending to the incoming Council that the rating review work be continued after the October elections.

## Acknowledgement

The positive roles played by the two community boards – Eketahuna and Dannevirke, together with the two community committees – Woodville Districts' Vision and Pahiatua On

Track, continue to keep Council well informed on local issues. The "local" perspectives are vital to healthy leadership.

The invaluable work undertaken by Council elected members, staff and contractors over the past year, during difficult and stressful times, is acknowledged with gratitude.

A special thank you to Maureen Reynolds, who will not be standing for Mayor this election, for her leadership, contribution and dedication to the District. She has left a wonderful legacy and will be very missed by the staff, Council and those she has worked with over the 12 years of her service as Mayor for the Tararua District. The Council and staff wish her well.



Blair King  
**Chief Executive**



Roly Ellis  
**Mayor**

# What Council has done to Improve the Quality of our Asset Information

Council received an overall qualified audit opinion in respect of the 2010-19 Community Plan.

Our overall opinion was qualified due to the fact that we did not have adequate information (in the form of Asset Management Plans) in relation to our Water and Wastes Infrastructure (Water Supplies, Sewerage, Solid Waste and Stormwater), as well as Property, Parks and Reserves.

It should be noted that there was a sufficiently robust Asset Management Plan in place in respect of the Roding activity.

The overall qualified opinion flowed through to all three limbs of the Audit Report issued on the 2009-19 Community Plan on the basis that:

- We did not have adequate information to support the forecasts expenditure and levels of service for water and wastes infrastructure;
- Consequently the extent to which forecast information and proposed performance framework did not provide an appropriate basis for the meaningful assessment of Council's performance; and
- Because of this we were unable to demonstrate, as required by section 101 of the Act, that Council has satisfied the "prudent financial management" provisions of the Act.

What we have done to improve the Quality of our Asset Management Plan's

Since July 2009 Council has undertaken the following initiatives:

- Restructured the Asset Management Planning Activity of Council – specifically by reducing

reliance on consultants and taking responsibility and creating ownership of Asset management by bring responsibility back in house;

- Developed a new Stormwater Asset Management Plan;
- Updated the deficient Water and Wastewater Asset Management Plans;
- We are in the process of developing Reserve Management Plans for the three iconic Council reserves;
- We are developing a new Refuse Management Plan that reflects the impending expiry of the two Regional Council landfill consents (Council will close the landfills and not apply for new consents; then build two new transfer stations and then truck the refuse to neighbouring Central Hawke's Bay for a fee).

Our Asset Management Plans have been subject to Audit NZ's audit processes this year. Audit NZ have concluded that

- We now have adequate information to support the forecasts expenditure and levels of service for water and wastes infrastructure;
- Consequently our forecast information and performance framework does provide an appropriate basis for the meaningful assessment of Council's performance; and
- Because of this we can now demonstrate as required by section 101 of the Local Government Act 2002, that we have satisfied the "prudent financial management" provisions of the Act.

# How this Report Works

## Purpose of this Annual Report

The purpose of this annual report is to compare the Council's actual performance for the year from 1 July 2009 to 30 June 2010 against what was forecast in the annual plan for that year.

An annual report is required by section 98(1) of the Local Government Act 2002 (the Act); Financial Statements, non-financial information. Cost of Service Statements are required to be included for each significant activity.

## Structure of this Report

This Report has five sections – Highlights, Reports and Policies, Statements of Service Performance, Financial Statements and General Information.

## Highlights

These include:

- Council's Five-Year Summary – an overview of financial performance and position and key operational information.
- Capital Development and Renewal Programmes - comparisons of planned and actual Capital Development and Renewal programmes for the year.

## Reports and Policies

Provides the linkage of these policies.

Reports on the Council's long-term planning and funding policies.

Reports that show how the Council fulfils its responsibilities to govern the District well.

## Statements of Service Performance

These show the detail of work done and money spent in each major area grouped by strategic goal, and reports our performance against targets we set for ourselves for each area.

## Financial Statements

These detail the Council's and group's position and recent performance in financial terms. Both the Financial Statements, Statements of Service Performance, and Cost of Service Statements are externally audited before publication.

These statements include a consolidation of Council's own operations and those of the Council controlled organisations.

## General Information

This section provides the make up of the Council, its Community Boards and Committees, Management, a directory, general statistics of the district, and the district's history and location. A glossary of the terms completes this section.

## Relationship to Other Key Documents

Under the Act, a local authority must prepare and adopt these key documents:

- Long-Term Council Community Plan (Community Plan) (section 93)
- Annual Plan (sections 95(1), 95(4) and 284)
- Annual Report (section 98(1))

The inter-relationship between each document is provided in the Reports and Policies section. The relative sections of the Act refer to the Local Government Act 2002, unless stated otherwise:

- Revenue and Financing Policy (sections 102 and 103)
- Liability Management Policy (sections 102 and 104)
- Investment Policy (sections 102, 105 and 106)
- Development Contributions or Financial Contributions Policy (sections 102 and 106)
- Partnerships with the Private Sector Policy (sections 102 and 107)
- Remission and Postponement of Rates on Maori Freehold Land Policy (sections 102 and 108)
- Rates Remission Policy (sections 102 and 109)
- Rates Postponement Policy (sections 102 and 110)
- Significance Policy (section 90)



# Highlights





## Council Five-Year Summary

	Unit	2005/06	2006/07	2007/08	2008/09	2009/10
Operating Surplus / (Deficit)*	\$000's	2,712	642	2,126	856	117
Equity	\$000's	652,293 <sup>†</sup>	714,469	753,452	768,164	801,883
Working Capital	\$000's	11,827	7,460	6,308	5,672	8,582
Operating cash	\$000's	2,107	2,525	1,838	2,067	2,233
Borrowing	\$000's	10,109	10,088	10,066	10,045	10,023
Road Dig-outs & Stabilisation	m <sup>2</sup> 000's	8	7	2	7	6
Resealing	km	98.5	99	88	77	101
Maintenance Aggregate	m <sup>3</sup> 000's	23	36	47	40	32
Water Tabling	km	387	148	259	313	204
Building Consents issued		886	718	679	611	505
Registered dogs		7,036	6,892	6,749	6,713	6,698
Library Usage	Issues	171,187	167,417	160,626	159,551	154,206

\* Operating Surplus/(Deficit) before Asset Changes.

<sup>†</sup> Adjusted for NZIFRS.

# Capital Expenditure Report for the Year Ended 30 June 2010

The following assets were acquired/developed in accordance with the Long Term Council Community Plans, Annual Plan, and variations as authorised by Council:

Activity & Capital Works Project	Carry forward Budget to June 2009	Budget 2009/10	Authorised Revision	Total Budget	Actual to June 2009	Year to June 2010
<b>Capital Developments</b>						
<b>Animal Control</b>						
Pahiatua Pound	19,745			19,745		
Dannevirke Pound		15,000		15,000		
	<b>19,745</b>	<b>15,000</b>	-	<b>34,745</b>	-	-
<b>Cemeteries</b>						
Alfredton – columbarium wall		5,000		5,000		
Memorial restoration	10,000			10,000		7,079
Eketahuna new berm	3,000	5,000		8,000		1,742
Woodville new berm area	12,141	3,000		15,141	14,400	2,746
Pahiatua new berm area		3,000		3,000		4,684
Pahiatua	8,000			8,000		
Dannevirke	3,000			3,000	570	
	<b>36,141</b>	<b>16,000</b>	-	<b>52,141</b>	<b>14,970</b>	<b>16,251</b>
<b>Commercial Property</b>						
Thyra Street sale						
Carnegie Centre	7,650			7,650		
	<b>7,650</b>	-	-	<b>7,650</b>	-	-
<b>Economic Development or district promotion</b>						
Broadband		688,000		688,000		-
	-	<b>688,000</b>	-	<b>688,000</b>	-	-
<b>Emergency Management</b>						
Rural Fire: FA: Weather Station						4,514
	-	-	-	-	-	<b>4,514</b>
<b>Footpaths</b>						
New footpaths	43,510	27,000		70,510		11,668
Dannevirke High Street Refurbishment	2,101,000			2,101,000	2,063,000	65,996
Woodville Business Centre	12,000	50,000		62,000	12,000	35,268
	<b>2,156,510</b>	<b>77,000</b>	-	<b>2,233,510</b>	<b>2,075,000</b>	<b>112,932</b>
<b>Libraries</b>						
Microform reader						12,990
	-	-	-	-	-	<b>12,990</b>
<b>Parks and Reserves</b>						
Develop reserve management plan		20,000		20,000		10,465
Accessible toilet – Eketahuna Camping Ground		15,000		15,000		
Akitio foreshore erosion	2,428			2,428	962	
	<b>2,428</b>	<b>35,000</b>	-	<b>37,428</b>	<b>962</b>	<b>10,465</b>

Total Remaining Budget Under/ (Over)	Remaining Carry Forward	Funding Source	Explanation/Status/Significant Variances to Community Plan
19,745	19,745	Loan	On hold
15,000	15,000	Rates	Being priced
<b>34,745</b>	<b>34,745</b>		
5,000	5,000	Rates	Work in progress
2,921	2,921	Loan	Herbetville completed, Weber still to do
6,258	2,569	Eketahuna Cemetery Reserve	No work required at this stage
(2,005)		Rates	Completed – over plan but compensated for elsewhere
(1,684)		Pahiatua Cemetery Reserve	Completed – over plan but compensated for elsewhere
8,000	8,000	Pahiatua Cemetery Reserve	No work required, is still at the planning stage
2,430	2,430	Rates	Underway
<b>20,920</b>	<b>20,920</b>		
-		Rates	Work in progress
7,650	7,650	Rates	Waiting on a decision from Council
<b>7,650</b>	<b>7,650</b>		
688,000		Subsidy/Rates	Unlikely to be required
<b>688,000</b>	<b>-</b>		
(4,514)		Rates	
<b>(4,514)</b>			
58,842	58,842	Rates	Contract let
(27,996)		Rates	Final costs are being assessed
14,732	14,732	Loan	Work brought forward 2009/10
<b>45,578</b>	<b>73,574</b>		
(12,990)		Donation	Completed – funded from bequest
<b>(12,990)</b>	<b>-</b>		
9,535	9,535	Rates	Underway
15,000	15,000	Rates	Awaiting funding from Disabled Association
1,466	1,466	Rates	Planting completed for year
<b>26,001</b>	<b>26,001</b>		

## Capital Expenditure Report continued...

Activity & Capital Works Project	Carry forward Budget to June 2009	Budget 2009/10	Authorised Revision	Total Budget	Actual to June 2009	Year to June 2010
<b>Roading</b>						
Bridge structures		100,000		100,000		104,197
Associated improvements		140,000		140,000		87,396
Minor safety improvements		858,800		858,800		804,890
Pahiatua Track improvements		3,000,000		3,000,000	42,076	
Seal extension Coast Road	164,686		55,500	220,186	13,200	200,948
	<b>164,686</b>	<b>4,098,800</b>	<b>55,500</b>	<b>4,318,986</b>	<b>55,276</b>	<b>1,197,431</b>
<b>Sewerage</b>						
Aerator		10,000		10,000		12,034
Dissolved phosphorous removal investigation						27,962
Telemetry		35,000		35,000		32,764
Eketahuna effluent quality improve	986,838			986,838	53,531	2,297
Woodville effluent quality improve	61,000			61,000		47,029
Norsewood resource consent	12,925			12,925	12,925	6,417
Pahiatua effluent quality improve	1,791,675			1,791,675	110,842	12,783
Pongaroa treatment plant upgrade	133,679			133,679	17,862	20,815
Ormondville resource consent	14,050			14,050	14,050	
	<b>3,000,167</b>	<b>45,000</b>	<b>-</b>	<b>3,045,167</b>	<b>209,210</b>	<b>162,102</b>
<b>Solid Waste Management</b>						
Pahiatua transfer station	315,375	330,000		645,375	315,375	15,802
Waste disposal investigations	14,360			14,360		8,500
	<b>329,735</b>	<b>330,000</b>	<b>-</b>	<b>659,735</b>	<b>315,375</b>	<b>24,302</b>
<b>Stormwater Drainage</b>						
Dannevirke Mangapurupuru stream diversion		200,000		200,000		
Pahiatua					93,847	1,296
Woodville Atkinson Street / McLean Street		90,000		90,000		
	<b>-</b>	<b>290,000</b>	<b>-</b>	<b>290,000</b>	<b>93,847</b>	<b>1,296</b>
<b>Water Supplies</b>						
Telemetry		20,000		20,000		
Ground water investigation		115,000		115,000		21,766
Eketahuna treatment upgrade	71,845			71,845	53,827	18,424
Pahiatua new well	1,173,004	1,900,000		3,073,004	324,105	19,051
Dannevirke	111,952			111,952	42,130	29,582
Woodville	106,157			106,157	80,301	1,975
	<b>1,462,958</b>	<b>2,035,000</b>	<b>-</b>	<b>3,497,958</b>	<b>500,363</b>	<b>90,797</b>

Total Remaining Budget Under/ (Over)	Remaining Carry Forward	Funding Source	Explanation/Status/Significant Variances to Community Plan
(4,197)		Subsidy/Rates	Completed
52,604	52,604	Subsidy/Rates	Work identified and underway
53,910	53,910	Subsidy/Rates	Various contracts have been let and continuing
2,957,924	2,957,924	Loan	Subsidy sought for revised project
6,038		Subsidy/Rates	Completed
<b>3,066,279</b>	<b>3,064,438</b>		
(2,034)		Rates	Completed
(27,962)		Rates	Completed
2,236		Loan	Completed
931,010	931,010	Loan	Design complete, construction due to commence
13,971	13,971	Loan	To complete additional work
(6,417)		Loan	Consent still in progress
1,668,050	1,668,050	Loan	Consent still in progress
95,002	95,002	Loan	Consent issued, trial underway
		Loan	Consent issued
<b>2,673,855</b>	<b>2,708,033</b>		
314,198	314,198	Loan	Investigation into options
5,860	14,360	Solid Waste Reserve	Underway
<b>320,058</b>	<b>328,558</b>		
200,000	200,000	Loan	To be completed in 2011
(95,143)		Loan	Completed
90,000	90,000	Loan	Design stage, to be completed September 2010
<b>194,857</b>	<b>290,000</b>		
20,000	20,000	Rates	Work in Progress
93,234	93,234	Loan	Work in progress
(406)		Loan	Public Health Risk Management Plans Review
2,729,848	2,200,000	Loan	Approved to spend \$200,000
40,240	40,240	Loan	Impounded storage – getting costings
23,881	23,881	Loan	Under review
<b>2,906,798</b>	<b>2,377,355</b>		

## Capital Expenditure Report continued...

Activity & Capital Works Project	Carry forward Budget to June 2009	Budget 2009/10	Authorised Revision	Total Budget	Actual to June 2009	Year to June 2010
<b>Other</b>						
Administration building		25,000		25,000		
Computer software – Authority		162,000		162,000		109,643
Computer hardware						914
Land sales					(7,373)	
Mountain bike track						19,323
Woodville Library/i-SITE doors	30,000			30,000		
	<b>30,000</b>	<b>187,000</b>	<b>-</b>	<b>217,000</b>	<b>(7,373)</b>	<b>129,880</b>
<b>Total Developments</b>	<b>7,210,020</b>	<b>7,816,800</b>	<b>55,500</b>	<b>15,082,320</b>	<b>3,257,630</b>	<b>1,762,960</b>
<b>Capital Renewals</b>						
<b>Animal Control</b>						
Motor vehicle replacement	34,000			34,000		
	<b>34,000</b>	<b>-</b>	<b>-</b>	<b>34,000</b>	<b>-</b>	<b>-</b>
<b>Cemeteries</b>						
General	5,000			5,000	5,000	
	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>
<b>Community Buildings</b>						
Dannevirke Sports Centre		20,000		20,000		
Pahiatua Town Hall	30,000			30,000	30,036	
	<b>30,000</b>	<b>20,000</b>	<b>-</b>	<b>50,000</b>	<b>30,036</b>	<b>-</b>
<b>Emergency Management</b>						
Civil Defence: satellite phones		13,000		13,000		8,724
Civil Defence: portable radio repeater		11,000		11,000		6,808
Civil Defence: extra pager receiver		4,300		4,300		910
Rural Fire: replacement subsidised fire equipment		25,750		25,750		60,609
Rural Fire: new Herbertville fire station, plans/consents		3,000		3,000		6,600
Rural Fire: Akitio Te Uri fire appliance		134,000		134,000		159,295
Rural Fire: New Te Uri fire appliance		11,650		11,650		-
	<b>-</b>	<b>202,700</b>	<b>-</b>	<b>202,700</b>	<b>-</b>	<b>242,946</b>
<b>Footpaths</b>						
Resealing of urban footpaths		59,000		59,000		49,286
	<b>-</b>	<b>59,000</b>	<b>-</b>	<b>59,000</b>	<b>-</b>	<b>49,286</b>
<b>Health and Safety</b>						
Motor vehicle replacement – building control		16,000		16,000		
	<b>-</b>	<b>16,000</b>	<b>-</b>	<b>16,000</b>	<b>-</b>	<b>-</b>
<b>Housing</b>						
Tenancy contribution - Dannevirke		5,000		5,000		3,805
Dannevirke urban		18,000		18,000		7,120
Woodville		15,000		15,000		8,954
	<b>-</b>	<b>38,000</b>	<b>-</b>	<b>38,000</b>	<b>-</b>	<b>19,880</b>

Total Remaining Budget Under/ (Over)	Remaining Carry Forward	Funding Source	Explanation/Status/Significant Variances to Community Plan
25,000	25,000	Depreciation Reserve	Awaiting decision on location of transfer station
52,357	52,357	Depreciation Reserve	Underway
(914)		Depreciation Reserve	
7,373		General Purposes Reserve	
(19,323)		Rates	
30,000	30,000	Rates	On hold
<b>94,493</b>	<b>107,357</b>		
<b>10,061,730</b>	<b>9,038,631</b>		
34,000	34,000	Depreciation Reserve	Vehicle not replaced
<b>34,000</b>	<b>34,000</b>		
-	-	Depreciation Reserve	Dannevirke Cemetery maintainance
20,000	20,000	Depreciation Reserve	Waiting on contractors
(36)		Depreciation Reserve	Completed
<b>19,964</b>	<b>20,000</b>		
4,276	4,276	Depreciation Reserve	Balance for additional radio equipment
4,192	4,192	Depreciation Reserve	Underway
3,390	3,390	Depreciation Reserve	Underway
(34,859)		Depreciation Reserve	Completed
(3,600)		Depreciation Reserve	Underway
(25,295)		Depreciation Reserve	Te Uri fire appliance replaced instead of Akitio
11,650		Depreciation Reserve	
<b>(40,246)</b>	<b>11,858</b>		
9,714	9,714	Depreciation Reserve	Underway
<b>9,714</b>	<b>9,714</b>		
16,000	16,000	Depreciation Reserve	
<b>16,000</b>	<b>16,000</b>		
1,195	1,195	Depreciation Reserve Housing	Underway
10,880	10,880	Depreciation Reserve Housing	Underway
6,046	6,046	Depreciation Reserve Housing	Underway
<b>18,120</b>	<b>18,120</b>		

## Capital Expenditure Report continued...

Activity & Capital Works Project	Carry forward Budget to June 2009	Budget 2009/10	Authorised Revision	Total Budget	Actual to June 2009	Year to June 2010
<b>Library</b>						
Library books		115,000		115,000		105,469
Building and furniture	18,289	10,900		29,189		6,355
	<b>18,289</b>	<b>125,900</b>	<b>-</b>	<b>144,189</b>	<b>-</b>	<b>111,824</b>
<b>Parks and Reserves</b>						
Camping ground house Pahiatua		160,000		160,000		20,966
Camping ground water line Dannevirke		17,000		17,000		9,234
Dannevirke Domain		3,250		3,250		
Camping Ground Woodville		2,000		2,000		
	<b>-</b>	<b>182,250</b>	<b>-</b>	<b>182,250</b>	<b>-</b>	<b>30,200</b>
<b>Public conveniences</b>						
Resurface three toilet floors		6,500		6,500		
	<b>-</b>	<b>6,500</b>	<b>-</b>	<b>6,500</b>	<b>-</b>	<b>-</b>
<b>Roading</b>						
Pavement rehabilitation		1,650,000		1,650,000	-	1,585,967
Sealed road resurfacing		2,300,000		2,300,000	-	2,278,285
Traffic services		120,000		120,000	-	52,791
Drainage renewals & structures maintenance		450,000		450,000	-	549,410
Bridge renewals		50,000		50,000		46,700
Structure component replacements		85,000		85,000		95,094
Unsealed road metalling		750,000		750,000	-	560,956
	<b>-</b>	<b>5,405,000</b>	<b>-</b>	<b>5,405,000</b>	<b>-</b>	<b>5,169,203</b>
<b>Sewerage</b>						
Dannevirke mains replacement	93,624			93,624	6,087	37,835
Pahiatua mains replacement	190,476			190,476	-	165,641
Infiltration		55,000		55,000	-	
Woodville		7,000		7,000	-	11,391
Eketahuna mains replacement	50,472	50,000		100,472	13,568	
District expense		170,000		170,000	-	102,442
	<b>334,572</b>	<b>282,000</b>	<b>-</b>	<b>616,572</b>	<b>19,655</b>	<b>317,309</b>
<b>Solid Waste Management</b>						
Pahiatua						18,441
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,441</b>
<b>Stormwater Drainage</b>						
District expense		35,000		35,000		
Dannevirke		34,000		34,000		29,871
	<b>-</b>	<b>69,000</b>	<b>-</b>	<b>69,000</b>	<b>-</b>	<b>29,871</b>
<b>Swimming Pools</b>						

Total Remaining Budget Under/ (Over)	Remaining Carry Forward	Funding Source	Explanation/Status/Significant Variances to Community Plan
9,531	9,531	Depreciation Reserve	Underway
22,834	22,834	Depreciation Reserve	Underway
<b>32,365</b>	<b>32,365</b>		
139,034	139,034	Depreciation Reserve	Work in progress
7,766	7,766	Depreciation Reserve	Balance to complete other camping ground projects
3,250	3,250	Depreciation Reserve	Work in progress
2,000	2,000	Depreciation Reserve	Completed since year end
<b>152,050</b>	<b>152,050</b>		
6,500	6,500	Depreciation Reserve	Underway, to be used for Eketahuna toilet power supply
<b>6,500</b>	<b>6,500</b>		
64,033	64,033	Subsidy/Rates	Contracts currently underway
21,715	21,715	Subsidy/Rates	Contracts currently underway
67,209	67,209	Subsidy/Rates	Contracts currently underway
(99,410)		Subsidy/Rates	Contracts currently underway
3,300	3,300	Subsidy/Rates	Contracts currently underway
(10,094)		Subsidy/Rates	Contracts currently underway
189,044	189,044	Subsidy/Rates	Currently in progress
<b>235,797</b>	<b>345,301</b>		
49,702	49,702	Depreciation Reserve	Work in progress
24,835	24,835	Depreciation Reserve	Work in progress
55,000	55,000	Depreciation Reserve	Work in progress
(4,391)		Depreciation Reserve	Work in progress
86,904	86,904	Depreciation Reserve	Work in progress
67,558	63,167	Depreciation Reserve	Pump replaced, to be allocated across those above
<b>279,608</b>	<b>279,608</b>		
(18,441)		Depreciation Reserve	No work required
<b>(18,441)</b>	<b>-</b>		
35,000	35,000	Depreciation Reserve	To be programmed
4,129	4,129	Depreciation Reserve	To be programmed
<b>39,129</b>	<b>39,129</b>		

## Capital Expenditure Report continued...

Activity & Capital Works Project	Carry forward Budget to June 2009	Budget 2009/10	Authorised Revision	Total Budget	Actual to June 2009	Year to June 2010
Pahiatua		20,500		20,500	-	14,959
Eketahuna		20,500		20,500		-
Woodville		2,500		2,500	-	3,443
	-	43,500	-	43,500	-	18,402
<b>Water Supplies</b>						
Woodville	53,249			53,249		6,395
Mains replacement		254,500		254,500		224,599
Noreswood shed		25,000		25,000		-
Pahiatua				-	17,600	13,654
Eketahuna				-	-	
	53,249	279,500	-	332,749	17,600	244,648
<b>Other – Support</b>						
Computer hardware/software replacement	154,704	346,300		501,004	19,704	379,174
Administration buildings	216,522	82,000		298,522	16,522	13,897
Plant, equipment & furniture	152,619	21,500		174,119		54,823
Motor Vehicle Replacement	52,369	103,000		155,369		48,588
	576,214	552,800	-	1,129,014	36,226	496,483
<b>Total Renewals</b>	<b>1,051,324</b>	<b>7,282,150</b>	<b>-</b>	<b>8,333,474</b>	<b>108,517</b>	<b>6,768,493</b>
<b>Total Developments and Renewals*</b>	<b>8,261,344</b>	<b>15,098,950</b>	<b>55,500</b>	<b>23,415,794</b>	<b>3,366,147</b>	<b>8,511,453</b>
<b>Minor Renewals</b>						
Note: These items are also shown in operating expenditure but will be funded from depreciation reserve						
Administration Buildings		8,300		8,300		2,490
Camping Grounds		3,000		3,000		2,117
Parks and Reserves		1,500		1,500		741
Community Buildings		22,100		22,100		10,768
Public Conveniences		6,500		6,500		946
Housing		3,200		3,200		2,849
Commercial Buildings		1,000		1,000		
	-	45,600	-	45,600	-	19,911

\* The actual capital expenditure differs from assets capitalised in the Property, Plant, and Equipment note in the Notes for the Financial Statements for changes in work in progress and additions for intangible assets and increases in landfill asset lives.

Total Remaining Budget Under/ (Over)	Remaining Carry Forward	Funding Source	Explanation/Status/Significant Variances to Community Plan
5,541		Depreciation Reserve	Seal pool & filtration repair completed
20,500		Depreciation Reserve	Completed
(943)		Depreciation Reserve	Chlorinator pump relaced
<b>25,098</b>	<b>-</b>		
46,854	27,775	Depreciation Reserve	Work in progress
29,901	17,726	Depreciation Reserve	Work in progress
25,000	25,000	Depreciation Reserve	Design and costings stage
(31,254)		Depreciation Reserve	Completed
		Depreciation Reserve	No funds available
<b>70,501</b>	<b>70,501</b>		
102,125	102,125	Depreciation Reserve	Phone system complete, PC's bought UPS + servers
268,103	268,103	Depreciation Reserve	Deferred, mostly airconditioning and carpet replacements
119,296	119,296	Depreciation Reserve	Only minor work to date, investigating generators
106,781	106,781	Depreciation Reserve	Two vehicles purchased
<b>596,305</b>	<b>596,305</b>		
<b>1,476,463</b>	<b>1,631,449</b>		
<b>11,538,194</b>	<b>10,670,080</b>		
5,810	5,810	Depreciation Reserve	Underway
883	883	Depreciation Reserve	Underway
759	759	Depreciation Reserve	Underway
11,332	11,332	Depreciation Reserve	Underway
5,554	5,554	Depreciation Reserve	Underway
351	351	Depreciation Reserve Housing	Underway
1,000	1,000	Depreciation Reserve	Underway
<b>25,689</b>	<b>25,689</b>		



# Reports and Policies





# Community Outcomes – Report on Progress

## What are Community Outcomes?

Community outcomes are high level statements that describe the kind of society, community, environment and economy that the people of Tararua want to live in. They are the things the community think are important for its wellbeing. Community outcomes are identified by the community and belong to the community.

Under the Local Government Act 2002, local authorities are required to assist their communities in identifying community outcomes at least once every six years. Identifying community outcomes helps to:

- Clarify what the community really wants.
- Stimulate debate about local needs and priorities in terms of present and future wellbeing.
- Inform and guide the setting of priorities for the activities of Council, central government agencies and community organisations.
- Get organisations working together and forming partnerships.
- Provide the basis for monitoring the community's progress towards achieving desired outcomes.

These Community Outcomes were adopted in 2006 and will be reviewed by the community before the 2012-2022 Community Plan process. The Tararua District Council undertook extensive consultation with the people of Tararua to identify and prioritise community outcomes for the social, economic, environmental and cultural wellbeing of the community. The consultation took place from October 2004 to April 2005. For more information on the Community Outcomes process you are invited to read the report entitled "Your Future... Tararua District Community Outcomes 2005". The 2006-2016 Community Plan, Part 1, outlines:

- The Council's contribution to the Community Outcomes,
- Linkages between the key strategic planning documents of Council,
- The partners that also contribute to the Community Outcomes (locally, regionally and nationally), and
- The detailed list of measures identified to monitor Community Outcome progress. These measures have been carried forward into the 2009-2019 Community Plan.

## Community Outcomes Belonging to People of Tararua

These are the Community Outcomes identified and belonging to the people of Tararua.

### Social Wellbeing

1. A safe community
  - A community free from crime, violence, abuse or harm.

### 2. Access to local services

- Access to local hospital and health services, education and training programmes, telecommunication, public transport, childcare, retail and banking services that meet the needs of the community.

### Economic Wellbeing

#### 3. A high standard of infrastructure

- A transport network that provides for the safe and convenient movement of people and goods.
- Attractive, well maintained towns and public amenities that our community is proud of.

#### 4. A strong, prosperous economy

- A vibrant, prosperous economy that creates employment opportunities, and supports business development, productive land use, tourism and community initiatives.
- A district that attracts visitors, and attracts and retains residents.

### Environmental Wellbeing

#### 5. A sustainable natural environment

- Effective and efficient waste management for sustainability of our natural environment.
- A natural environment that is protected, preserved and enhanced for present and future generations.

### Cultural Wellbeing

#### 6. A connected community

- A community that has access to and participates in sport, recreation and social activities.
- Our community has a greater say in the issues that affect them, and their wishes and needs are listened to.
- Our community's culture and heritage is celebrated and preserved for future generations.
- Arts and culture are supported by the community.

In June 2008 the Council completed the first monitoring report on Community Outcomes progress. The report built on data from a wide variety of sources. In many areas, the data is from the 2006/07 year, or earlier for census sourced information. Often data is difficult to access, while census data is only available every five years. The next monitoring report will have to be completed by June 2011 and will be invaluable for the 2012-2022 Community Plan process.

This report was formally received by the Council in July 2008 and formed part of the information base used by elected members and Council managers in the development of the draft 2009-19 Community Plan. The report, "Tararua District Community Outcomes – Monitoring Report 30 June 2008" is available from the Council. The following is a summary of the findings of the report.

## Summary Table

Wellbeing	Community Outcomes	Measures	Measures with a Positive trend	Measures with a Negative trend
Social Wellbeing	A Safe Community	22	7	3
	Access to Local Services	19	10	2
Economic Wellbeing	A high standard of Infrastructure	14	7	3
	A strong, prosperous economy	18	3	6
Environmental Wellbeing	A sustainable natural environment	21	10	4
Cultural Wellbeing	A connected community	12	-	7
<b>Total All Community Outcomes</b>		<b>106</b>	<b>37</b>	<b>25</b>

Overall the community is making some progress towards the achievement of the Community Outcomes, with more measures trending positive than negative. Progress is patchy with 38% of the 106 measures staying about the same over time and 24% showing a declining trend. The Community Outcomes 'Access to Local Services' and 'A Sustainable Natural Environment' have experienced the most positive improvements. The Community Outcome 'A Connected Community' has had the largest proportion of negative trends.

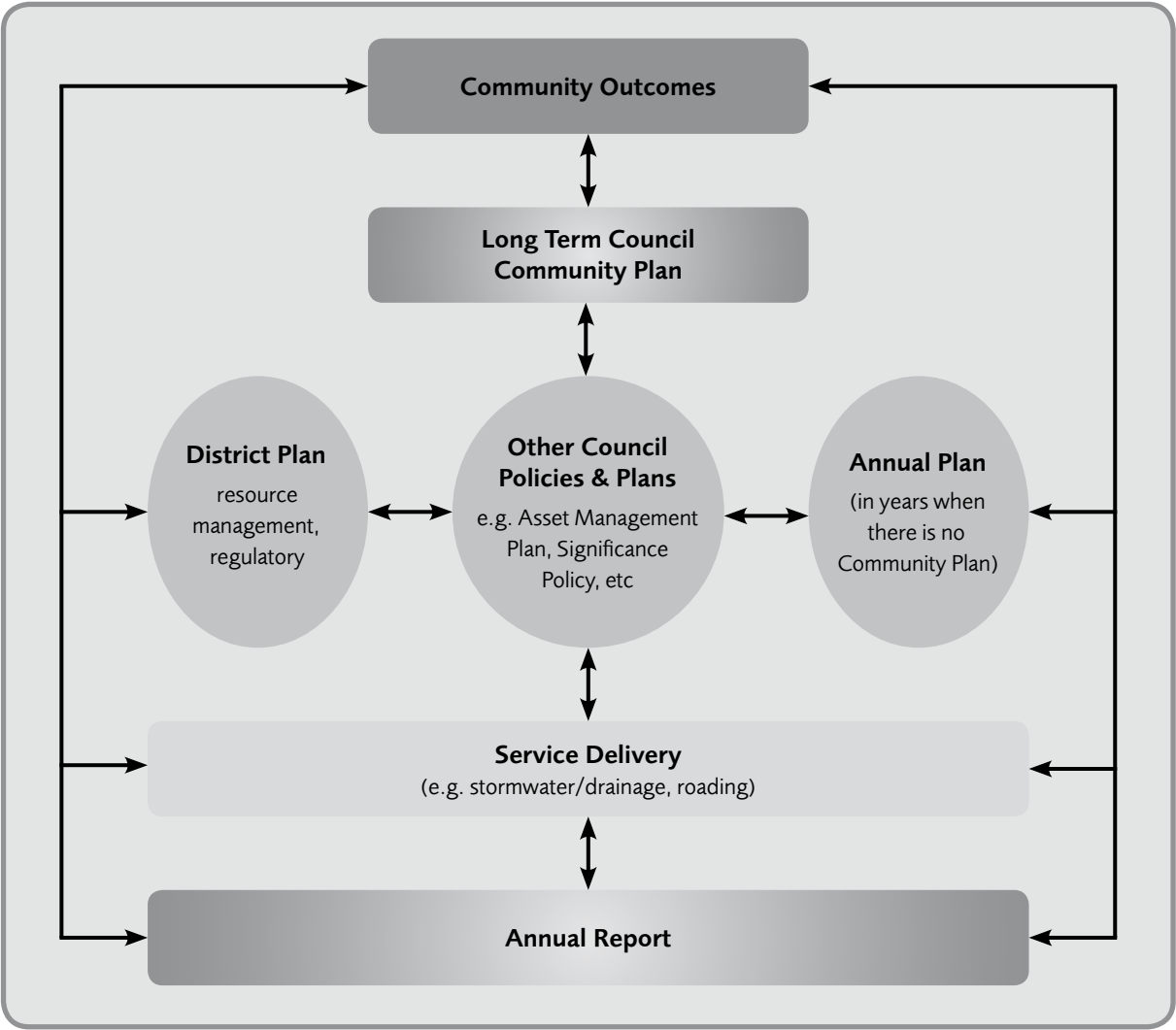
The following table details the measurement topics for each Community Outcome and the trends for each of the measures.

Community Outcome	Performance Indicator's)	Number (or group) of Measures	Impact on Outcome – Trend			No Data Available
			Improved	Declined	No Change	
A Safe Community	Perceptions of safety	1	1	-	-	-
	Reported crime	5	-	1	4	-
	Child abuse and neglect	1	-	-	1	-
	ACC claims	1	-	1	-	-
	Fire incidences, hazardous and other emergencies	1	-	-	1	-
	Property damage	1	-	-	1	-
	Alcohol offences	1	-	-	-	1
	Youth offending	2	-	1	1	-
	Crime prevention	1	1	-	-	-
	Road safety	5	3	-	2	-
	Pedestrian safety	1	-	-	1	-
	Reported dangerous and nuisance dogs	1	1	-	-	-
	Improved health, social, economic and environmental outcomes	1	1	-	-	-
<b>A Safe Community</b>		<b>22</b>	<b>7</b>	<b>3</b>	<b>11</b>	<b>1</b>
Access to Local Services	Access to services	2	1	-	1	-
	Access to health services	1	1	-	-	-
	Health professionals (Numbers)	3	2	-	1	-
	Health status of population	1	-	-	-	1
	Access to education	2	2	-	-	-
	Training programmes	1	-	-	1	-
	Parenting programmes	3	-	2	1	-
	Transport	3	2	-	1	-
	Communication	2	1	-	1	-
	Banking	1	1	-	-	-
<b>Access to Local Services</b>		<b>19</b>	<b>10</b>	<b>2</b>	<b>6</b>	<b>1</b>

Community Outcome	Performance Indicator's)	Number (or group) of Measures	Impact on Outcome – Trend			No Data Available
			Improved	Declined	No Change	
A High Standard of Infrastructure	Road safety	3	2	1	-	-
	Road access to the west	1	-	-	1	-
	Heavy vehicles in Dannevirke CBD	1	-	-	1	-
	Road Improvements	2	2	-	-	-
	Street lighting	1	1	-	-	-
	Flooding incidences	1	1	-	-	-
	Urban Drinking Water Quality (MoH standards)	2	-	1	1	-
	Perception of townscape and public amenities	3	1	1	1	-
<b>A High Standard of Infrastructure</b>		<b>14</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>-</b>
A Strong Prosperous Economy	Population	1	-	-	1	-
	Social and economic deprivation	1	-	-	1	-
	Median income	1	-	1	-	-
	Home ownership	1	-	1	-	-
	Work participation	1	1	-	-	-
	Benefit support	1	-	-	1	-
	Employment	1	-	-	-	1
	Dwelling sale prices	1	1	-	-	-
	Business information	2	-	1	1	-
	Business promotion	5	-	3	2	-
	Building consents	1	1	-	-	-
	Land availability for business	2	-	-	2	-
<b>A Strong Prosperous Economy</b>		<b>18</b>	<b>3</b>	<b>6</b>	<b>8</b>	<b>1</b>
A Sustainable Natural Environment	Solid waste management	3	2	-	1	-
	Public perceptions	1	1	-	-	-
	Subdivision and land use	1	-	-	1	-
	QEII covenants	1	1	-	-	-
	Bush remnants	3	2	-	1	-
	Effluent discharge	1	-	1	-	-
	District Plan	1	-	-	1	-
	Animal and plant pests	4	2	2	-	-
<b>A Sustainable Natural Environment</b>	Biodiversity	6	2	1	3	-
		<b>21</b>	<b>10</b>	<b>4</b>	<b>7</b>	<b>-</b>
A Connected Community	Participation in sport and recreational services	1	-	-	1	-
	Increased number of huts and tracks	1	-	1	-	-
	Involvement in Council decision making	1	-	-	1	-
	Representation	1	-	1	-	-
	Voter turnout	1	-	1	-	-
	Cultural identity	1	-	1	-	-
	Heritage preservation	1	-	-	1	-
	Heritage trail	3	-	3	-	-
	Heritage Days	1	-	-	-	1
	Participation in arts and cultural activities	1	-	-	1	-
<b>A Connected Community</b>		<b>12</b>	<b>-</b>	<b>7</b>	<b>4</b>	<b>1</b>
<b>All Community Outcomes</b>		<b>106</b>	<b>37</b>	<b>25</b>	<b>40</b>	<b>4</b>

# Linkage Between Council Policies & Plans

This Annual Report gives outcomes for the 2009/2010 financial year. These actions were shaped by the directions outlined in the Council's Long Term Council Community Plan (Community Plan) and in several other Council Policies and Plans. The linkages between these are shown in the diagram below:



# Report on Long Term Council Community Plan and Policies

## Long Term Council Community Plan (Community Plan)

### Background

The Long Term Council Community Plan (Community Plan) identifies the significant activities of the Council and provides for the estimated future revenues, expenses, cash flows and other movements in the forecast Financial Statements. The general aim of the Community Plan is to ensure that the Council has adequately considered and accounted for its future operations in accordance with the following six principles:

- Prudent management of Council activities in the interest of the District and its residents
- Lawful funding mechanisms that, on reasonable grounds, can be considered appropriate
- Operating revenue covering all projected operating expenses
- Adequate provision for expenditure needs of the Council
- Maintaining prudent levels of debt in accordance with borrowing management policies
- Adequate consideration and assessment of benefits and costs of different options.

The 2009/10 financial year was year one of the 2009-2019 Community Plan.

Each local authority is required to have prepared and adopted a Community Plan, funding policy, borrowing management policy, and investment policy. The Annual Report must contain sufficient information to enable an informed assessment of the extent to which the objectives and provisions of the strategy and policies have been achieved during the year.

A comparison between the 2009-2019 Community Plan and actual results follows:

	Actual 2009/10 \$000's	LTCCP 2009-2019 \$000's
<b>Key Targets</b>		
Operating Surplus / (Deficit)*	117	6,293
Total Equity / Net Assets	801,883	822,016
External Borrowing (excluding Tenant Contribution)	10,023	15,118
Capital Developments & Renewals	8,531	15,099

\* Before asset changes

## Revenue & Financing Policy Report

Function	Note	Subsidy Actual	Subsidy Policy	User Charges & Other Sources Actual	User Charges Policy
Animal Control	1			98.3%	93.0%
Cemeteries	1			28.2%	25.0%
Commercial Property	2			169.9%	105.0%
Community Buildings	1			9.0%	10.0%
Community Support	3			7.1%	0.0%
District Promotion & Development	1	1.1%	0.0%		
Emergency Management					
Civil Defense	1	5.6%	11.0%		0.0%
Rural Fire	4	69%	0.0%		
Footpaths					
General	1			3.6%	0.0%
Special Development Loans (Dannevirke Town Centre)					
Health & Safety					
Building Control	5			62.6%	90.0%
Health Control	6			26.7%	46.0%
Inspection & Licensing	7			19.5%	30.0%
Housing	8			100.0%	100.0%
Library	1			10.0%	15.0%
Parks & Reserves					
Parks & Recreation Grounds (excluding Domain Boards)	9			3.7%	5.0%
Camping Grounds	1			4.6%	0.0%
Public Conveniences	1			0.8%	0.0%
Representation	1			1.9%	
Resource Management	10			11.1%	25.0%
Roading					
General	11	60.0%	67.0%		
Special Development Loans (Pahiatua Palmerston North Route)	1				
Service Centres	1			1.0%	
Sewerage	1			7.0%	6.0%
Waste Management					
Refuse Collection	1			47.7%	50.0%
Waste Disposal	1			67.5%	70.0%
Stormwater/Drainage	1			0.6%	
Swimming Pools	1			1.2%	0.0%
Tararua i-SITE	12			17.5%	10.0%
Water Supplies					
Urban	1			32.4%	35.0%
Pongaroa	1			2.0%	0.0%

\*General rates are those activities charged through the Uniform Annual General Charge or through the General Differential Rate

### Explanation for Variance

- |   |   |
|---|---|
| <p>1 Within 5% of budget is considered to be materially within the policy.</p> <p>2 Commercial Property: rents reviewed in the prior year flowed through into 2009/10.</p> <p>3 Community Support: Recreation underspent the advertising budget.</p> <p>4 Rural Fire: extra subsidy received from Government.</p> | <p>5 Building Control: Building activity, and hence income, is well down on the budget.</p> <p>6 Health Control: Health Control received less inspection fees than planned for.</p> <p>7 Inspection &amp; Licensing: although license fees are up, costs have risen more.</p> |
|---|---|

General Rates * Actual	General Rates * Policy	Sector General Differential Actual	Sector General Differential Policy	Targeted Rates Actual	Targeted Rates Policy	Uniform Rates Actual	Uniform Rates Policy
1.7%	7.0%						
71.8%	75.0%						
91.0%	90.0%						
92.9%	100.0%						
98.9%	100.0%						
94.4%	89.0%						
		31.3%	100.0%				
14.5%	15.0%	81.9%	85.0%				
				100.0%	100.0%		
37.4%	10.0%						
73.3%	54.0%						
80.5%	70.0%						
90.0%	85.0%						
96.3%	95.0%						
95.4%	100.0%						
99.2%	100.0%						
98.1%	100.0%						
88.9%	75.0%						
				40.0%	33.0%		
				100.0%	100.0%		
99.0%	100.0%						
4.8%	9.0%			88.2%	85.0%		
		52.3%	50.0%				
32.5%	30.0%						
						99.4%	100.0%
98.8%	100.0%						
82.5%	90.0%						
						67.6%	65.0%
				98.0%	100.0%		

8 Housing: Depreciation expense is greater than expected due to the revaluation.

9 Parks & Recreation Grounds (excluding Domain Boards): Council continues to find it difficult to meet the policy.

10 Resource Management: District Plan costs are substantially higher than planned.

11 The planned subsidies for roading expenditure wasn't received this year as the subsidy focus was in other areas.

12 Tararua i-SITE: operating costs are higher than expected.

**Note** The Revenue & Financing Policy excluded capital funding e.g. through loans & special funds. In addition it excluded the application of past year's surplus and district revenue (e.g. interest).

## Borrowing Management Policy

### Specific Borrowing Limits/Credit Exposure

Debt was to be managed within the following limits subject to the Council continuing to control and maintain its share of the roading network requirements in the event of civil emergencies:

	Actual	Limit
• Gross cost of debt* (interest and principal payments) in any financial year must not exceed as a percentage of Council's operating revenue.	6.2%	12%
• Gross cost of debt* (interest and principal payments) in any financial year must not exceed as a percentage of rate revenue.	10.49%	20%
• Debt* must not exceed as a percentage of total public equity and accumulated funds.	1.32%	5%
• Total debt* per head of population^ will not exceed.	\$600	\$1,319

\* All calculations include amounts borrowed internally. This represents the costs to the Ratepayers. It does not include any loan refinancing.

^ Population (17,634) is based on the 2006 Census.

The weighted average interest cost of debt was 6.2% on \$10 million as at 30 June 2010. This average excludes internal borrowing and the tenant contributions. The Energy Efficiency Conservation Authority loan is matched by an asset owed to Council From Tararua Aquatic Community Trust. As \$5 million of the debt is deductible for tax purposes, the after tax interest cost of the external debt is 5.9%.

### Specific Policy on Giving of Securities

Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, trusts, or business units, when the purposes of the loans are in line with Council's strategic objectives.

There are now no guarantees provided to 30 June 2010.

## Investment Policy

Council's portfolio will be arranged to provide sufficient funds for planned expenditures and to allow for the payment of obligations as they fall due. Council's policies under Section 102 of the Local Government Act are as below:

	Actual	Limit
Minimum level of available liquidity (committed bank facilities and/or liquid assets) will be not less than \$1.26 million in addition to the amount required to be held against special funds.	\$4.9 million	\$1.39 million

### Investment Spread

Council had cash invested in the following institutions on 30 June 2010:

	Rating	Actual	Limit
Bank of New Zealand	A1+	22%	< 40%
Westpac Trust	A1+	21%	< 40%
ANZ National	A1+	29%	< 40%
CitiBank	A1	0%	< 20%
Kiwibank	A1+	28%	< 40%

Rating is established by Standard & Poors.

Weighted average return was 4.3% on \$11.9 million on 30 June 2010 (3.7% on \$10.8 million on 30 June 2009). The interest rate for cash on call for the money market is tied to the official cash rate (OCR) and was achieving a rate of 2.25% at the end of June. The Kiwi Bank \$1m on 24 month term is shown on the Position Statement as a non current asset under "Other Financial Assets".

# Governance Report

## Role of the Council

The Council has overall responsibility and accountability for the proper direction and control of the District's development.

## Structure of Council

Council appoints a Chief Executive to manage the Council operations. The Chief Executive, Blair King, is accountable to the Mayor and Councillors for managing the Council.

He has statutory powers conferred by the Act and other powers at Council's discretion. The Chief Executive has appointed managers to manage key areas of the Council's operations.

## Council Committees

The Council has three committees and one advisory group to monitor and assist in the effective discharge of Council's responsibilities. These include:

- Tribunal and Hearings Committee
- Chief Executive's Performance Appraisal Committee
- Heritage Advisory Group

## Tribunal and Hearings Committee

To hear and adjudicate on all matters Council is required to handle relating to tribunal and hearings matters, meeting throughout the district or outside as appropriate. To form an executive tribunal of the Chairperson (or Mayor in absence of Chairperson) and Chief Executive (or nominee) to handle and approve straightforward applications on a regular basis.

## Chief Executive's Performance Appraisal Committee

To review the performance of the Chief Executive and the accountabilities relating to this position.

## Heritage Advisory Group

To work with Council on heritage matters.

## Community Boards and Community Committees

Elected community boards represent Dannevirke and Eketahuna communities. In addition Pahiatua On-Track Incorporated and Woodville District Vision Incorporated are both representative community committees.

The boards reflect unique history requirements of each locality and assist Council to meet the community's needs. The Boards advise Council on a wide range of issues.

## Council Controlled Organisations

Information on the Council Controlled Trading Organisations and Trusts is presented in the Consolidated Notes to the Financial Statements.

## Activities Undertaken to Promote Maori

The Council has an obligation to take into account the principles of the Treaty of Waitangi and to recognise and provide for the special relationship between Maori, their culture, traditions, land and taonga.

The Council acknowledges Rangitane O Tamaki Nui A Rua as having Tangata Whenua status in the Tararua District.

A Memorandum of Partnership has been established which governs the relationship between Rangitane O Tamaki Nui A Rua and the elected Council.

### The Key Principles are:

- To actively promote the sustainable management of the District's natural and physical resources and those taonga of significance to Rangitane O Tamaki Nui A Rua.
- To develop an effective partnership with Rangitane O Tamaki Nui A Rua in the management of the district's natural and physical resources by the exercise of good faith, cooperation, flexibility and responsiveness in their dealings with each other.
- To promote active participation of Rangitane O Tamaki Nui A Rua in the preparation, implementation and review of resource management policies and plans.
- To have particular regard to the rights of Rangitane O Tamaki Nui A Rua in the management and development of resources by recognising and providing for Kaitiakitanga.
- To recognise the Rangatiratanga right of Rangitane O Tamaki Nui A Rua as guaranteed in Article II of the Treaty of Waitangi, to retain responsibility and control of the management and allocation of their resources.

### The Goal is:

- To forge a relationship of mutual benefit between the Tararua District Council and Rangitane O Tamaki Nui A Rua that will develop into an effective and meaningful partnership.

### The Programme is:

- To promote an understanding of the Memorandum of Partnership.
- Working to maintain the arrangement with Rangitane O Tamaki Nui A Rua.
- Ensuring that all parties are kept informed of the Council's programmes and be given the opportunity to take part in the Council's affairs.

## **Governance Framework**

### **Independent Election**

The Council believes the democratic election of Councillors by the citizens of Tararua District ensures that it is able to operate in the best interests of the district and to function independently of management.

### **Communications**

The public can be part of Council's decision-making process through various consultation processes as prescribed by the Act.

These include the community planning process, and new policy consultation.

### **Division of Responsibility between Council and Management**

A key to the efficient running of the Council is the clear division between the roles of Council (elected members) and

management. Council concentrates on setting the strategic vision and policies, while management is concerned with implementing policy and strategy.

While many functions have been formally delegated to the Chief Executive, the overall responsibility for maintaining effective systems of internal control rests with the Council. Internal control includes the policies, systems and procedures, which have been established to provide measurable assurance that the specific objectives of the Council are being achieved.

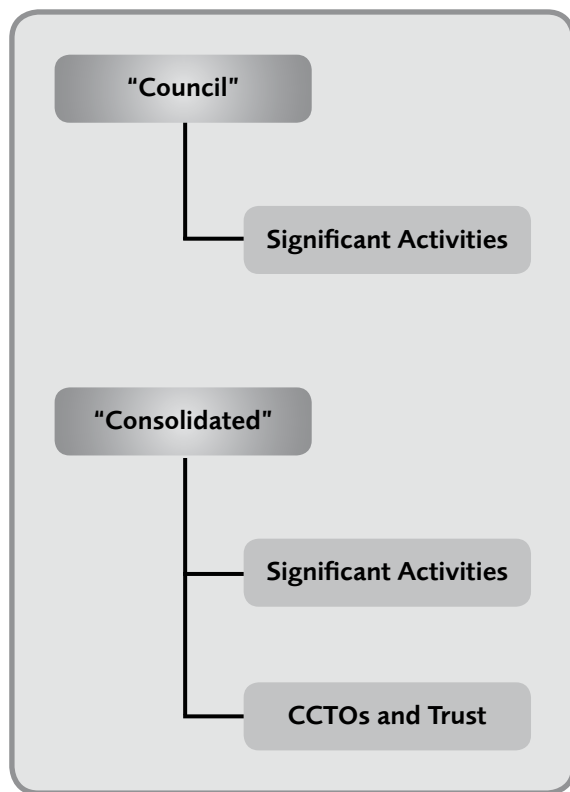
The Council has acknowledged its responsibility with the signing of the Statement of Compliance and Responsibility.

### **Internal Audit**

This function has been discontinued from the 2009 year.

# Statement of Financial Involvement in Council Controlled Organisations

How Council's operations are managed and reported.



## Significant Activities

These are activities of the Council.

## Related Entities

Council Controlled Trading Organisations (CCTOs).

CCTOs consist of:

- TDC Holdings Limited
- Infracon Limited (66% owned. 34% of Infracon Limited is owned by Central Hawkes Bay District Council.)
- Tararua Forests Limited
- Manawatu Wanganui LASS Limited (14% owned)

At the end of the financial year, the results and positions of these companies are included in Tararua District Council's financial result and shown as a "consolidated result". (The Annual Report also shows a Council only result.)

## Trust

### Tararua Aquatic Community Trust

As Council provides a significant portion of this Trust's total funding it is deemed to have a "significant interest" in the Trust.

# Report of the Auditor-General

## Audit Report

### To the readers of Tararua District Council and group's financial statements and statement of service performance for the year ended 30 June 2010

The Auditor General is the auditor of Tararua District Council (the District Council) and group. The Auditor General has appointed me, Mark Maloney, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements, the statement of service performance and the District Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are included in the annual report of the District Council and group for the year ended 30 June 2010.

## Unqualified Opinion

In our opinion:

- The financial statements of the District Council and group on pages 109 to 189:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council and group's financial position as at 30 June 2010; and
    - the results of operations and cash flows for the year ended on that date.
- The statement of service performance of the District Council on page 10 and pages 45 to 105:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the District Council's levels of service performance for the year ended 30 June 2010, including:
    - the levels of service performance as measured against the intended levels of service performance adopted in the long-term council community plan; and
    - the reasons for any significant variances between the actual service performance and the expected service performance.
- The District Council and group have complied with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report, and that are included in the District Council and group's financial statements and statement of service performance.

The audit was completed on 27 October 2010, and is the date at which our opinion is expressed.

The basis of our opinion, which refers to previous concerns about forecast expenditure and levels of service for water and waste infrastructure having been addressed, is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

## Basis of Opinion

We carried out the audit in accordance with the Auditor General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, the statement of service performance and the other requirements did not have material misstatements, whether caused by fraud or error.

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

The audit involved performing procedures to test the information presented in the financial statements, the statement of service performance and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether the significant management and system controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported financial and service performance data;

- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied;
- determining the appropriateness of the reported statement of service performance within the Council's framework for reporting performance; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, the statement of service performance and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, the statement of service performance and the other requirements. We obtained all the information and explanations we required to support our opinion above.

#### **Previous concerns about forecast expenditure and levels of service for water and waste infrastructure have been addressed**

We draw attention to the District Council's disclosures on page 10 of the annual report about the audit qualification on the 2009-19 Long-Term Council Community Plan (LTCCP), which is relevant to an understanding of the financial statements and the statement of service performance. Our audit report on the 2009-2019 LTCCP, dated 24 June 2009, contained a qualified opinion because there was inadequate information to support the forecast expenditure and levels of service for water and waste infrastructure.

Since then, the Council has improved its information by enhancing its water and waste infrastructure asset management plans, including developing a stormwater asset management plan. The enhancements to the water and waste infrastructure asset management plans show that the forecasts in the 2009-2019 LTCCP were reasonable. The enhancements also provide the necessary support for the forecasts. Therefore, those forecasts and the performance framework contained in the 2009-19 LTCCP provide an appropriate basis for the meaningful assessment of the Council's performance in the areas of water and waste.

## **Responsibilities of the Council and the Auditor**

The Council is responsible for preparing the financial statements and the statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2010. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect the District Council's levels of service performance for the year ended 30 June 2010.

The Council is also responsible for meeting the other requirements of Schedule 10 of the Local Government Act 2002 and including that information in the annual report. The Council's responsibilities arise from section 98 and Schedule 10 of the Local Government Act 2002.

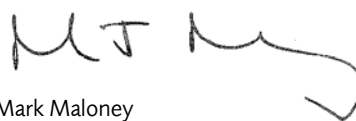
We are responsible for expressing an independent opinion on the financial statements, the statement of service performance and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

## **Independence**

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

We have carried out audits of amendments to the LTCCP with respect to sale of pensioner housing and sale of endowment land.

Other than these assignments, the audit and the carrying out of the audit of long-term council community plan, we have no relationship with or interests in the District Council or any of its subsidiaries.



Mark Maloney  
Audit New Zealand  
On behalf of the Auditor-General  
Palmerston North, New Zealand

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

This audit report relates to the financial statements, statement of service performance and the other requirements of Tararua District Council and group for the year ended 30 June 2010 included on Tararua District Council's website. The Council is responsible for the maintenance and integrity of Tararua District Council's website. We have not been engaged to report on the integrity of Tararua District Council's website. We accept no responsibility for any changes that may have occurred to the financial statements, statement of service performance and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, statement of service performance and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, statement of service performance and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, statement of service performance and the other requirements as well as the related audit report dated 27 October 2010 to confirm the information included in the audited financial statements, statement of service performance and the other requirements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

# Statement of Compliance and Responsibility

## Compliance

The Council and management of the Tararua District Council confirm that all the statutory requirements in relation with the Annual Report have been complied with in accordance with clause 20 of schedule 10 of the Local Government Act 2002.

## Responsibility

The Council and management of Tararua District Council accept responsibility for the preparation of the annual Consolidated Financial Statements and the judgements used in them.

The Council and management of Tararua District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of Tararua District Council, the annual Consolidated Financial Statements for the year ended 30 June 2010 fairly reflect the financial position and operations of Tararua District Council and Group.



Mayor



Chief Executive



Chief Financial Officer

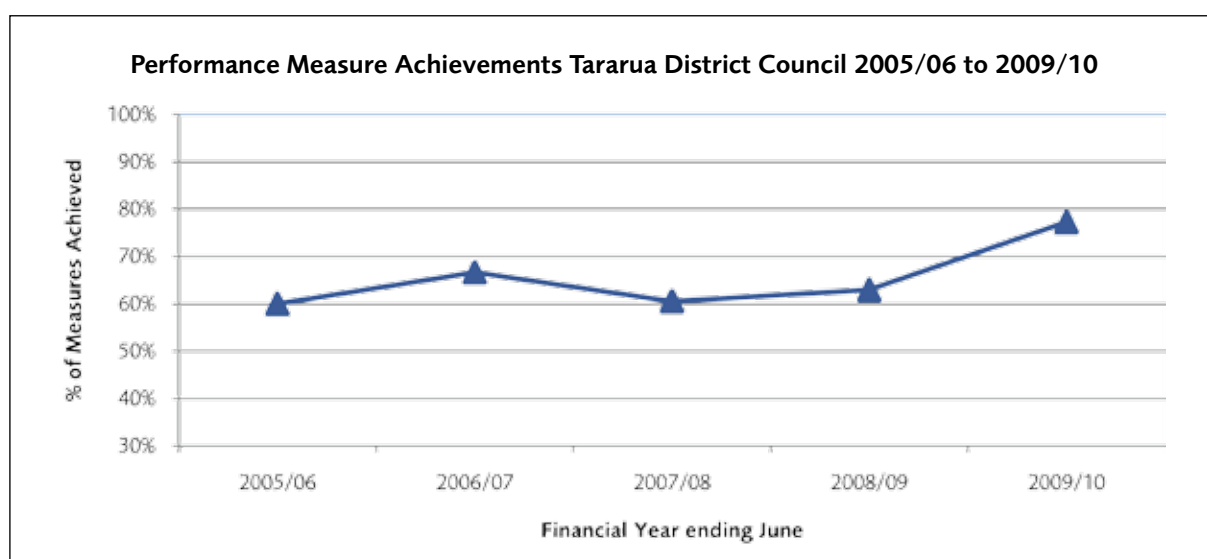
# Statements of Service Performance





## Summary of Performance Measures

	2005/06	2006/07	2007/08	2008/09	2009/10
Total number	83	100	83	83	87
Not applicable in year	1	24	1	18	21
Applicable measures	82	76	82	65	66
<b>Percentage of applicable performance measures achieved</b>	<b>56%</b>	<b>71%</b>	<b>65%</b>	<b>66%</b>	<b>77%</b>
Percentage not achieved	44%	29%	37%	34%	23%



Overall, the council has achieved 77% of the non-financial performance measures relating to 2009/10. This is a significant improvement up from 66% achieved for the 2008/09 year.

Key successes for the year are:

- Meeting all performance objectives for animal control including a reduction in the number of dog-related complaints.
- All commercial properties were fully rented and the rental income able to be used to offset the general rate requirement.
- Occupancy rates in community buildings have increased by 23%.
- Council manages a total of 102km of Footpaths. 98% of footpaths are in good condition with no faults.
- 100% of building consents issued within the statutory timeframe.
- No complaints received about maintenance needs in Council's housing for the elderly.

- Library staff organising 65 events, with 1614 participants with events held in all 4 branches.
- Parks and reserves measure met 100% with contractors performing well with no complaints, all weekly inspections of playgrounds carried out and all sports fields meeting the NZ Sports Turf Institute standards.
- A 21% reduction in the number of customer requests related to road surface defects both sealed and unsealed compared to the 2008/09 year.
- All treatment plants are complying with 95% of the resource consent conditions.
- Response times for stormwater drainage faults were within the required timeframes 97% of the time.
- No reports of any swimming pool related health and safety incidents.

Community surveys are conducted every three years to assess how satisfied the community is with services provided by the Council. The next survey is to be conducted in 2011/2012 year. The Council does not have any information to suggest that the results will change significantly on the next survey.

# Animal Control

## Description of Activity *WHY WE DO IT*

Under the Dog Control Act an owner is required to:

- Register their dog
- Keep it under control at all times
- Ensure it receives proper care and attention and is supplied with proper food, water and shelter
- Ensure it receives adequate exercise
- Ensure it doesn't cause a nuisance
- Ensure it doesn't injure, endanger or cause distress to any person, or stock, poultry, domestic animals or protected wildlife
- Ensure it doesn't damage other people's property

The Council is required to enforce these obligations and may, either singly or with another body, develop programmes to promote responsible dog ownership.

Council is required to adopt a policy on dogs and make a dog control bylaw for the care and control of dogs throughout the district.

The Council appoints Dog Control Officers to carry out its obligations and whose roles are to:

- Ensure all dogs are registered
- Carry out regular patrolling, particularly of known problem areas
- Respond to and investigate complaints and attacks
- Impound straying dogs
- Promote responsible dog ownership.

Under the Impounding Act the Council is required to maintain a stock pound and appoint a pound keeper. It is obliged to accept stock tendered for impounding. Officers respond to complaints about straying stock and take appropriate action.

An after hours service is provided for essential matters.

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A safe community	Protecting public and animal health and safety by providing 24 hour dog and stock ranging services, dog and stock impoundment, and school and community education programmes.

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

This is determined by legislation and the Council's policy on dogs, which has developed in consultation with the public of the district.

The Council maintains a register of dogs within the district. There are approximately 6,600 registered dogs that must be registered by 1 August each year. Unregistered dogs are investigated by staff.

Complaints are investigated and appropriate action taken. A 24 hour dog and stock ranging service is provided. Public places are regularly patrolled, particularly where wandering dogs and stock are an ongoing problem. Stray dogs and wandering stock are impounded and released upon payment of fees. Dog and stock pounds are managed by the activity.

A dog owner education programme is conducted to promote responsible dog ownership.

## What We Achieved

The dog database is currently up-to-date, and is shared with the National Dog Database.

100% of known dogs were registered.

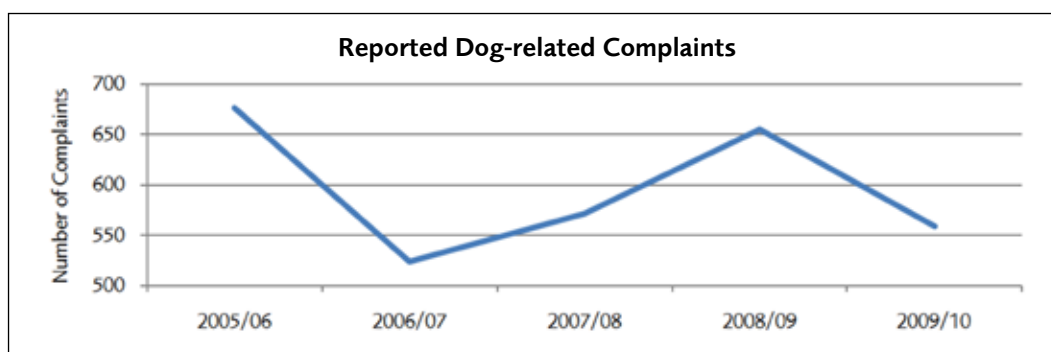
### Major 2009-2019 Community Plan Projects

Construct a new dog pound 2010/11

## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>97% of known dogs registered every year.</li> </ul>	ACHIEVED: All known dogs were registered.	✓
<ul style="list-style-type: none"> <li>Maintain a response time of less than 2 hours for serious dog attacks.*</li> </ul>	ACHIEVED: 100% of response times for serious attacks were within 2 hours.	✓
<ul style="list-style-type: none"> <li>At least six education programmes at schools completed.</li> </ul>	ACHIEVED: The target of completing six education programmes was achieved.	✓
<ul style="list-style-type: none"> <li>At least three media items on dog ownership published.</li> </ul>	ACHIEVED: The target of publishing three dog ownership media items was achieved.	✓
<ul style="list-style-type: none"> <li>Reducing number of dog-related complaints each year compared to previous year.</li> </ul>	ACHIEVED: The number of complaints was 559, which is below the target of 561 and dropped from 655 in 2008/09.	✓
<ul style="list-style-type: none"> <li>At least 65% of residents rate dog control as "quite satisfactory" or "very satisfactory" in the community surveys to be conducted in 2011, 2014 and 2017.</li> </ul>	76% satisfied in February 2008 survey. No survey was conducted in 2009/10.	N/A

\* Serious dog attacks have been defined as dogs attacking people, livestock or other pets. Dogs attacking other dogs have been excluded.



## Statement of Cost of Services

### For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Animal Control</b>			
<b>Revenue</b>			
Rates	15	15	15
Fees & Charges	157	176	184
Miscellaneous Revenue	3	2	2
<b>Total Revenue</b>	<b>175</b>	<b>193</b>	<b>201</b>
<b>Expenses</b>			
Afterhours dog control	10	11	11
Maintain database	8	9	9
Monitor and enforce	126	133	138
Education	5	6	6
After hours stock control	10	11	11
Depreciation	14	18	11
Interest	-	-	-
<b>Total Expenses</b>	<b>173</b>	<b>188</b>	<b>186</b>
<b>Operating Surplus/(Deficit)</b>	<b>2</b>	<b>5</b>	<b>15</b>

**Comment:** Fee revenue is under budget by \$8,000 but up by \$19,000 on last year. We budgeted for higher increases in registrations and numbers than achieved. Animal control costs have been reasonable in comparison to budget and last year with no major variances.

# Cemeteries

## Description of Activity *WHY WE DO IT*

A number of cemeteries are located in various towns within the Tararua district. Most of the cemeteries are in Council ownership with a few owned by the Crown and vested in the Council. All of the cemeteries are managed by the Asset Management division of the Council and maintenance is contracted out.

Some older cemeteries are closed and burial plots are no longer available. These closed cemeteries continue to be maintained by the Council despite being closed.

Burial plots at the cemeteries are sold by the Council and the exclusive right of burial is granted for such limited time as the Council decides.

The Council keeps a register of all persons interred in its cemeteries, including the name, the location of the burial plot, and the cemetery the bodies are interred in. Information from the register can be obtained by contacting any Council service centre or is available for public inspection on the Council website [www.tararua.govt.nz](http://www.tararua.govt.nz)

Cemeteries are categorised as:

- Current: Cemeteries presently in use.
- Maori: There are five urupa within the district.
- Historic: Cemeteries no longer in use but still maintained by the Council.
- Pioneer: Cemeteries no longer in use and not maintained by the Council.

## Current Cemeteries

- Mangatera, Dannevirke
- Norsewood
- Ormondville
- Pinfold Road, Woodville
- Woodville RSA, Woodville
- Mangatainoka, Pahiatua
- Marchant Street, Eketahuna
- Alfredton
- Pongaroa
- Mangahao, Pahiatua
- Mangaoranga RSA, Eketahuna

## Historic Cemeteries

- Gorge Road, Woodville
- Mangaoranga, Eketahuna
- Matamau
- Settlers, Dannevirke

## Pioneer Cemeteries

- Weber
- Herbertville
- Kumeroa
- Kaitawa
- Newman, Eketahuna

These cemeteries are very much part of our district's history and heritage and reasonable measures are taken to preserve these reserves and in particular to display the names of those pioneers known to be buried there. Most of the pioneer cemeteries are off the beaten track and generally are across farmland. Public access to the Weber, Herbertville and Kaitawa Cemeteries is quite difficult.

## Urupa

The Council contributes to the maintenance of five urupa within the district by providing grants to Urupa Komiti. These urupa are located at:

- Hamua
- Kaitoki
- Papauma
- Tahoraiti
- Whiti Te Ra

## Cemetery Reserve Land

Several land areas are held in reserve for future development into cemeteries when the need for additional burial plots arises. These are:

- Cemetery Road, Dannevirke (2 reserves)
- Marchant Street, Eketahuna
- Ormondville
- Pahiatua, Mangatainoka (2 reserves)
- Pinfold Road, Woodville

## Servicemen Areas

Provision is made for the burial of servicemen in designated areas at the following cemeteries:

- Mangaoranga RSA, Eketahuna
- Mangatera, Dannevirke
- Norsewood
- Pahiatua, Mangatainoka
- Pongaroa
- Woodville RSA

The Council receives a grant from the Veterans Affairs New Zealand to maintain the Servicemen Areas based on the size of the area allocated for the burial of servicemen.

## Cremation Services

No cremation facilities are provided in the district. The nearest crematorium is located at Palmerston North.

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A high standard of infrastructure	Cemeteries within the district provide a passive, well tended environment in which to reflect
Our connected community	Our heritage is preserved for future generations by providing and maintaining cemeteries and keeping cemetery records

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council

contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

The Council will provide burial facilities that meet the legislative requirements of the Burial and Cremation Act 1964 and the needs of users. An adequate number of burial plots will be provided for people wanting to be interred in the district.

Cemetery lawns, gardens and paths will be maintained to standards acceptable to the community, and an accurate register of the names and locations of deceased people interred in burial plots will be kept.

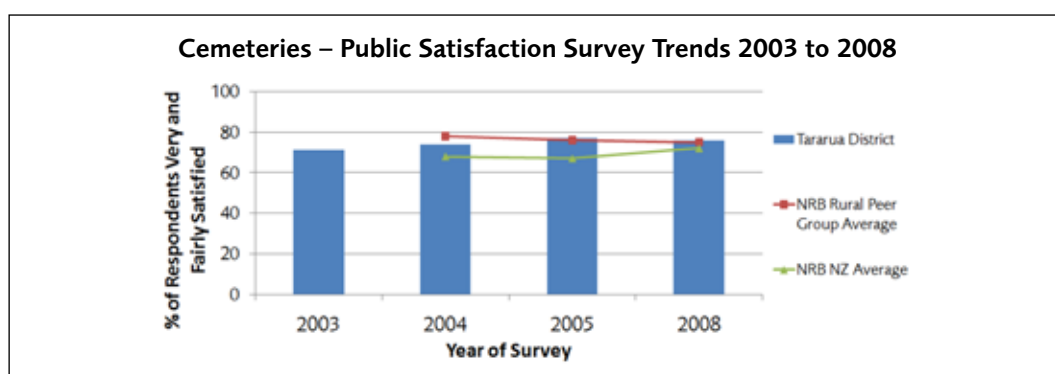
## What We Achieved

One new burial berm has been installed at Eketahuna and, at Mangatainoka, two new burial berms and one new ashes berm.

New development at Woodville has been completed and one burial berm installed.

## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>At least 70% of residents rate cemeteries as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2011, 2014 and 2017.</li> </ul>	76% satisfaction in February 2008 survey. No survey conducted in 2008/09.	N/A
<ul style="list-style-type: none"> <li>Plots are available for the next 12 months based on historical (previous two years) user data.</li> </ul>	ACHIEVED	✓
<ul style="list-style-type: none"> <li>100% accuracy of burial records. This is assessed on the number of complaints received each year.</li> </ul>	ACHIEVED: No complaints received.	✓



## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Cemeteries</b>			
<b>Revenue</b>			
Rates	190	198	197
Subsidies	5	5	5
Fees & Charges	66	60	64
Interest Revenue	4	3	-
Miscellaneous Revenue	1	-	1
<b>Total Revenue</b>	<b>266</b>	<b>266</b>	<b>267</b>
<b>Expenses</b>			
Dannevirke Rural	31	30	34
Dannevirke Urban	83	80	89
Eketahuna	35	34	38
Pahiatua	44	43	48
Woodville	34	33	37
Depreciation	20	27	20
Interest	3	2	3
<b>Total Expenses</b>	<b>250</b>	<b>249</b>	<b>269</b>
<b>Operating Surplus/(Deficit)</b>	<b>16</b>	<b>17</b>	<b>(2)</b>

**Comment:** Expenditure for the year is under budget by \$20,000 due to less extraordinary maintenance across the district. This was carried over from last year's response to earlier over expenditures in other activities.

### Major 2009-2019 Community Plan Projects

Alfredton columbarium wall	2009/10
Dannevirke – develop new areas	2012–15
Pahiatua – develop new area 2	2010/11
Berms district wide	\$41,000 to be spent over the next 9 years

## Commercial Property

### Description of Activity *WHY WE DO IT*

The commercial properties are listed below.

#### Location

Dannevirke:	Dannevirke Rural Bus Depot Infracon Tararua Depot, Thyra Street Dannevirke Aerodrome
Woodville:	Infracon Tararua Depot & Office

### Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A high standard of infrastructure	Maintaining commercial properties to acceptable standards.
A strong prosperous economy	Leasing surplus properties to other organisations for which a return on investment is received.

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council

contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

### Level of Service *WHAT WE DO*

Surplus properties are leased to organisations for which a financial return on investment is received.

### What We Achieved

Our properties in this Activity were fully rented and maintained at an acceptable level for the year. A contribution from the rental income was able to be used to offset the general rate requirement. The Woodville Infracon Depot has been painted externally.

#### Major 2009-2019 Community Plan Projects

Dannevirke	
Sell Thyra Street depot	2010/11
Woodville	
Install new entranceway	2011/12
Replace roof on office building	2014/15
Replace shed roof	2018/19

### Performance Against Objectives

Performance Measure	Achievement	Target
• Achieving 95% occupancy of commercial buildings each year.	ACHIEVED: 100%	✓
• Achieving a 5% net operating surplus each year.	ACHIEVED: 14.4%	✓

## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Commercial Property</b>			
<b>Revenue</b>			
Contribution to Reduce Rates	(68)	(67)	(66)
Fees & Charges	117	134	123
Interest Revenue	-	-	-
Misc Revenue	-	-	-
<b>Total Revenue</b>	<b>49</b>	<b>67</b>	<b>57</b>
<b>Expenses</b>			
Building Maintenance	57	79	63
Interest	-	-	-
Depreciation	25	39	25
<b>Total Expenses</b>	<b>82</b>	<b>118</b>	<b>88</b>
<b>Operating Surplus/(Deficit)</b>	<b>(33)</b>	<b>(51)</b>	<b>(31)</b>

**Comment:** Rental revenue is up by \$11,000 to budget from increased rent received from the aerodrome derived from new management. Building maintenance costs and depreciation expense has increased by \$16,000 and \$14,000 respectively.

# Community Buildings

## Description of Activity *WHY WE DO IT*

The Council has inherited a range of community buildings from previous local authorities, including town halls, community centres and sports centres. These facilities are used mainly for social and sporting events, and to a lesser extent, meetings.

### Location

Dannevirke:	Dannevirke Town Hall, auditorium, concert chamber, dress circle
	Dannevirke Sports Centre, main stadium, supper room, boxing room
	Dannevirke Sports Centre Pavilion, currently clubrooms for netball, tennis, small bore rifle and deerstalkers
	Carnegie Centre
Woodville:	Woodville Community Centre, main stadium and supper room
	Gottfried Lindauer Replica Studio
Pahiatua:	Cultural Centre – meeting rooms
	Pahiatua Town Hall, auditorium and supper room
Eketahuna:	Eketahuna Community Centre – auditorium and supper room
	Eketahuna War Memorial Hall – main hall and meeting rooms
	Medical Centre
Pongaroa:	Community Centre – auditorium, supper room and meeting rooms

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
Access to local services	Providing community facilities that are suitable for a range of cultural and recreational uses.
A connected community	Providing and encouraging more sport, recreational and social opportunities for the community.

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

Provide clean, attractive facilities that are accessible and safe, and responsive to user requirements.

## What We Achieved

New seating was installed in the Dannevirke Sports Centre stadium, and hand driers were installed in the toilets.

The Dannevirke Town Hall kitchen had new vinyl layed in the downstairs kitchen and hall, and the ladies toilets. A new lighting bar was erected in the stage area.

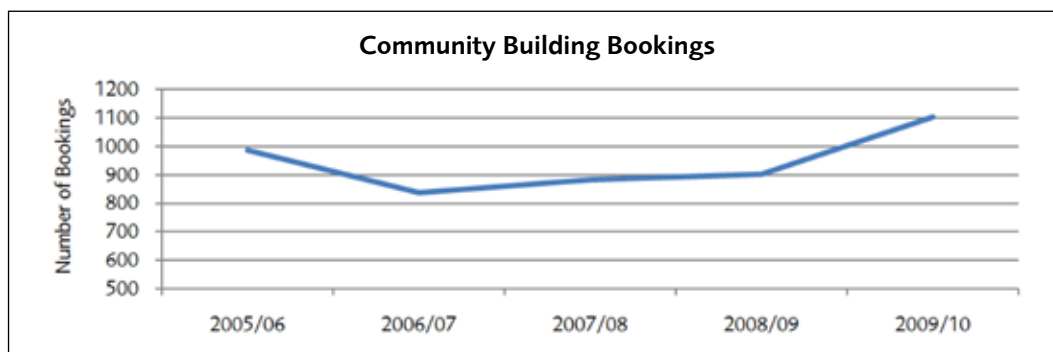
Eketahuna War Memorial Hall main hall internal paint.

## Major 2009-2019 Community Plan Projects

Dannevirke Town Hall – install lift to concert chamber	2014/15
Install accessible toilet in Pongaroa Community Hall	2012/13
Renewals – Dannevirke Sports Centre	2009/10
Renewals on all halls	Over the 10 year period

## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>Occupancy rates are monitored to ensure maximum use of facilities is maintained. Aim to encourage usage of facilities.</li> </ul>	ACHIEVED: Facilities booked for 2,618 hours, 23% in excess of the 2,122 target.	✓
<ul style="list-style-type: none"> <li>At least 90% of residents rate community buildings as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2011, 2014, and 2017.</li> </ul>	91% in February 2008 survey. No survey was conducted in 2009/10.	N/A



## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Community Buildings</b>			
<b>Revenue</b>			
Rates	473	482	481
Fees & Charges	36	49	35
Miscellaneous Revenue	1	-	1
<b>Total Revenue</b>	<b>510</b>	<b>531</b>	<b>517</b>
<b>Expenses</b>			
Facility Management- upkeep of grounds & buildings to encourage use	237	305	312
Facility repainting	-	-	-
Depreciation	285	331	282
Interest	23	20	21
<b>Total Expenses</b>	<b>545</b>	<b>656</b>	<b>615</b>
<b>Operating Surplus/(Deficit)</b>	<b>(35)</b>	<b>(125)</b>	<b>(98)</b>

**Comment:** Fee revenue is up by \$14,000 to budget due to additional hireage of the halls than budgeted. Depreciation expense is \$49,000 more than budget. This is due to the buildings being revalued upwards last year and additions this year. Other savings to the value of \$7,000 were found in usage expenses and interest.

# Community Support

## Description of Activity *WHY WE DO IT*

Community Support covers a diverse range of activities. These include support for district recreational activities through Sport Tararua, cultural activities such as grants to the brass band and a highland pipe band, maintenance and operation of Pahiatua under veranda lighting as well as four information centres, six Mainstreet committees, sports co-ordination, the Bush Multisports Trust, two Community Committees, the Elite Sports person fund, and the Community Boards' and Community Committee Discretionary funds.

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A connected community	Grants to community groups assist in ensuring that facilities and services are available for the community.

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council

contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

Provide annual grants and administrative support to various community groups and ensure certain preconditions and requirements are complied with before granting support or funds, and on an ongoing basis for each organisation that is supported.

## What We Achieved

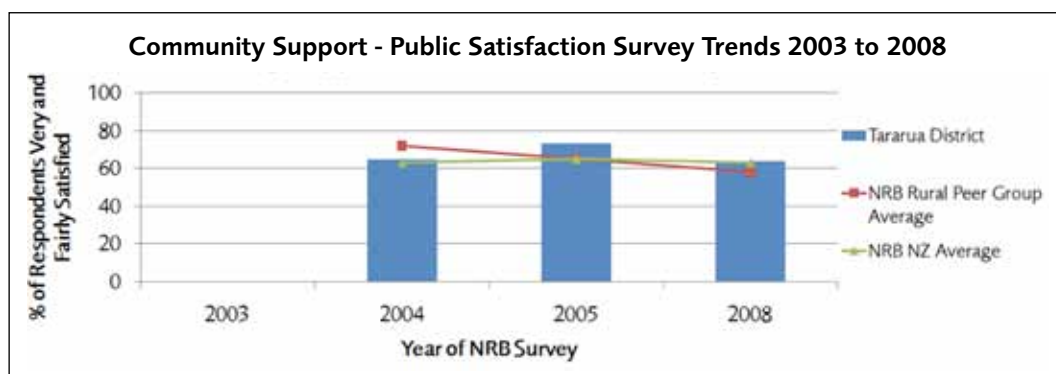
The provision of grants ensured that services could be provided to the community such as the Eketahuna Money Exchange and other recreational activities. A grant of \$25,000 was given to support a major development at Pukaha Mt Bruce.

Community information centres, boards, community committees and mainstreet committees add to the social capability of the District.

Support for sports coordination and elite sports people also support the health of the community.

## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>At least 70% of residents rate Council's involvement in community support as "fairly satisfactory" or "very satisfactory" in the community surveys in 2011, 2014, 2017.</li> </ul>	64% of residents were satisfied in February 2008 survey. No survey in 2009/10.	N/A



## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Community Support</b>			
<b>Revenue</b>			
Rates	325	314	312
Fees & Charges	3	3	1
Interest Revenue	14	9	-
Miscellaneous Revenue	136	11	1
<b>Total Revenue</b>	<b>478</b>	<b>337</b>	<b>314</b>
<b>Expenses</b>			
Sports & recreation	156	88	84
Eketahuna Money Exchange	9	5	5
Main street amenity lighting non-subsidised	37	21	20
Rapid numbering project	7	4	4
Community grants	24	14	13
Information centres (5)	173	96	93
Community board & committees discretionary	120	68	65
Main street committees (4)	35	20	19
Interest	-	-	-
Depreciation	14	11	9
<b>Total Expenses</b>	<b>575</b>	<b>327</b>	<b>312</b>
<b>Operating Surplus/(Deficit)</b>	<b>(97)</b>	<b>10</b>	<b>2</b>

**Comment:** There were no real material variances experienced in the community support activity to what we budgeted for the year. Last year we incurred extra operating costs in relation to the Healthy Homes project, which we did not have this year, that resulted in a net loss of \$97,000 for the activity. Last year we received one-off additional grants for the Healthy Homes project also, which we did not receive this year.

### Major 2009-2019 Community Plan Projects

Stage 2 of the development of Pukaha Mount Bruce will be assisted with a \$50,000 grant over 2009/10 and 2010/11.

# District Promotion and Development

## Description of Activity *WHY WE DO IT*

A significant part of Council's commitment to help make Tararua a great place to live is to promote the district as a great place to live, visit, work, play and invest. Council's involvement in district promotion and development is focused on two main areas. One is business development in advisory and facilitation functions, and the second is destination marketing.

Council fosters relations and alliances with neighbouring and comparable regions, and local and independent agencies and businesses to identify potential opportunities for working cooperatively on initiatives. Council is currently working with organisations such as New Zealand Trade and Enterprise, Vision Manawatu, Rangitane O Tamaki Nui a Rua and Wairarapa Inc.

District Promotion and Development should lead to an increase in employment and business activity and a heightened profile, with downstream financial flow-on effects. Private beneficiaries are the individuals who gain employment, retailers, tourist operators, motels, and other businesses, but the whole district benefits from an increased population and larger rate base. For residents and businesses, it is critical that Council continues to investigate opportunities to gain funding support from Central Government for further developments of the extended broadband network.

Council provides one information centre namely the Tararua i-SITE, situated at 42 Vogel Street, Woodville, which is an accredited member of the Visitor Information Network (VIN). The Tararua i-SITE is the primary information centre for the Tararua district, providing information on our district's activities and attractions to domestic and international visitors. This is achieved through its collection of New Zealand brochures, display and national distribution of the Tararua Visitor Guide in conjunction with direct contact with visitors to the district and sharing extensive product knowledge of what our has to offer by promoting the complete Tararua experience. The Tararua i-SITE is managed by one full time staff member and supported by two part-time staff. The management responsibility of the i-SITE staff is under the guidance of the Customer Services Manager.

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A strong prosperous economy	Promoting the district as a great place to live, work, play and invest.
	Supporting and encouraging new and existing businesses towards increased economic benefits.

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

- The Council provides business development advisory services.
- Promoting the "Tararua" brand, for economic development and tourism outcomes.
- An information and booking centre for visitors to Tararua.

Tararua District's relatively small population is distributed across a number of small urban centres. The Council therefore faces the twin challenges of needing to maintain and upgrade expensive infrastructure in a number of towns, while having a small rating basis to fund the cost of these services.

The district promotion activity addresses these challenges by undertaking initiatives to encourage business growth and develop tourism, which together provide the best opportunities for economic growth in the district. Economic growth is needed to provide quality employment opportunities that will enable current residents to stay and attract new residents to the district.

## What We Achieved

- Tourism Qualmark assessment achieved 78.2% – 60% to pass.
- Increase in Interislander sales first quarter – 191% on previous year.
- Successful mystery shopping report February/March 2010.
- The introduction of a Tararua Fun map.
- Peter Kenyon, small town enthusiast community presentation.
- Successful show with Garry McCormick & Mayor Tim Shadbolt.
- Top seller of tickets for Manawatu Track & Tunnel Walk 2010.
- Continual increase in visitor numbers:
 

2007/2008	14756
2008/2009	15022
2009/2010	16404

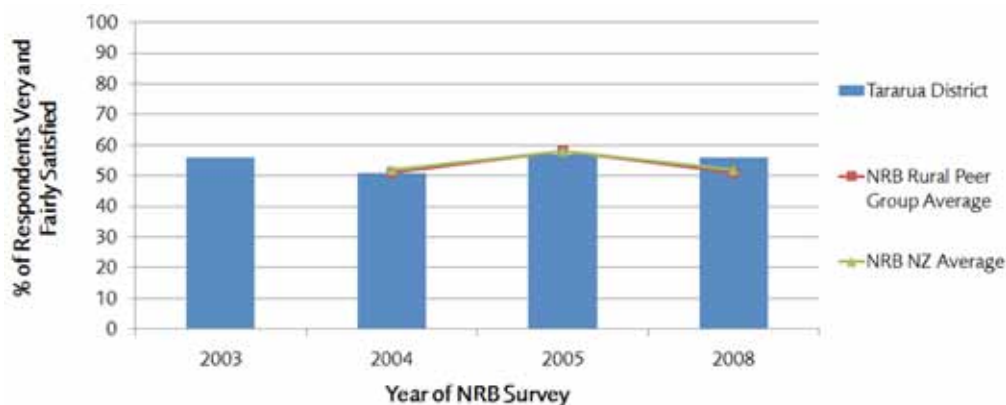
## Major 2009-2019 Community Plan Projects

Further Broadband development has been planned but will not proceed unless a full subsidy is received.

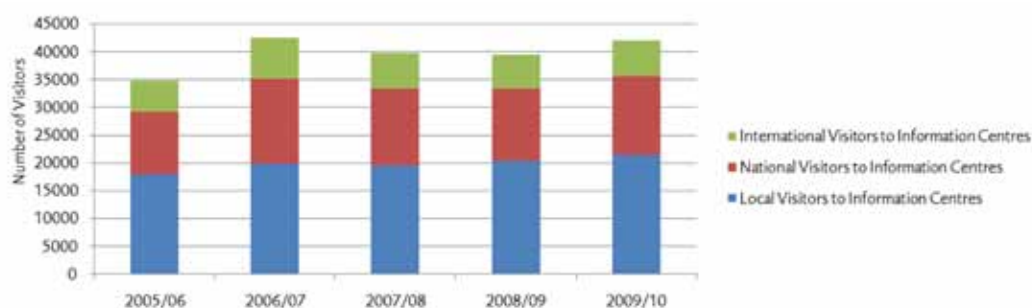
## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>Increasing bed nights at accommodation venues by 5%, including bed and breakfast.</li> </ul>	NOT ACHIEVED: A decrease of 12% with New Zealand also decreasing at a rate of 1%. Other areas also experienced a decrease with Wanganui also down 12%, Manawatu down 6% and Hastings down 10%.	✗
<ul style="list-style-type: none"> <li>At least 3 items of positive feedback received from potential businesses, in writing, on advice received from Council.</li> </ul>	ACHIEVED	✓
<ul style="list-style-type: none"> <li>30 customised visitor information packs sent out or uplifted per month.</li> </ul>	NOT ACHIEVED: an average of 21 packs were sent out or uplifted per month compared to 45 in 2008/09.	✗
<ul style="list-style-type: none"> <li>"Tararua" directly involved with at least 4 major community events, that involve significant out-of-district visitors.</li> </ul>	ACHIEVED: The following events were attended: <ul style="list-style-type: none"> <li>Auckland home show</li> <li>Woodville Motocross</li> <li>Dannevirke A &amp; P Show</li> <li>Theatre in the Bush – held in Pahiatua</li> </ul>	✓

**Economic Development – Public Satisfaction Survey Trends 2003 to 2008**



**Number of Local, National and International Visitors to all Information Centres**



## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>District Promotion &amp; Development</b>			
<b>Revenue</b>			
Rates	374	224	253
Fees & Charges	15	12	12
Subsidies	-	-	688
Miscellaneous Revenue	5	15	4
<b>Total Revenue</b>	<b>394</b>	<b>251</b>	<b>957</b>
<b>Expenses</b>			
Business development	40	35	33
District Marketing	106	95	89
Tararua i-SITE	165	144	137
Interest	-	-	-
Depreciation	10	12	10
<b>Total Expenses</b>	<b>321</b>	<b>286</b>	<b>269</b>
<b>Operating Surplus/(Deficit)</b>	<b>73</b>	<b>(35)</b>	<b>688</b>

**Comment:** This year we budgeted for a broadband project to go ahead and that this would lead to subsidies of \$688,000 being received. This project did not go ahead and therefore the subsidies were not received. Costs in general were higher than budgeted by marginal amounts across the board, but much less than last year.

# Emergency Management

## Description of Activity *WHY WE DO IT*

### Civil Defence

The Civil Defence organisation within the Tararua district relies heavily on volunteer participation to ensure that the response to an emergency is beneficial to the residents within the district. Along with the volunteers, the Council operates an Emergency Operations Centre at 42 Denmark Street, Dannevirke which is computer based.

The computer recording system (CDERS) relies on other service centres within the district for information input during an emergency.

### Communications

The Civil Defence structure relies in the first instance on the telephone system within the district. As a secondary communication device, it has in place a very robust radio/telephone network throughout the district, with RT's placed within local schools, rural fire depots, New Zealand Fire Service stations, along with the other service centres within the district.

This radio system also has the capability to communicate with the other local authorities that border the Tararua district.

Because of the legislative requirements, the Horizons Regional Council has supplied to the Tararua Civil Defence 1 x VHF radio, plus 1 x HF radio to ensure that communication is maintained during an emergency.

This system along with the local system is checked on a weekly basis to ensure that it is working properly.

### Civil Defence Centres

Civil Defence has a number of designated Council buildings which act as a Civil Defence Community Centre in the event of an emergency. These buildings are:

- Dannevirke Sports Centre – Anderson Street
- Woodville Community Centre – Ross Street
- Pahiatua Town Hall – Huxley Street
- Eketahuna Community Hall – Haswell Street
- Pongaroa Community Centre – Route 52

The other Civil Defence Centres are made up of local primary schools, rural fire depots, and New Zealand Fire Service stations within the Tararua district and are as follows:

- Norsewood School  
Coronation Street, Norsewood
- NZFS Fire Station, Ormondville  
Norsewood-Ormondville Road, Ormondville
- Te Uri Fire Depot  
Te Uri Road, Te Uri
- Weber School  
Weber Road, Weber

- Herbertville Fire Depot  
Seaview Road, Herbertville
- Akitio School  
Coast Road, Akitio
- Tiraumea School  
Route 52, Tiraumea
- Makuri School  
Titoki Road, Makuri
- Alfredton School  
Albert Street, Alfredton
- Mangamaire School  
Tutaekara Street, Mangamaire
- Ballance School  
Post Office Road, Ballance
- Kumeroa/Hopelands School  
Township Road, Kumeroa
- Ruahine School  
Maharahara Road, Maharahara

The centres are operated by Civil Defence volunteers in the event of an emergency and are activated at the request of the Civil Defence Controller.

### Rural Fire

The Tararua district has four rural fire forces within the district which are Te Uri, Weber, Herbertville and Akitio.

They have designated Rural Fire Depots at each location housing rural fire appliances and equipment for each fire force.

The Tararua district has four automated systems for alerting the volunteer forces of a fire.

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A safe community	The community will have the ability to respond in the event of an emergency and recover after the initial emergency has passed.
A sustainable natural environment	In the event of a rural fire, the fire would be extinguished rapidly and the environment protected from further destruction.

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

### Civil Defence

Current levels of service have been arrived at in a response to legislation such as the Civil Defence Emergency Management Act, 2002 and community aspirations, historical events, standard practices and maintaining a balance between affordability and desire.

### Rural Fire

Current levels of service have been arrived at in a response to legislation such as the Forest and Rural Fires Act 1977, and the willingness of volunteers that are members of the four Rural Fire Forces and Standard Practices to ensure their safety by supplying suitable safety equipment.

This is balanced with the cost of providing a service and the availability of volunteers to fulfil the role.

### Contingencies

There are plans that are developed to deal with emergencies as they arise, but these plans take the form of an holistic approach to emergency management and are generic in nature.

## What We Achieved

- Replaced the Te Uri fire appliance with a new National Rural Fire Authority specific appliance.
- Purchased and installed five civil defence radios in Civil Defence Welfare Centres and Rural Fire Stations.
- Installed two fire specific radios in Council fire response vehicles.
- Purchased and installed a new Rural All Weather Station at Pahiatua. Subsidised by the National Rural Fire Authority.
- Brokered the installation of a Rural All Weather Station at Akitio Station. Paid fully by NIWA but used by Rural Fire.
- Purchased four satellite phones to ensure full communication coverage within the District.
- Installed a pager repeater and issued pagers to all Tararua district volunteer rural fire forces to increase response efficiency.
- Obtained agreement for Tiraumea Volunteer Rural Fire Force to be reconstituted under the Council rural fire authority.
- Continuous upgrade of fire fighting equipment within all volunteer rural fire forces.
- Completed building plans and cost estimates for the new Herbertville Fire Station/Civil Defence Centre.
- Employed a new Resilience Manager who lives locally in Dannevirke.

## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>• 30% of households that have a maintained "preparedness" kit per community survey.</li> </ul>	ACHIEVED: Information retrieved from Horizons Regional Council Community Survey into Emergency Preparedness report dated September 2009 shows that 54% of households have a preparedness kit.	✓
<ul style="list-style-type: none"> <li>• Education programmes offered to six local schools annually.</li> </ul>	ACHIEVED: 10 schools participated in the Radio Check programme and have received basic training in radio operations.	✓
<ul style="list-style-type: none"> <li>• Staff internally assessed as having appropriate training and skills to perform Incident Management Team Role – annually per training records.</li> </ul>	NOT ACHIEVED: The current training records are not accurate. A new training database is being developed and will be up-to-date by October 2010.	✗
<ul style="list-style-type: none"> <li>• All volunteer rural fire forces meet required competency standards assessed annually as part of their agreement with Council, per training records.</li> </ul>	NOT ACHIEVED: A full assessment cannot be made until training records have been verified.	✗
<ul style="list-style-type: none"> <li>• Rural fire officers successfully enable fire as a rural land management tool, helping reduce fuel loadings in high risk areas, measured by area permitted annually.</li> </ul>	ACHIEVED: Nil permits issued for land clearing this year. A wet season contributed to this. All permits issued were for rubbish fires less than 20m².	✓
<ul style="list-style-type: none"> <li>• Rural Fire Officers and volunteer rural fire forces respond within required times to notified incidents, as assessed by New Zealand Fire Service communications centre data, measured annually.</li> </ul>	ACHIEVED: 26 fires were responded to by attendance/page acknowledgement within 30 minutes. 12 incidents not responded to as they were false alarms, medical assists, MVA and structure fires. A decision was made on Sitrep in these cases.	✓

## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Emergency Management</b>			
<b>Revenue</b>			
Rates	375	271	271
Fees & Charges	4	4	18
Subsidies	42	144	107
Miscellaneous Revenue	3	1	-
<b>Total Revenue</b>	<b>424</b>	<b>420</b>	<b>396</b>
<b>Expenses</b>			
Civil Defence	92	73	67
Rural Fire	252	200	184
Depreciation	45	57	49
Interest	10	10	10
<b>Total Expenses</b>	<b>399</b>	<b>340</b>	<b>310</b>
<b>Operating Surplus/(Deficit)</b>	<b>25</b>	<b>80</b>	<b>86</b>

**Comment:** This year we budgeted to receive more fees and charges than we actually did. The amount we received, however, was the same as the prior year. Income from subsidies was budgeted to be \$107,000 but we received \$144,000; \$100,000 of this was to purchase a new fire appliance. Expenditure was higher than budgeted but the net surplus is comparable to the Plan and higher than last year.

### Major 2009-2019 Community Plan Projects

Equipping 10 Council vehicles with radios compatible with other civil defence and rural fire crews to enable coordination of large scale incidents.	2009/10
Install remote automatic weather station to provide robust and timely weather information, part of this may attract subsidy.	2009/10
Contribution towards one replacement appliance, 66% subsidy is receivable if purchasing the \$132,000 National Rural Fire specific appliance. This funding is from reserves, and previously agreed to.	2016/17

# Footpaths

## Description of Activity *WHY WE DO IT*

The Council manages approximately 115.9 km of footpaths. The replacement value is in the order of \$4.31 million.

The type of surface used is dependent on life cycle cost considerations, pedestrian volumes and the amenity value of the location (i.e. shopping precincts). The main types of footpath surfaces in the district townships are:

- Asphaltic Concrete: Mix of graded aggregate and asphaltic binder laid in a 15-20mm layer.
- Concrete: Un-reinforced concrete laid in a 75mm layer.
- Chip-seal: Layer of sprayed bitumen with a fine grit spread on top.
- Slurry seal: Mix of fine aggregate and emulsion laid in a 3-5mm layer.
- Metal: Graded crushed stone chips spread on formed base course.
- Cobblestones and pavers in Town Centres.

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A safe community	Providing footpaths for the safety and convenience of pedestrians using the road reserve.
A high standard of infrastructure	Keeping footpaths clean and well maintained

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

- To maintain the existing footpaths in an effective and efficient manner, appropriate to community needs, in accordance with funds available.
- To continue with planned footpath renewals and developments as funding is determined.
- To upgrade and enhance the central business districts of Woodville, Eketahuna and Pahiatua.

## Contingencies

Council maintains a list of engineers and contractors who can react to an emergency situation.

Council has access to sufficient funding to deal with any eventuality.

## What We Achieved

The design and planning for the upgrade of the central business district of Woodville has been completed under the \$50,000 budget with \$44,768 expended. This project is continuing with plans being drafted for future public consultation.

The renewal of existing footpaths continues within the urban area with \$49,286.31 expended, achieving a completed length of 1147m (2538m<sup>2</sup>), within the \$50,000 budget. Footpath rehabilitation has been completed in both Pahiatua and Eketahuna.

## Footpath Construction

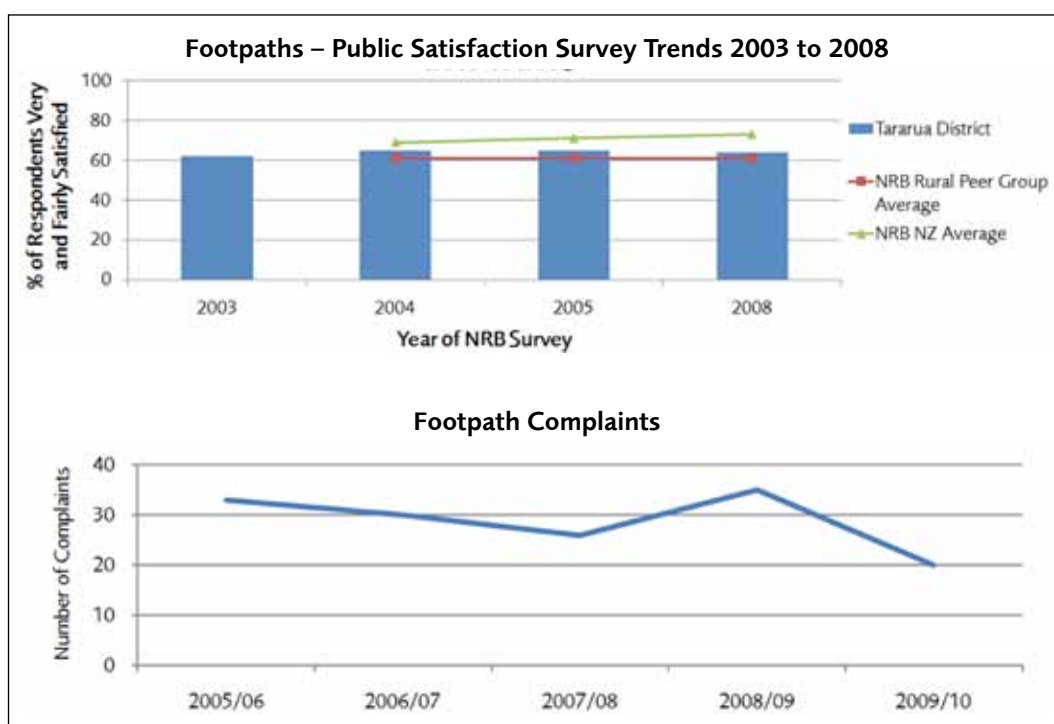
New footpaths within urban areas have been constructed at a cost of \$11,668, achieving a completed length of 133m (160m<sup>2</sup>). This is planned in consultation with Community Boards/Community Committees to be within a budget of \$27,000. Work will continue towards this target with additional funding available from under-expenditure from previous financial years.

## Major 2009-2019 Community Plan Projects

Upgrade the central business district of Woodville	2009-12
Upgrade the central business district of Eketahuna	2014-17
Upgrade the central business district of Pahiatua	2018/19
To continue footpath renewals of existing footpaths within the urban area as forecast	Annually
To continue construction of new footpaths within the urban areas as discussed with Community Boards/Committees	Annually (except 2010/11, 2012/13)

## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>At least 70% of residents rate footpaths as "fairly satisfactory" or "very satisfactory" in the community surveys in 2011, 2014, and 2017.</li> </ul>	64% of residents were satisfied in the February 2008 survey. No survey was conducted in 2009/10.	N/A
<ul style="list-style-type: none"> <li>Complaints regarding unsafe footpaths are actioned and rectified where appropriate within seven days.</li> </ul>	NOT ACHIEVED: 20 complaints regarding footpaths were received. All but three were responded to within seven days. This is a reduction from 35 complaints in 2008/09.	x
<ul style="list-style-type: none"> <li>A high standard of infrastructure to ensure existing 90% of footpaths remain free from depressions and cracking by reducing the defects (e.g. bumps, depressions, settlement, cracking, deterioration), per 100 metres of footpath, as measured by annual footpath condition surveys, as well as prioritising from community boards.</li> </ul>	ACHIEVED: Council manages a total of 102km of Footpaths. 98% of footpaths are in good condition with no faults.	✓
<ul style="list-style-type: none"> <li>80% of resident and non-resident ratepayers are satisfied with the closest town, in the community surveys in 2011, 2014, and 2017.</li> </ul>	No survey was conducted in 2009/10.	N/A



## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Footpaths</b>			
<b>Revenue</b>			
Rates	966	679	669
Fees & Charges	3	2	1
Miscellaneous Revenue	158	15	1
<b>Total Revenue</b>	<b>1,127</b>	<b>696</b>	<b>671</b>
<b>Expenses</b>			
Footpath Maintenance Rural	3	2	2
Footpath Maintenance Urban	80	54	62
Non Sub Professional Services	48	34	38
Non Sub Admin Rural/Urban	28	20	22
Depreciation	260	378	284
Interest	112	106	120
<b>Total Expenses</b>	<b>531</b>	<b>594</b>	<b>528</b>
<b>Operating Surplus/(Deficit)</b>	<b>596</b>	<b>102</b>	<b>143</b>

**Comment:** Revenue is comparable to budget but down on last year. Last year was high due to the planned town centre refurbishment and significant donations for the Dannevirke Clock which became part of the main street refurbishment project. Operating costs for footpaths are significantly higher than budgeted due to increased depreciation expense derived from the increase in the footpath valuation and considerable additions during the year because of the refurbishment. All other costs were better than budgeted.

# Health & Safety

## Description of Activity *WHY WE DO IT*

Health and Safety is about ensuring the public health and safety of the community. Council has statutory responsibilities under various pieces of legislation to regulate, inspect or monitor activities, which could lead to dangerous or unhealthy situations arising if good practices are not followed.

The activities include:

- Control of building construction.
- Audit of ongoing maintenance of safety systems in buildings to which the public can be admitted.
- Ensuring domestic swimming pools are properly fenced.
- Registration and inspection of food premises.
- Licensing and inspections of premises selling alcohol and the managers of those premises.
- Investigating complaints about noise and other issues of concern to the community.

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A safe community	Ensuring public health and safety standards are maintained.

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeing of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

Plans and specifications for new buildings and associated infrastructure, such as drainage systems, are checked to make sure that the proposals comply with the New Zealand Building Code and the Tararua District Plan. After building consents are issued for the proposed new buildings, the construction is monitored to ensure that the buildings are built according to the approved plans.

Buildings to which the general public are admitted generally have to provide Council with a building warrant of fitness, which certifies that systems requiring regular maintenance, such as fire alarms and automatic doors, have been appropriately maintained during the year. Audits are carried out to ensure that the maintenance is current and the appropriate records are being kept.

The Council maintains a record and periodically inspects known domestic swimming pools, to ensure that the pools are fenced to the standard required by statute.

Premises where food is prepared for sale or sold are registered annually and inspected on a regular basis to ensure that they are clean and maintain good operating practices. Other premises, such as hairdressers and funeral directors, are also similarly licensed and inspected.

Council licenses the sale of liquor and managers of those premises. Regular monitoring is carried out and liaison with New Zealand Police and other agencies is undertaken to promote responsible management of the licensed premises. Applications for premises and manager's licences are thoroughly scrutinised and either recommended for approval or referred to the Liquor Licensing Authority for a public hearing.

Complaints are investigated about noise and other matters of public concern.

## Future Demand

The community will always expect the Council to be involved in public health and safety matters. The extent of that involvement is dependent, to a large degree, on legislation. The move to make food safety a self-auditing process is an example of the reduction of Council's influence in helping establish standards in the local public health area.

Future demand is expected to continue at existing levels.

## Food Bill 2010

The Food Bill 2010 introduces substantial reform to New Zealand food regulation and will replace the Food Act 1981 and the Food Hygiene Regulations 1974. This is expected to be passed before the end of 2010. The bill proposes a risk based approach placing more responsibility on businesses and is to be implemented over five years. The Council will establish new guidelines and processes in response to the bill.

## What We Achieved

Council was re-accredited as a Building Consent Authority for a further two year period. The audit by the accreditation authority certified that the building consent team met the required statutory standards.

All building consents were issued within the statutory timeframe.

Three premises discovered selling alcohol without a licence were investigated and remedial action taken.

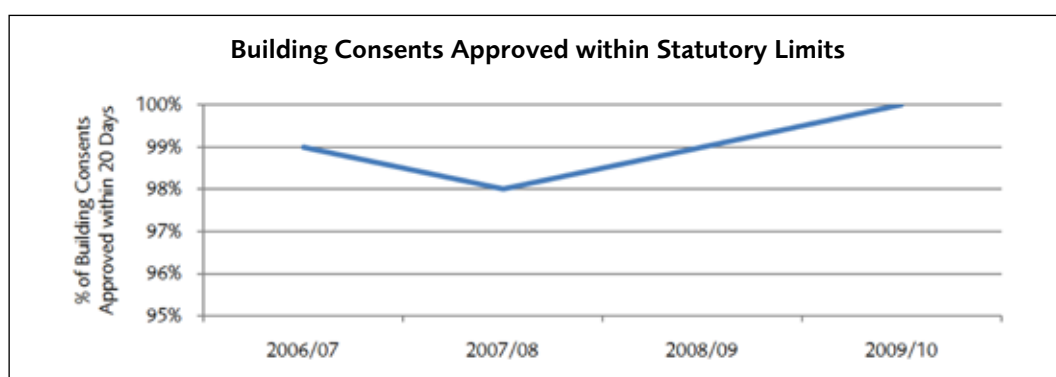
All food premises were registered and maintained the required standard. One premise was closed temporarily to carry out remedial work.

### Major 2009-2019 Community Plan Projects

Maintaining registration as a Building Consent Authority.

## Performance Against Objectives

Performance Measure	Achievement	Target
• 100% of building consents issued within the statutory timeframe (20 working days).	ACHIEVED: 100% of building consents were issued on time.	✓
• 100% of registered premises comply with Food Hygiene Regulations within three months of annual inspection.	NOT ACHIEVED: 88% of premises complied within three months and 100% had complied by February 2010.	✗
• 100% of licensed premises visited during the year.	NOT ACHIEVED: 73% of premises were visited.  The majority of premises not visited were clubs that operate only at weekends or at seasonal times and have had a good record of sound management practices.	✗
• 100% of noise callouts responded to within 30 minutes.	NOT ACHIEVED: 92.5% of callouts were responded to within 30 minutes.	✗



## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Health &amp; Safety</b>			
<b>Revenue</b>			
Rates	246	265	266
Fees & Charges	367	392	449
Miscellaneous Revenue	6	5	4
<b>Total Revenue</b>	<b>619</b>	<b>662</b>	<b>719</b>
<b>Expenses</b>			
Building consent processing	442	517	445
Environmental health	83	97	83
Liquor licensing	55	70	55
Noise callouts & other nuisances	106	135	106
Depreciation	34	34	27
Interest	1	1	1
<b>Total Expenses</b>	<b>721</b>	<b>854</b>	<b>716</b>
<b>Operating Surplus/(Deficit)</b>	<b>(102)</b>	<b>(192)</b>	<b>3</b>

**Comment:** Fee revenue is below budget this year by \$57,000 but is \$25,000 higher than the prior year. We are still feeling the affects of the recession in the building industry with consent numbers still below budget. Building consent costs incurred were over budget due mainly to the planned retirement of a staff member not occurring because of increased work coming in. All other costs were over budget also due to associated increases in employee and subcontractor costs.

# Housing

## Description of Activity *WHY WE DO IT*

The pensioner housing units are all single bedroom rental units built in their own complexes located in Ormondville, Norsewood, Dannevirke, Woodville, Pahiatua and Eketahuna.

The tenant contribution flats are two bedroom units only available in Dannevirke. The tenancy of these units is sold to purchasers for 75% of the market value. The occupiers then pay a weekly fee that covers maintenance, rates and insurance. When the units are vacated the Council buys the tenancy back for the same price they were sold for. Units that cannot be sold are rented for a higher weekly fee.

Rates of occupancy in Council housing in rural areas have declined slightly due to the general population decline in the Tararua district and some services are no longer operating there, such as those in the health sector.

### Location

Location of Units	Name	No. of Units
<b>Pensioner Units</b>		
Norsewood	Halford Court	9
Ormondville	Newling Court	6
Dannevirke	Elsinore Court	10
	Hovding Court	13
	Aften Court	18
	Ballarat Court	9
Woodville	Centennial Flats	6
	Ruahine Flats	6
Pahiatua	Lindon Flats	15
Eketahuna		3
		<b>95</b>
<b>Tenant Contribution Units</b>		
Dannevirke	Gordon Street	4
	Burns Street	4
	Tennyson Street	4
		<b>12</b>
<b>Total</b>		<b>107 Units</b>

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A high standard of infrastructure	Providing a well maintained housing stock.
Access to local services	Providing low cost housing to super annuitants or people on low incomes.

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

Council provides low cost housing to super annuitants and people on low incomes.

Council acts as a good landlord by helping tenants with tasks like changing light bulbs and checking when tenants are absent. All day to day maintenance is undertaken as required. Lawns are mown under contract. Each time a tenant vacates the flat is assessed, and maintenance such as repainting is completed.

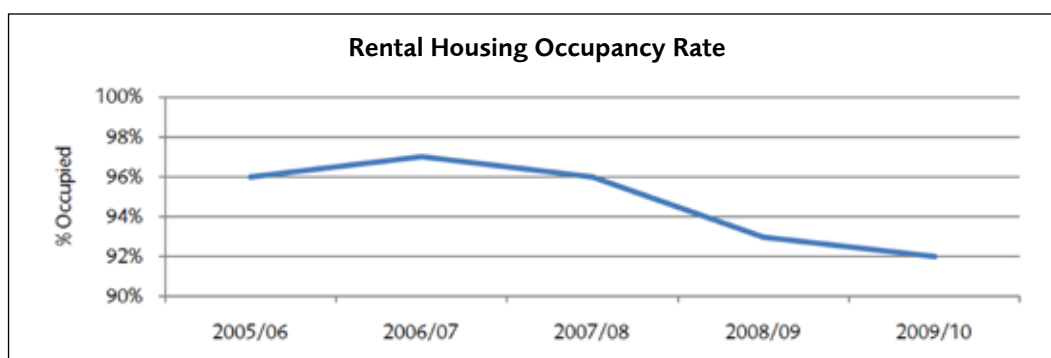
## Contingencies

Occupancy rates are monitored to ensure units are operating at peak capacity. Any down turn in occupancy rates can be quickly identified.

## What We Achieved

New fences were erected at Aften Court, Burn Street and Gordon Street tenant contribution flats, in Dannevirke, and Centennial and Ruahine Flats in Woodville.

A new driveway was commenced in Elsinore Court, Dannevirke.



## Performance Against Objectives

Performance Measure	Achievement	Target
• A minimum of 90% of tenants will be superannuitants, and well looked after in their opinion.	NOT ACHIEVED: Overall total 89% (urban 96%, rural 37%).	✗
• Achieve a 95% occupancy rate for rental housing each year.	NOT ACHIEVED: 92% (urban 95%, rural 73%).	✗
• No complaints received about maintenance needs each year.	ACHIEVED: There were no complaints received regarding maintenance during the year.	✓
• Services provided within budget each year.	ACHIEVED: Except for additional unfunded depreciation (refer to operating statement).	✓

## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Housing</b>			
<b>Revenue</b>			
Rates	-	-	1
Fees & Charges	320	342	347
Interest Revenue	58	34	-
Miscellaneous Revenue	1	-	1
<b>Total Revenue</b>	<b>379</b>	<b>376</b>	<b>349</b>
<b>Expenses</b>			
Maintenance- to appropriate standard	294	299	290
Interest	-	-	-
Depreciation	249	366	247
<b>Total Expenses</b>	<b>543</b>	<b>665</b>	<b>537</b>
<b>Operating Surplus/(Deficit)</b>	<b>(164)</b>	<b>(289)</b>	<b>(188)</b>

**Comment:** Income is higher than budgeted due to not budgeting for interest income received on surplus funds held on call. Expenditure is \$128,000 over budget due mainly to much higher depreciation charges brought about by the revaluation of the buildings upwards.

### Major 2009-2019 Community Plan Projects

Hovding Court – possible replacement of 10 units	Subject to funding from central government
Ruahine Flats – possible replacement of 6 units	Not programmed at this stage
Halford Court, Norsewood – put complex up for sale	2010/2011
Newling Court, Ormondville – put complex up for sale	2010/2011
<b>Renewals</b>	
Fencing	2009–2011
Driveway – Elsinore Court	2009/2010

# Library

## Description of Activity *WHY WE DO IT*

In July 2003 the Council resumed responsibility for the management of the public library service from the Tararua District Library Trust, which had managed it since 1992. The library service is an integral part of the community, providing residents of the Tararua district access to recreational and educational reading and information, including resources to aid literacy and learning.

### Service points

The library serves the community through four outlets situated at Dannevirke, Eketahuna, Pahiatua and Woodville. The four community libraries are run as a single district-wide service. The Dannevirke branch acts as its headquarters and many functions are centralised there. Eketahuna combines library and Council service centre facilities.

### Locations

Dannevirke Community Library  
1 Station Street  
Dannevirke

Pahiatua Community Library  
167 Main Street  
Pahiatua

Eketahuna Library / Service Centre  
31 Main Street  
Eketahuna

Woodville Community Library  
42 Vogel Street  
Woodville

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
Access to local services	Provides library buildings and resources for relaxation, entertainment and information at four urban areas.
A connected community	Preserves and provides access to our district's cultural heritage by maintaining a local history collection.  Provides recreational and cultural activities for all ages

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at the end of the Financial Statements section.

## Level of Service *WHAT WE DO*

Tararua residents are the primary clients of public library and service centre activities.

Our current and potential customer groups include all Tararua residents comprising children and adults, urban and rural residents, those with limited literacy skills, senior citizens, visitors to Tararua seeking information and using the internet, businesses and organisations, school classes, groups and service centre customers.

The library service is an integral part of the community, providing access to recreational and educational reading and information, including resources to aid literacy and learning.

The library provides a range of services, including:

- Collections of fiction and non-fiction books for loan.
- Information and reference service.
- Readers' advisory service for recreational reading.
- Audio-visual items for loan.
- Access to newspapers, in print and on microfilm (dating from 1901 to present).
- Large print books and talking books for those with special needs.
- Tararua District Council information and documents.
- Central and local government public consultation documents.
- School visits and holiday and literacy programs for children, including a summer reading programme.
- Programmes for preschoolers.
- Inter-library borrowing and lending.
- House-bound service and book delivery to remote communities.
- On-line public access catalogue (OPAC).
- Access to EPIC databases (Electronic Purchasing in Collaboration).
- Nationwide electoral rolls and telephone books.
- Genealogical records (microfiche collection).
- Local history collection, including historic photograph collection.
- Free public internet access through the Aoteroa People's Network Kaharoa (APNK).
- Photocopiers, printers, lamination available for use.
- Council receipting and information service at Eketahuna.

## Opening Hours

### Dannevirke Library

9:00am to 5:30pm Monday to Friday

10:00am to 1:00pm Saturday

### Eketahuna Library / Service Centre

10:30am to 12:30pm & 1:00pm to 4:30pm Monday to Friday

### Pahiatua Library

9:00am to 5:00pm Monday to Friday

10:00am to 12:00pm Saturday

### Woodville Library

2:00pm to 5:00pm Monday, Thursday, and Friday

10:00am to 1:00pm and 2:00pm to 5:00pm Tuesday

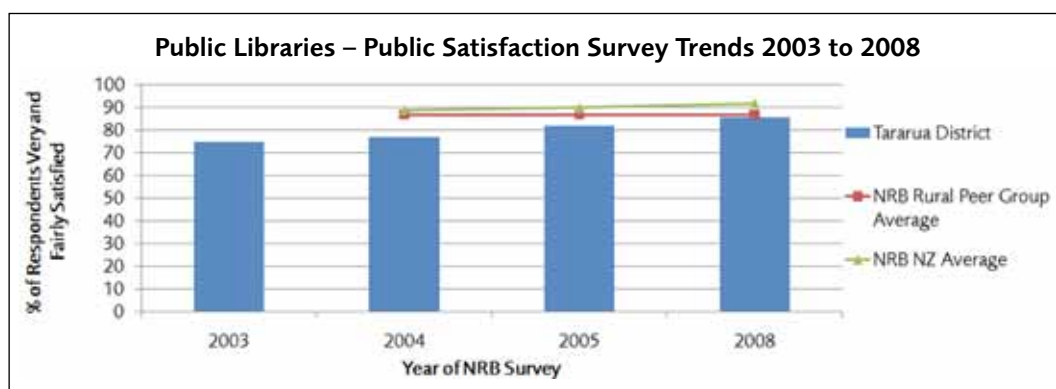
2:00pm to 5:00pm & 5:30pm to 7:30pm Wednesday

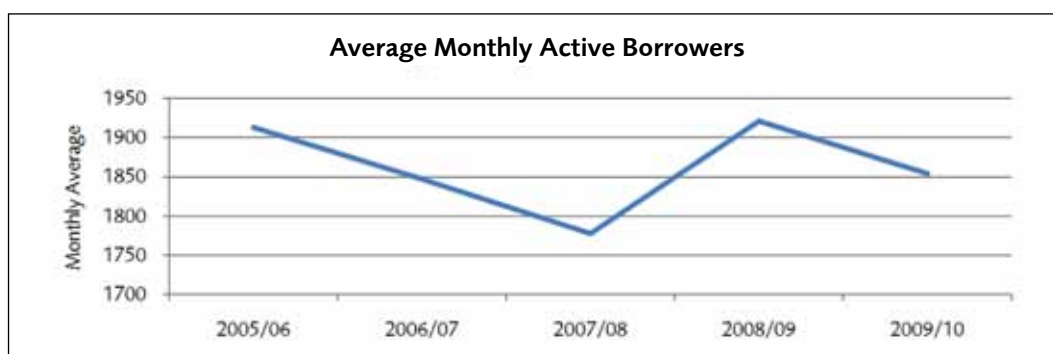
## What We Achieved

- Ran successful Eastern & Central Read'n Summer reading programme.
- Ran successful Eastern & Central Winter Warmers reading programme.
- Piloted successful Math is Fun programme at Eketahuna branch, funded by Wairarapa REAP.
- Collaborated with Te Wananga O Tamaki Nui a Rua to catalogue their library materials onto Library Thing.
- Added a digital repository (kete) to the Aotearoa People's Network Kaharoa and began to populate this with the photographic collection held at Dannevirke Library.
- Introduced a successful district-wide quiz for Library Week. This will be run annually in the future.
- Introduced automatic book rotation to ensure the book collections rotate to all branches in a timely manner for customer selection.
- Reintroduced the Library Stars programme, which rewards junior members for borrowing from the library collections.
- Ran a successful district-wide quiz for years seven and eight as part of the New Zealand Post Children's Book Awards.
- Reviewed the online databases subscribed to by the library. Ceased subscription for some unused databases and replaced these with the genealogical database Ancestry.com
- Reviewed library use and membership of the libraries and recommended that the annual card fee be removed to encourage growth in membership. This will be introduced from 1 July 2010.
- Dannevirke Library had an interior repaint.

## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>• 90% of library collection meeting three items per local resident – Tararua.</li> </ul>	ACHIEVED: A total of 52,548 books at 99%.	✓
<ul style="list-style-type: none"> <li>• At least 90% of residents rate libraries as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2011, 2014, and 2017.</li> </ul>	86% satisfied in the February 2008 survey. No survey was conducted in 2009/10.	N/A
<ul style="list-style-type: none"> <li>• Each library runs at least one holiday programme per term each year.</li> </ul>	ACHIEVED: 65 programmes were run with 1,614 participants in all four branches.	✓
<ul style="list-style-type: none"> <li>• Surplus books to schools/remote areas.</li> </ul>	ACHIEVED: 15 loans to Akitio and Pongaroa.	✓





## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Library</b>			
<b>Revenue</b>			
Rates	650	694	693
Fees & Charges	64	53	47
Interest Revenue	-	-	-
Miscellaneous Revenue	2	20	7
<b>Total Revenue</b>	<b>716</b>	<b>767</b>	<b>747</b>
<b>Expenses</b>			
Dannevirke Library	270	299	285
Woodville Library	77	85	81
Pahiatua Library	154	171	163
Eketahuna Library/ service centre	77	85	81
Depreciation	161	88	84
Interest	4	3	3
<b>Total Expenses</b>	<b>743</b>	<b>731</b>	<b>697</b>
<b>Operating Surplus/(Deficit)</b>	<b>(27)</b>	<b>36</b>	<b>50</b>

**Comment:** Revenue is higher than planned by \$20,000 and \$51,000 compared to last year. The majority of this is from donations being \$14,000 higher than budget. The library operating costs are higher than budgeted for the district by \$34,000 because of increases in employee related costs. The activity made a \$36,000 surplus for the year compared to a \$27,000 loss the prior year.

### Major 2009-2019 Community Plan Projects

Continued purchase of new books for Tararua libraries.

Investigate opportunities for providing a mobile library service.

## Parks & Reserves

### Description of Activity *WHY WE DO IT*

The Council has a number of parks and reserves throughout the district as listed below.

#### Location

Norsewood:	ANZAC Park Waterwheel Park
Dannevirke:	Dannevirke Upper Domain Dannevirke Lower Domain Coronation Park George Street Reserve Makirikiri Reserve Upper and Lower Wahi Pai Mangatoro Reserve
Woodville:	Fountaine Square Hockey Park Recreation Ground
Pahiatua:	Playground, Main Street Bush Sports Park (managed by Bush Multisports Trust) Victory Park Rotary Park Bowling Club Carnival Park
Eketahuna:	Eketahuna Recreation Ground Eketahuna Camping Ground
Pongaroa:	Pongaroa Reserve
Akitio:	Akitio foreshore Akitio Community Hall play area
Waihi Falls	Waihi Falls Scenic Reserve

### Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A high standard of infrastructure	Parks and reserves are attractive and well maintained for the enjoyment of residents and visitors
A sustainable natural environment	Parks and reserves contribute to the protection, preservation and enhancement of our natural environment
A connected community	Parks and reserves provide sporting, recreational and social opportunities for the people of our district as well as visitors

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

### Level of Service *WHAT WE DO*

The Council manages 31 significant domains, 18 significant urban reserves, eight significant rural reserves and many other small urban and rural reserves. It includes the provision of sports grounds, gardens, green areas, playgrounds, wildlife area, for both active and passive recreation.

#### Recreation Reserves

Meet turf standards required, which are maintained by contracted staff.

#### Parks

Replanting programmes are maintained and grass mowing undertaken to required standards as well as spraying and mowing. Playground equipment meets safety standards. The checks for compliance with these standards are conducted on a monthly basis and reported annually in terms of NZ Standard 5828:2004.

#### Dannevirke Lower Domain

Animal husbandry regime is in place and all stock checks are undertaken to ensure deer are kept in a healthy condition. All birds kept in clean and appropriate housing and an interesting variety of bird species is maintained.

### What We Achieved

Continued the planting programme at Dannevirke Lower Domain.

Continued planting Makirikiri Reserve and the programme to reduce Old Man's Beard.

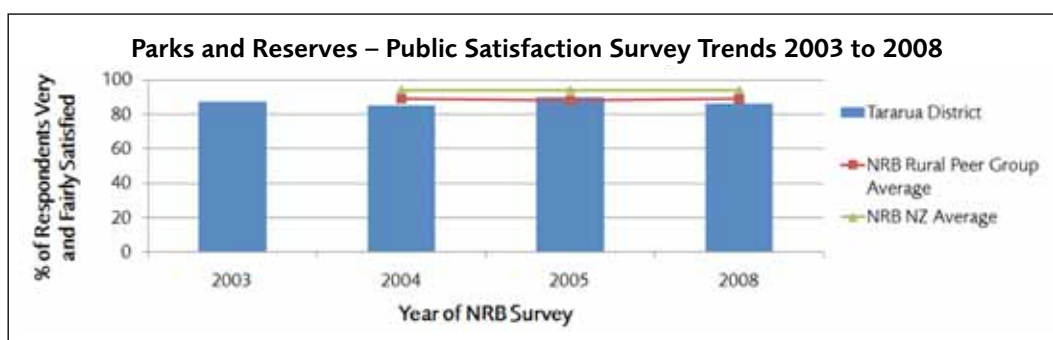
Continued involvement in the Manawatu Gorge biodiversity project.

New water line installed at the Dannevirke Camping Ground.

Building commenced of the new house at Carnival Park, Pahiatua.

## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>Sports fields meet the standards set by the New Zealand Sports Turf Institute.</li> </ul>	ACHIEVED: All four active sports fields (does not include Pahiatua Bush Sports Park managed by the Bush Multisports Trust) were inspected at least once by the New Zealand Sports Turf Institute and all met the standards.	✓
<ul style="list-style-type: none"> <li>At least 90% of residents rate parks and reserves as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2011, 2014, and 2017.</li> </ul>	86% were satisfied in February 2008 survey. No survey was conducted in 2009/10.	N/A
<ul style="list-style-type: none"> <li>Conduct monthly safety inspections of playground equipment, measured annually.</li> </ul>	ACHIEVED: Weekly inspections done by contractors.	✓
<ul style="list-style-type: none"> <li>At least 80% of sports fields monthly audits by Council show contractor is meeting agreed performance.</li> </ul>	ACHIEVED: No complaints by users.	✓
<ul style="list-style-type: none"> <li>Services provided within budget each year.</li> </ul>	ACHIEVED: Refer to operating statement.	✓



### Major 2009-2019 Community Plan Projects

Dannevirke Domain play equipment	2014/15
Pahiatua play equipment	2012/13
Eketahuna camping ground accessible toilet	2009/10
Develop reserve management plans	2009–12

### Renewals

Pahiatua Camping Ground house	2009/10
Dannevirke water line replacement	2009/10
Renewals	10 year period

## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Parks &amp; Reserves</b>			
<b>Revenue</b>			
Rates	714	663	662
Fees & Charges	19	23	14
Miscellaneous Revenue	173	147	155
<b>Total Revenue</b>	<b>906</b>	<b>833</b>	<b>831</b>
<b>Expenses</b>			
Coronation Park	27	27	28
Dannevirke Domain	93	94	97
Dannevirke Rural	33	34	35
Dannevirke Urban	48	49	50
Dannevirke Wildlife	29	29	30
Eketahuna Rural	25	25	26
Eketahuna Urban	18	19	19
Pahiatua Recreation	64	65	67
Pahiatua Rural	2	2	2
Pahiatua Town Square	62	63	65
Pahiatua Urban	18	19	19
Woodville Rural	2	2	2
Woodville Urban	39	40	41
Domain Boards	208	212	189
Camping Ground Dannevirke	32	33	34
Camping Ground Eketahuna	12	13	13
Camping Ground Pahiatua	17	18	18
Camping Ground Woodville	2	2	2
Depreciation	174	228	214
Interest	14	12	13
<b>Total Expenses</b>	<b>920</b>	<b>986</b>	<b>964</b>
<b>Operating Surplus/(Deficit)</b>	<b>(14)</b>	<b>(153)</b>	<b>(133)</b>

**Comment:** Income and expenditure relating to parks and reserves was on par with what was budgeted. Additional depreciation expenditure was incurred this year compared to last year due to the revaluation of fixed assets.

## Public Conveniences

### Description of Activity *WHY WE DO IT*

The Council has a number of public conveniences throughout the district as listed below:

Location	Hours of Opening
<b>Dannevirke</b>	
Dannevirke High Street at Town Hall car park	6am-7pm; 1 x 24 hour toilet
Dannevirke Sports Centre at rear of stadium	24 hour
Barraud Street by bus stop	6am-9pm
Coronation Park, Gregg Street	24 hour
Upper Domain and Lower Domain, Christian Street	6am-5pm
Dannevirke Cemetery	24 hour
<b>Woodville</b>	
Fountain Square	6am-6pm; 1 x 24 hour toilet
<b>Pahiatua</b>	
Playground, Main Street	24 hour
Main Street	6am-6pm; 1 x 24 hour toilet
<b>Eketahuna</b>	
Eketahuna SH2 (centre of town)	24 hour
<b>Pongaroa</b>	
Pongaroa, Route 52	24 hour
<b>Akitio</b>	
Akitio Esplanade	24 hour
<b>Norsewood</b>	
Anzac Park (off SH2)	24 hour
Waterwheel Park, lower Norsewood	24 hour
<b>Waihi Falls</b>	
Waihi Falls Road	24 hour
<b>Herbertville</b>	
Seaview Road	24 hour

### Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A high standard of infrastructure	Clean, safe and accessible public conveniences are provided for local people and visitors to the district.

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

### Level of Service *WHAT WE DO*

Provide a clean, safe, accessible service for local people and travellers. Some facilities are only open in daylight hours, but each town has one open 24 hours/day. Cleaning regime is increased in times of heavy usage, such as school holidays.

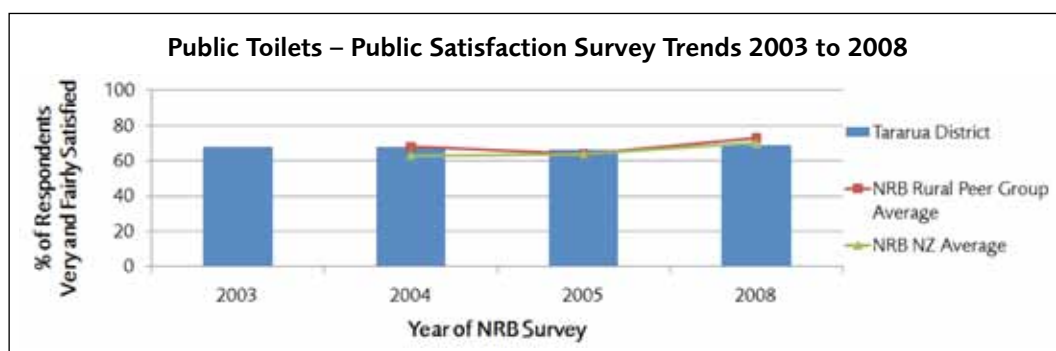
#### Major 2009-2019 Community Plan Projects

##### Renewals

Resurfacing three toilet floors	2009/10 to 2012/13
Akitio Beach toilet block	2012/13
Other renewals	2011/12, 2014/15

## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>At least 80% of residents rate public conveniences as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2011, 2014, and 2017.</li> </ul>	69% were satisfied in February 2008 survey. No survey conducted in 2008/09.	N/A
<ul style="list-style-type: none"> <li>Services provided within budget each year.</li> </ul>	ACHIEVED: Refer to operating statement.	✓
<ul style="list-style-type: none"> <li>At least 70% of the public conveniences will be inspected weekly.</li> </ul>	ACHIEVED: 70% of public conveniences have been inspected weekly with an 80% pass mark on random audits.	✓



## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Public Conveniences</b>			
<b>Revenue</b>			
Rates	161	163	162
Fees & Charges	1	1	1
Miscellaneous Revenue	-	-	-
<b>Total Revenue</b>	<b>162</b>	<b>164</b>	<b>163</b>
<b>Expenses</b>			
Provision of clean safe facilities cleaning	91	93	100
Building Maintenance	38	39	42
Depreciation	25	34	25
Interest	10	8	9
<b>Total Expenses</b>	<b>164</b>	<b>174</b>	<b>176</b>
<b>Operating Surplus/(Deficit)</b>	<b>(2)</b>	<b>(10)</b>	<b>(13)</b>

**Comment:** No material variances between actual and budgets occurred during the year. All costs were marginally below budget apart from depreciation, which was higher due to the increase in the fixed asset value from revaluation.

# Representation

## Description of Activity *WHY WE DO IT*

The Mayor and Councillors are the democratically elected representatives of the Tararua district. The Council derives its power to govern through the provisions of the Local Government Act 2002. Tararua has two community boards; Dannevirke and Eketahuna.

One of the requirements of the Act is for the Council to facilitate the community in identifying its desired outcomes for its social, economic, environmental and cultural wellbeing. The community is responsible for the achievement of the identified community outcomes. However, the Council will give consideration to the desired outcomes in its decision-making processes and will contribute towards the delivery of the outcomes where feasible. The community's progress towards achieving those outcomes will be monitored and reported by Council.

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
All community outcomes are supported by this activity.	Facilitates the community to identify its desired outcomes and contributes to the delivery where feasible.

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

### Council

The Council comprises the Mayor and eight councillors elected from two wards.

Their role is to:-

- Set the policy direction of Council
- Monitor the performance of Council
- Represent the interests of the district
- Employ the Chief Executive.

The Council will build relationships with key players within the community, including central government, Maori, and the business and voluntary sector, to develop plans of action to promote community wellbeing.

The Council will integrate the community outcomes into key strategic planning documents. In some instances where the identified outcomes are beyond the scope of the Council, the Council will represent and act as advocate on behalf of the community, on issues that are of importance to the community.

The Council will monitor and report on the community's progress towards the achievement of community outcomes.

### Community Boards

The Tararua District has two community boards, being Dannevirke and Eketahuna, each with four elected members and one Council appointment. These Boards are constituted under Section 49 of the Local Government Act 2002 to:

- Represent and act as an advocate for the interests of their community.
- Consider and report on any matter referred to it by the Council, or on any issues of interest or concern to the community board.
- Make an annual submission to Council on expenditure in the community.
- Maintain an overview of services provided by the Council within the community.
- Communicate with community organisations and special interest groups in the community.
- Undertake any other responsibilities delegated by the Council. Both of the district's community boards have formally been delegated specific functions to undertake.

## What We Achieved

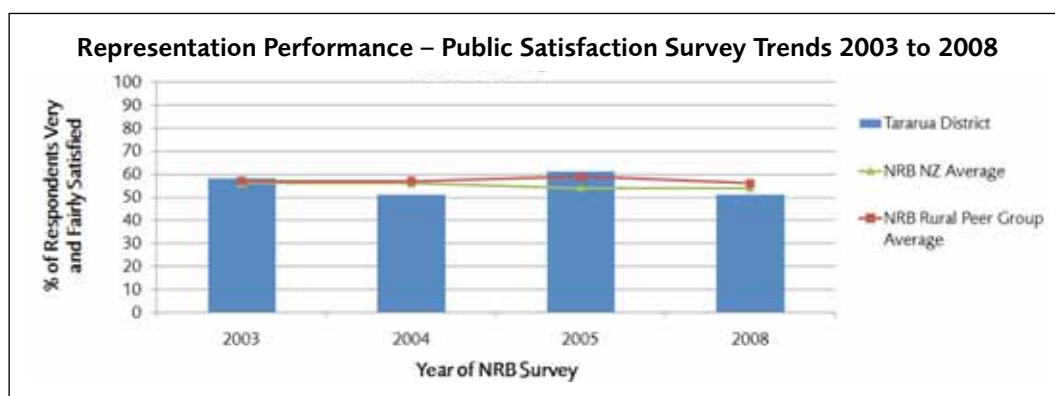
Councillors and community board members worked long hours to represent their community and to promote the wellbeing of Tararua District.

Council completed the following matters:

- Tararua District Plan review.
- Annual Plan 2010/11
- Annual Report 2008/09
- Representation review
- Review of Class 4 Gambling and Racing Board Venue Policy
- Asset Management Plans

## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>At least 75% of residents will rate the overall performance of the Mayor, Councillors and Community Boards as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2011, 2014 and 2017.</li> </ul>	NOT ACHIEVED: Only 51% were satisfied in February 2008 survey. No survey was conducted in 2009/10.	N/A



### Major 2009-2019 Community Plan Projects

Long Term Council Community Plan	In 2012, 2015, 2018
Annual Plan	In 2010, 2011, 2013, 2014, 2016 and 2017
Annual Report	Each year
Community Outcomes	In 2011 and 2017
Representation reviews	In 2009 and 2015
Local Government Elections	In 2010, 2013, 2016
Rating review	2010/11

## Statement of Cost of Services

### For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Representation</b>			
<b>Revenue</b>			
Rates	1,066	1,103	1,101
Fees & Charges	24	20	19
Miscellaneous Revenue	12	-	8
<b>Total Revenue</b>	<b>1,102</b>	<b>1,123</b>	<b>1,128</b>
<b>Expenses</b>			
Council	962	874	934
Community Boards/Local committees	136	124	132
Depreciation	75	66	68
Interest	1	1	1
<b>Total Expenses</b>	<b>1,174</b>	<b>1,065</b>	<b>1,135</b>
<b>Operating Surplus/(Deficit)</b>	<b>(72)</b>	<b>58</b>	<b>(7)</b>

**Comment:** Income is similar to budget and \$21,000 higher than last year. Expenditure is \$70,000 better than budgeted due to lower allocation of employee related costs. Last year's expenditure was high due to unplanned bi-election costs.

# Resource Management

## Description of Activity *WHY WE DO IT*

The Council has a wide range of functions under the Resource Management Act including controlling:

- Effects of land use
- Impacts of land use on natural hazards
- Biodiversity conservation
- Land subdivision
- Noise
- Activities on the surface of rivers and lakes.

## District Plan

In addition the Council must prepare a District Plan, which is required to be consistent with a Regional Policy Statement. It also must have regard to the extent to which it needs to be consistent with plans of adjoining local authorities.

The District Plan contains rules governing the use of land within the district. A District Plan is required to state:

- The significant resource management issues of the district.
- Methods to be used to implement the policies.
- Principal reasons for adopting the policies and methods.
- The information to be submitted with an application for resource consent.
- Environmental results anticipated.
- Processes to deal with cross boundary issues.
- Procedures for monitoring.

A full review of the District Plan must commence within 10 years of it becoming operative. The Council can propose or any person can apply to change a District Plan at any time.

## Resource Consents

The environmental impacts of activities are primarily controlled by the Resource Management Act through the District Plan and the requirement to apply for resource consents. A resource consent provides permission to carry out an activity so long as it complies with any conditions attached to the consent.

The Resource Management Act classifies activities into categories. The following are used in the Tararua District Plan:

- Permitted – an activity that may be carried out without the need for a resource consent as long as it complies with the environmental standards specified in the District Plan.
- Controlled – an activity that requires a resource consent before it can be carried out. Council must

grant consent, but it can impose conditions in respect to matters over which it has reserved control in the District Plan.

- Discretionary – an activity that requires resource consent before it can be carried out. The Council can exercise full discretion as to whether or not to grant consent and as to what conditions to impose on the consent, if granted.

Council administers two types of resource consents:

- Land use – required when an activity contravenes a rule in the District Plan.
- Subdivision – required for the subdivision of land.

## Processing Resource Consents

Resource consents are processed through a number of stages including requesting further information, making a decision on notification, receiving public submissions, holding a public hearing and issuing a decision. The Resource Management Act requires that all resource consent applications be publicly notified unless they come within specified exceptions. The Resource Management Act specifies maximum time limits for the various stages of the application process.

The applicant, or any person who made a submission on the application, can appeal the decision to the Environment Court.

## Monitoring

Once a resource consent is granted there is an obligation on the Council to monitor its implementation.

The Council is also required, at five yearly intervals, to compile and make available to the public a review of the efficiency and effectiveness of policies, rules or other methods used to carry out its functions under the Resource Management Act.

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A sustainable natural environment	Policies in the District Plan seek to ensure a high level of environmental quality and amenity throughout the district. Policies also seek to protect important natural features, habitats and landscapes and natural, scenic, ecological, cultural and amenity values of the district's lakes, rivers and wetlands and maintain and enhance public access to and along their margins.

Key Community Outcomes	How the activity contributes
A strong prosperous economy	Policies in the District Plan seek to encourage the district's urban areas to develop to meet communities' needs in a sustainable manner and to provide flexibility of location for activities where their environmental effects are compatible with the surrounding area.
Our connected community	Policies in the District Plan protect heritage resources in the district which are of local, regional or national significance.

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

The District Plan is prepared in consultation with the Tararua community and the wider regional and national organisations that have an interest in the plan. The content of the plan, to a

certain extent, is influenced by the submissions and influences that these bring to the plan preparation and review process.

The RMA prescribes time limits for most aspects of plan preparation and work and resource consent processing.

The desired level of service will result in existing and new activities being undertaken in a way that results in little or no adverse environmental impact, while not frustrating the desires of applicants to develop their proposals.

The objective for processing all resource consent applications is to at least comply with the statutory time limits.

## What We Achieved

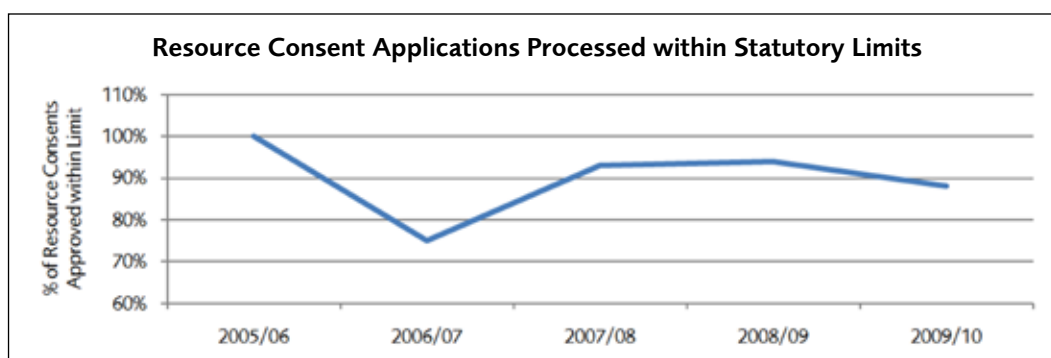
Appeals to the Environment Court were lodged against some decisions made on submissions to the District Plan review. An appeal was made to the Environment Court against the decision to decline the Waitahora Wind Farm resource consent application.

In conjunction with Horizons, consent was granted to the eastern extension of the Te Rere Hau windfarm.

Council, in conjunction with Horizons and Palmerston North City Council, dealt with the Turitea Wind farm resource consent application.

## Performance Against Objectives

Performance Measure	Achievement	Target
• Hearings Commissioners surveyed on effectiveness of district plan.	The district plan is still being finalised. Only two commissioners were used; one for a joint Windfarm hearing with Horizons, the other was the chairman of the district plan hearings committee.	N/A
• Annual production of District Plan monitoring report.	The District Plan has not yet been finalised. A number of appeals to the Environment Court took the matter out of our hands.	N/A
• Process all resource consent applications within the statutory time limits each year.	NOT ACHIEVED: 88% processed within timeframe.  Upcoming legislation will change the way in which resource consents are processed. The Council will be reviewing their processes in response to this.	x
• At least 75% of residents will rate resource management as "quite satisfactory" or "very satisfactory" in community surveys to be conducted in 2011, 2014 and 2017.	No survey was conducted in 2009/10.	N/A



## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Resource Management</b>			
<b>Revenue</b>			
Rates	130	255	255
Fees & Charges	50	43	50
Miscellaneous Revenue	3	-	1
<b>Total Revenue</b>	<b>183</b>	<b>298</b>	<b>306</b>
<b>Expenses</b>			
Resource consent processing	67	92	72
General activities	47	66	51
Environmental monitoring report	12	17	13
District plan review	46	63	49
Legal costs associated with hearings	83	115	89
Coastal Hazardous Assessment	23	32	25
Depreciation	6	9	6
Interest	-	-	-
<b>Total Expenses</b>	<b>284</b>	<b>394</b>	<b>305</b>
<b>Operating Surplus/(Deficit)</b>	<b>(101)</b>	<b>(96)</b>	<b>1</b>

**Comment:** Income received is comparable to budget. Expenses are \$89,000 higher than budget due to additional spending on the district plan and higher consultancy costs associated with the resource management activities. There was considerable costs incurred relating to the Waitahora Wind Farm in the form of legal and consultancy costs.

### Major 2009-2019 Community Plan Projects

Reviewing the district plan	2018
Coastal Hazard Assessment Plan (based on equal share with Horizons Regional Council)	2009–11

# Roading

## Description of Activity *WHY WE DO IT*

The Tararua roading network covers an area from the Takapau Plains to the north to Mount Bruce in the south and from the Ruahine and Tararua ranges to the coast.

A summary of roading statistics by area and hierarchy is shown in the following table:

Asset	Urban Sealed (km)	Rural Sealed (km)	Urban Metal (km)	Rural Metal (km)	Totals (km)
<b>North</b>					
Local	39	294	0.28	364	698
Collector	1	63	-	-	64
Secondary	3	211	-	12	226
<b>Total North</b>	<b>43</b>	<b>568</b>	<b>0.28</b>	<b>376</b>	<b>988</b>
<b>South</b>					
Local	40	333	0.26	395	768
Collector	1	55	-	6	62
Secondary	2	139	-	-	141
<b>Total South</b>	<b>43</b>	<b>527</b>	<b>0.26</b>	<b>401</b>	<b>971</b>
<b>TOTAL</b>	<b>86</b>	<b>1,095</b>	<b>0.54</b>	<b>777</b>	<b>1,959</b>

These statistics show that:

- 58.3% of rural roads are sealed. This compares with 55.5% of rural roads in the Manawatu Wanganui Region, 54.3% in the North Island and 46.7% nationally.
- 96% of roads are rural (4% are urban).

A report was sent to NZ Transport Agency analysing the results of the roughness count survey for the 2009/10 period indicating the following:

- Average urban roughness: 126 achieved (less than 150 meets NZ Transport Agency levels)
- Average rural roughness: 86 achieved (less than 150 meets NZ Transport Agency levels)

Roading is classified under a four-tier hierarchy:

**Primary Arterial:** Roads which form part of the network of strategic arterial roads or national or regional importance. This classification applies only to State Highways, managed by NZ Transport Agency, on the basis of high traffic volumes and links between major centres. These routes predominantly carry through traffic and it is important to maintain a high level of user service (reflected by higher access controls and standards).

The following three categories are managed by Council:

**Secondary (District) Arterial:** Roads which are important at the district level for carrying traffic between major areas within the district and as alternative routes to neighbouring districts. Traffic movement is the main function but often they also serve as local roads.

**Collector Roads:** These roads collect and distribute traffic to and from the arterial network. These roads complement arterial roads in that through-traffic is an important function but property access is also important.

**Local Roads:** Are all other roads which have the provision of access to properties as their primary purpose. Some local roads have a minor role to play in the collection and distribution of traffic, but through traffic is generally to be discouraged due to the effect on the amenity of the surrounding area and the physical capability of the roads.

The table below lists the lengths of road which are controlled by Council within each road hierarchy category and the current traffic volume ranges for each.

Road Hierarchy	Length (km)	Traffic Volume Range (vpd)
<b>Rural Sealed Roads</b>		
Secondary Arterial	350	11-2470
Collector	118	29-707
Local Roads	627	1-906
<b>Subtotal</b>	<b>1,095</b>	
<b>Rural Unsealed Roads</b>		
Secondary Arterial	12	56-92
Collector	6	52-73
Local Roads	759	1-158
<b>Subtotal</b>	<b>777</b>	
<b>Urban Sealed Roads</b>		
Secondary Arterial	5	106-3153
Collector	2	182-927
Local Roads	79	2-4322
<b>Subtotal</b>	<b>86</b>	
<b>Urban Unsealed Roads</b>		
Secondary	-	-
Collector	-	-
Local Roads	0.54	1-18
<b>Subtotal</b>	<b>0.54</b>	

The table shows modest volumes on the majority of collector and arterial roads. Of the secondary arterial roads, only Coast Road has sections which are unsealed, and of the collector roads only Castle Hill Road has 6km unsealed. There are

inherently some inconsistencies between traffic volumes and the level of roads in the hierarchy.

Council delivers this service using in-house staff (Engineering Services) for the engineering design and contract supervision services. It contracts out the undertaking of the on-site physical work.

The Council works in partnership with NZ Transport Agency, to undertake capital projects and maintenance work that form part of the Land Transport Programme. In return it receives financial assistance in the form of subsidies from NZ Transport Agency. This work is subject to competitive pricing procedures and must be carried out in accordance with the performance agreements between Council and NZ Transport Agency.

The new over dimension rule will increase the vehicle overload on the infrastructure and bridges. Vehicles will effectively be limited to state highway roads and approved local roads. Funding is available from NZ Transport Agency for analysis and upgrades.

Bridges are constantly being reviewed with annual inspections and planning for replacements included in the Road Asset Management Plan.

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A high standard of infrastructure	The road network provides safe and convenient access for road users
A safe community	Roads are designed and engineered to road safety standards that prevent injury, harm, damage or fatality to people and property
A strong prosperous economy	The economy is supported by providing an efficient and effective transportation network to move people and goods within the district

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

- To maintain the roading network in an effective and efficient manner, appropriate to community needs, in accordance with funds available.
- To continue with planned roading renewals as funding is determined.
- Road closures or blockages are minimised and cleared in a timely manner.

## Contingencies

A list of Consultancy engineers and contractors is kept at Consultancy for use in emergencies.

Council has access to funds to cope with emergency situations.

## What We Achieved

Although there was a reduction in the approved programme work from NZ Transport Agency we maintained rural roads to an acceptable level. Favourable tender rates were achieved for reseals and Pavement Rehabilitation. The target length for reseals was extended from 90km to 100 km and the Pavement Rehabilitation target was achieved and under budget. A summary of achievements is as follows:

### • Pahiatua to Boundary Route Upgrade (R Funded)

This project has been listed in the NZ Transport Agency long-term plan as a Category 2 funded project. This needs to be rated to a Category 1 project in order to receive funding from NZ Transport Agency. Requirements for this funding are that the project meets a Benefit Cost (BC) Ratio, which is a calculation to determine the most cost effective option, of 1:4. The maximum achieved BC for this project is 1:2.3. Therefore, no funding has been approved from NZ Transport Agency at this stage. Funding required for 2009/10 is \$3 million.

### • Maintenance Chipseal

The target of 90km length and 560,000m<sup>2</sup>, at a budgeted cost of \$2.3 million, was exceeded with 100.7km length and 598,133m<sup>2</sup> completed at a cost of \$2,274,167. Due to the favourable tender rates the target rate was extended and approved by Council to assist with the backlog catch up of only achieving 70km for the 2008/09 financial year.

### • Pavement Rehabilitation

The target of 12.5km (70,000m<sup>2</sup>) at a budgeted cost of \$1.65 million was exceeded with 12.5km (68,815m<sup>2</sup>) of work completed at a cost of \$1,585,967. The target was achieved and under budget due to competitive tender rates.

### • Minor Improvements

Projects with a value of \$859,000 are targeted for completion each year. Corner widening, minor road realignment projects and miscellaneous minor improvement projects have been completed at a cost of \$805,678. The budget was reduced due to the non-approval of additional NZ Transport Agency funding for the 2009-2012 programme.

### • Seal Extensions

The only seal project was a carry-over from 2008/09 due to NZ Transport Agency funding constraints. This enabled sealing of 1.395km of Coast Road at a total cost of \$200,948. It is unlikely NZ Transport Agency will enable future seal extensions for another two years.

- **Road Safety**

A safety management system is in place. The Road Safety Management Supervisor reviews accident crash sites to ascertain if road conditions played a part in the cause of the accident. If a road condition may have been a possible cause, the road would be inspected as soon as possible and, if required, rectified. Based on feedback from police and crash analyses, no road conditions contributed to crashes in 2009/10.

- **Road Maintenance**

Items of significant interest for Road Maintenance are as follows:

- **Maintenance Metal:** A total of 31,703m<sup>3</sup> of maintenance metal has been placed with 18,060m<sup>3</sup> placed for heavy metal overlays and 13,643m<sup>3</sup> placed as general spreading of maintenance metal.

Placement of maintenance metal and heavy metal overlays ensure traffic has a good and trafficable surface to drive upon as well as material for the grader to grade.

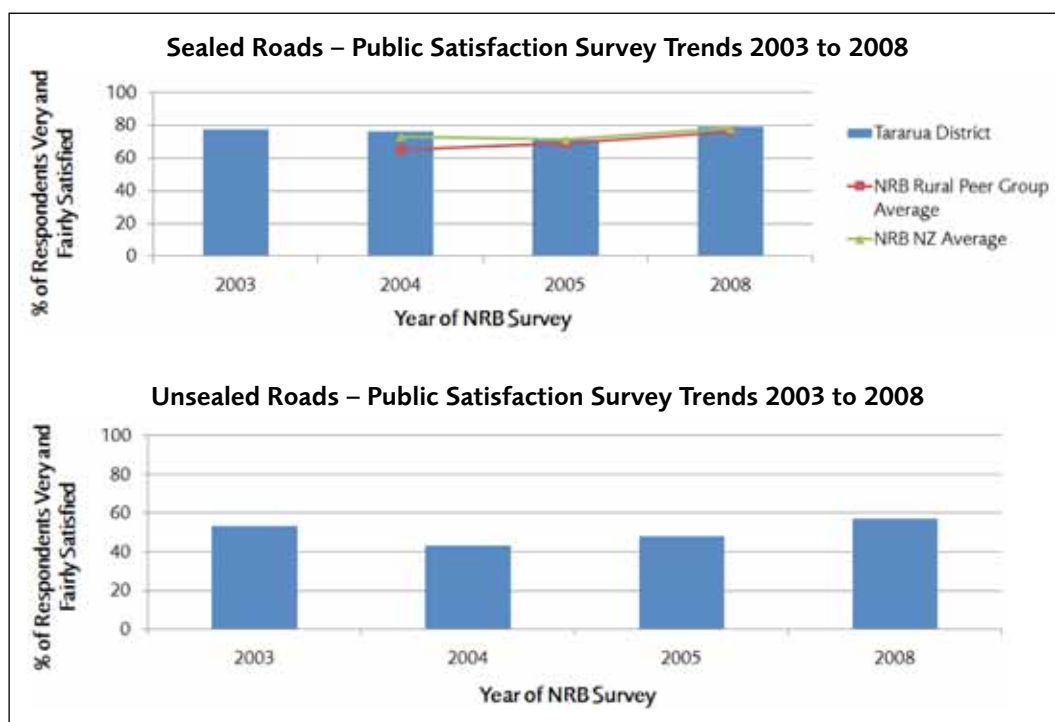
- **Grading:** A total of 4191km of grading of unsealed road has been completed. With a total of 778km of unsealed roads this accounts to the road having been graded an average of 5.4 times over the past 12 months.
- **Watertabling:** A total of 204km of watertabling of both unsealed and sealed roads has been completed. Watertabling is the terminology meaning cleaning of the roadside drains.
- **Digout Repairs:** A total of 5579m<sup>2</sup> of digout repairs have been completed on both sealed and unsealed roads.

## Major 2009-2019 Community Plan Projects

Pahiatua to Boundary Route upgrade ( R Funded)	2009–12
Drainage Renewal Upgrade Woodville main street subject to funding from NZ Transport Agency for State Highway and National funding programme	2009–11
Drainage Renewal Upgrade Eketahuna main street subject to funding from NZ Transport Agency for State Highway and National funding programme	2012–14
Seal Extension Programme of 3km per year: subject to funding NZ Transport Agency	Annually from 2012/13
Annual Reseal programme of 90km per year	Annually
Annual Pavement Rehabilitation of 12.5km per year	Annually
To complete Minor Improvements as subsidised by NZ Transport Agency	Annually

## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>To maintain the roading network in an effective and efficient manner, appropriate to community needs, in accordance with funds available: <ul style="list-style-type: none"> <li>Target of 0 fatal accidents due to road factors.</li> </ul> </li> <li>To promote a strong prosperous economy, roads are maintained to the appropriate standard with a 5% percentage reduction in the number of customer requests related to road surface defects both sealed and unsealed compared to the prior year.</li> </ul>	<p>ACHIEVED: No fatal accidents were caused due to road factors.</p> <p>188 service requests were received in relation to road surface defects during the 2008/09 financial year. The number of faults received for 2009/10 was 148. Overall result was a 21% reduction.</p>	<p>✓</p> <p>✓</p>
<ul style="list-style-type: none"> <li>To promote a sustainable environment, the roading network is managed appropriately with 100% of requests to fix road surface faults completed within the timeframe specified in contracts.</li> </ul>	<p>NOT ACHIEVED: 97% of service requests received in relation to surface faults were responded to within the contract response time. Delays encountered were due to contractor sign-off of the fault as well as weather conditions.</p>	<p>✗</p>
<ul style="list-style-type: none"> <li>Access to local services – roads are available to all with at least 70% of residents rating footpaths as "fairly satisfactory" or "very satisfactory" in the community surveys in 2011, 2014, 2017.</li> </ul>	<p>79% of residents were satisfied in the February 2008 survey. No survey was conducted in 2009/10.</p>	<p>N/A</p>
<ul style="list-style-type: none"> <li>To continue with planned roading renewals as funding is determined, with the roading network providing a safe and comfortable ride quality with 95% of sealed roads providing a smooth and comfortable ride as tested by Council staff.</li> </ul>	<p>ACHIEVED: Individual road assessment reports indicate that 2,334 road sections out of a total 2,433 sections scored a rating greater than 70% to achieve a total score rating of 95% for all district roads.</p>	<p>✓</p>
<ul style="list-style-type: none"> <li>Road closures or blockages are minimised and cleared in a timely manner, with the roads remaining fully available for use 99% of time. Measured on a monthly basis.</li> </ul>	<p>ACHIEVED: 99.9% of roads remained fully available for public use.</p>	<p>✓</p>



## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Roadings</b>			
<b>Revenue</b>			
Rates	5,725	5,998	6,012
Fees & Charges	193	210	186
Interest Revenue	146	83	-
Subsidies	7,561	7,251	10,419
Trees	1	62	-
Miscellaneous Revenue	27	5	21
<b>Total Revenue</b>	<b>13,653</b>	<b>13,609</b>	<b>16,638</b>
<b>Expenses</b>			
Sealed Pavement Maintenance	1,117	851	1,059
Unsealed Pavement Maintenance	670	682	635
Routine Drainage Maintenance	759	1,021	720
Structures Maintenance	893	681	847
Environmental Maintenance	558	696	529
Traffic Services Maintenance	536	627	508
Level Crossings	44	36	42
Unsealed Road Metalling - Maintenance Metal	614	622	582
TA and Admin Support	197	191	187
Network Asset Management Subsidised	573	560	543
Emergency Reinstatement	1,340	667	1,270
Non Sub Verge Rural Maintenance	88	54	83
Non Sub Verge Urban Maintenance	46	4	44
Non Sub Tree Removal	5	1	5
Depreciation	5,782	6,559	5,959
Interest	54	45	56
<b>Total Expenses</b>	<b>13,276</b>	<b>13,297</b>	<b>13,069</b>
<b>Operating Surplus/(Deficit)</b>	<b>377</b>	<b>312</b>	<b>3,569</b>

**Comment:** Income is down by \$3 million due to subsidies not being received for the Pahiatua Track. Roadings expenditure is 228,000 lower than budgeted, however, there was an increase in depreciation of \$600,000. Lower subsidies allocated by NZ Transport Agency meant that Council incurred lower expenditure.

## Service Centres

### Description of Activity *WHY WE DO IT*

The Council has four service centres located in the four main townships of the Tararua district. These are as follows:

- Dannevirke, 26 Gordon Street
- Woodville, 45 Vogel Street
- Pahiatua, 136 Main Street
- Eketahuna, 31 Main Street

The Council's principal office is located in Dannevirke. This Service Centre is the primary point of contact for the district and fulfils the primary function of the Council's call centre.

The Woodville service centre operates from the same building as Engineering Services, and Eketahuna is run in conjunction with the library and money exchange.

Pahiatua and Woodville assist with the operation of the Council call centre.

### Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
Access to local services	Providing strategic facilities for public access to the Council.

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

### Level of Service *WHAT WE DO*

Service Centres exist in the four main townships. They provide a social and community role for residents. Customer requests, notification of complaints and faults are logged at all service centres and assigned to the staff member responsible. This can be done in person or via the telephone.

Opening hours are:

#### Dannevirke

Monday to Friday 8:00am–5:00pm

#### Woodville and Pahiatua

Monday to Friday 8:00am–4:30pm

#### Eketahuna

Monday to Friday 10:30am–12:30pm, 1:00pm–4:30pm

We provide a 24 hour, 7 days a week afterhours emergency service. This is accessed via the daytime phone number of any service centre.

### What We Achieved

The implementation of a new phone system that gives us the tools to deliver effective customer service, by monitoring calls waiting and staffing levels.

The implementation of a new customer request reporting system from 2010 through Civica; this will allow us to better serve our customers by capturing more detailed and useful data. Reporting will be more specific as a result of the structure and data captured.

Current and regular information available on both the Council website and staff intranet.

Of the 3,217 service requests logged, 62% of customers were contacted and informed of the progress or final outcome.

### Major 2009-2019 Community Plan Projects

Modify entrance to i-SITE/Library building in Woodville, 2010.

## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>At least 60% of resident population are within 25km of Council service centres.</li> </ul>	ACHIEVED: 94% of residents are within 25km.	✓
<ul style="list-style-type: none"> <li>10 contract action service requests per month meeting customer satisfaction standards.</li> </ul>	ACHIEVED: An average of 165 per month and no complaints were received.	✓

## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Service Centres</b>			
Revenue			
Rates	330	375	374
Fees & Charges	3	3	3
Miscellaneous Revenue	1	-	-
<b>Total Revenue</b>	<b>334</b>	<b>378</b>	<b>377</b>
<b>Expenses</b>			
Dannevirke service centre	151	154	155
Woodville service centre	59	61	61
Pahiatua service centre	93	94	95
Eketahuna service centre	51	52	52
Depreciation	6	8	6
Interest	1	1	1
<b>Total Expenses</b>	<b>361</b>	<b>370</b>	<b>370</b>
<b>Operating Surplus/(Deficit)</b>	<b>(27)</b>	<b>8</b>	<b>7</b>

**Comment:** No material variances to budget were experienced by this activity. Service Centres made a surplus of \$7,000 this year compared to a loss of \$27,000 last year.

# Sewerage

## Description of Activity *WHY WE DO IT*

A number of sewerage systems are located in various towns within the Tararua district. All of the sewerage schemes are owned and administered by the Council.

### Dannevirke, Woodville, Pahiatua & Eketahuna

These are full sewage disposal systems that take effluent from the individual properties via a reticulation network to a treatment plant.

Eketahuna also has approximately 30 properties that are served by a separate system using an imhoff tank to avoid having to pump sewage. Both systems discharge into the Makakahi River.

### Norsewood, Ormondville & Pongaroa

Sewage is pre-treated in septic tanks on individual properties and then reticulated to a two pond oxidation pond system.

All three schemes have a number of pump stations. Ormondville has three and Norsewood and Pongaroa two each.

Council also arranges the emptying of the septic tanks of solid material when this is required.

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A safe community	The health of the community is maintained through the safe disposal of human waste
A sustainable natural environment	The environment is protected and preserved through the treatment of raw sewage

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

To provide continuous collection, transportation, treatment and disposal of sewerage effluent.

## Contingencies

### Reduction in Trade Waste

There are a number of industries within the district that produce significant trade waste, such as the meat processors and wool spinners in Dannevirke. The Council plans to review current trade waste bylaws, so they are more appropriate to current environmental practices. Trade waste bylaws should control the volume and quality of trade waste that enters reticulated systems, to ensure that the reticulation network is not adversely affected.

The Council will review the trade waste disposal systems of all industries within the district to monitor future requirements and ensure environmental policies regarding disposal of waste of met.

### On-site Disposal Verses Reticulated System

Due to the rural nature of the district there are a number of properties served by on-site septic tanks. Where sections are large and permeability rates are good, septic tanks are an acceptable disposal option. However, if water supply aquifers are affected by the septic tanks, alternative solutions may be required.

On-site disposal greatly reduces the demand and cost of providing public systems. However the cost to individual residents in operating on-site systems may be greater. Currently the only community faced with the requirement to upgrade septic tanks is Akitio beach.

### Water Demand Management

A reduction in water consumption will indirectly reduce sewage flows. The Council may wish to implement water conservation policies in the future if demands increase, and reticulation systems are inadequate. Water conservation may prevent the need for costly system upgrades, to meet increased demands.

### Infiltration Control

As reticulated systems age the need to control the quantity of infiltration becomes more important, to reduce the need to increase the capacity of the sewerage system. The Council currently undertakes infiltration surveys and video inspections. These techniques highlight badly deteriorated pipes that require renewing. A renewals programme can then be developed that fixes infiltration problems, and spreads the cost evenly over several years.

## Compliance Monitoring

The Council have a compliance monitoring programme in accordance with the requirements of each resource consent. There was one breach for 1.5 days that related to a chemical non-compliance (DRP: dissolved reactive phosphorus). The impact of this was deemed minor by Horizons Regional Council.

issues in the water and wastewater systems and improve the monitoring of these systems.

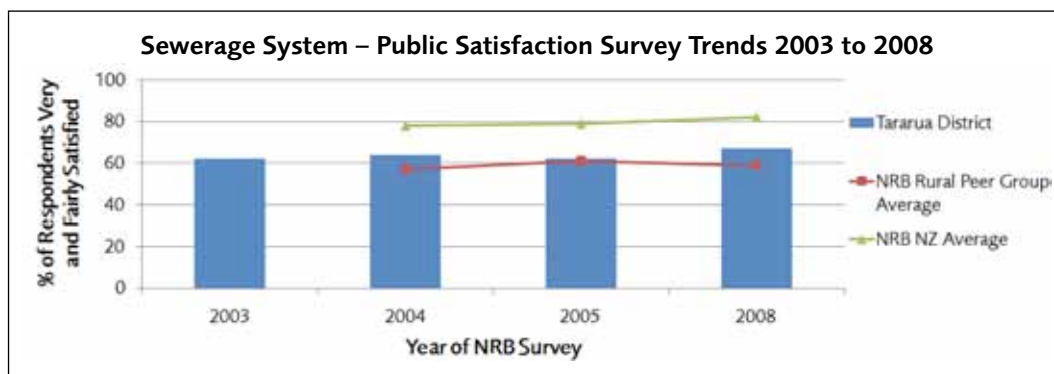
Work has advanced on achieving dissolved reactive phosphorus (DRP) removal from the wastewater treatment plant discharge, and we have successfully been able to reduce the levels to below that stated in the consent. This will be implemented at other plants.

## What We Achieved

Telemetry system upgraded to improve the alarming and early warning system. This will lead to better response times to

## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>The sewerage schemes will comply with the 95% of environmental effects monitoring conditions as defined in the resource consents.</li> </ul>	ACHIEVED: The target of 95% was reached, with the consent breached for 1.5 days in September 2009 in Dannevirke.	✓
<ul style="list-style-type: none"> <li>Less than 20 blockages annually in the sewer mains.</li> </ul>	ACHIEVED: There were 8 blockages.	✓
<ul style="list-style-type: none"> <li>No more than 10% of properties will be affected by overflowing sewer mains more than twice in 5 years.</li> </ul>	ACHIEVED: Less than 0.001% of properties were affected.	✓
<ul style="list-style-type: none"> <li>At least 70% of residents rate sewerage as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2011, 2014, and 2017.</li> </ul>	67% satisfied in the February 2008 survey. No survey was conducted in 2009/10.	N/A
<ul style="list-style-type: none"> <li>Wastewater treatment upgrades will lead to achievement of 95% compliance with our resource consents.</li> </ul>	ACHIEVED: All treatment plants are complying with 99.6% of the conditions. Phosphorus and ammonia levels exceeded specified concentrations on occasions and this is being addressed.	✓
<ul style="list-style-type: none"> <li>Septic tank emptying service for Pongaroa, Ormondville and Norsewood.</li> </ul>	ACHIEVED: Emptying of septic tanks is done on request and recorded. No complaints have been recorded.	✓
<ul style="list-style-type: none"> <li>Public Health Risk Management Plans will be implemented and monitored for each sewerage supply.</li> </ul>	NOT APPLICABLE: Wastewater risk assessments are part of the Asset Management Plan process and are currently underway. Expected completion by end of April 2011.	N/A



## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Sewerage</b>			
<b>Revenue</b>			
Rates	2,224	2,312	2,310
Fees & Charges	61	122	97
Subsidies	-	-	-
Miscellaneous Revenue	3	-	3
<b>Total Revenue</b>	<b>2,288</b>	<b>2,434</b>	<b>2,410</b>
<b>Expenses</b>			
Treatment to provide effective treatment of wastewater	354	303	420
Reticulation sewage disposal for all connected properties	43	37	51
Maintenance to minimise failures & blockages, infiltration of stormwater into sewerage system	118	101	140
Planning & development renewals to ensure future capacity	358	305	425
Telemetry system monitoring to prevent system failures	10	9	12
Depreciation	682	739	716
Interest	326	289	490
<b>Total Expenses</b>	<b>1,891</b>	<b>1,783</b>	<b>2,254</b>
<b>Operating Surplus/(Deficit)</b>	<b>397</b>	<b>651</b>	<b>156</b>

**Comment:** Income from fees was \$25,000 higher than budgeted from an increase in fees from trade waste. Operating expenditure incurred was \$471,000 lower than budgeted because Council spent \$80,000 less on external contractors, and incurred \$200,000 less interest costs on internal loans. Council renegotiated the Infracore contract for the sewage treatment plant at Dannevirke and Woodville, which saved in total \$260,000. Depreciation expense is higher than budget because of the asset revaluation upwards.

### Major 2009-2019 Community Plan Projects

Update Asset Management Plans	2009/10
District telemetry	2009/10
<b>Renewals</b>	
Infiltration (part of operating costs)	10 year period
Infiltration renewal	2009/10
Resource consent renewal – Woodville	2010/11
Dannevirke sewerage treatment plant membrane replacement	2012/13
Dannevirke sewerage treatment plant screen renewal	2015/16
Sewer mains	10 year period

# Solid Waste Management

## Description of Activity *WHY WE DO IT*

The Council carries out four main activities as part of its Solid Waste Management:

- Refuse and Recycling Collection
- Waste Disposal (Landfills and Transfer Stations)
- Street Bins
- Mobile Recycling Centres

### Refuse and Recycling Collection

This activity is the weekly collection of refuse and recycling from properties in both urban and some rural areas of the district

### Landfill and Transfer Stations

#### Landfills

The district's landfills are operated to provide a site for disposal of solid waste for the district's residents. There are landfills operating in Dannevirke, Pahiatua, Eketahuna and Pongaroa. These landfills have resource consents granted by Horizons Regional Council for refuse to be disposed of in suitably constructed areas. These consents expire as listed below:

Landfill	Expiry Date
Dannevirke	30 November 2010
Eketahuna	28 February 2018
Pahiatua	30 November 2010
Pongaroa	30 November 2021

In addition there are closed landfills in Ormondville and Woodville which the Council has responsibility for with regard to leachate discharge into adjacent waterways. These discharges need to be monitored twice a year and an annual report prepared and submitted to Horizons Regional Council. This monitoring and reporting is undertaken in conjunction with similar activities that are required to be undertaken at the operating landfills.

Council is developing a new Refuse Management Plan that reflects the impending expiry of the two Regional Council landfill consents. Council will close the landfills by the end of November 2010. Two temporary sites will be built on the existing landfills while the permanent ones are being built. The refuse will be trucked to neighbouring Central Hawke's Bay for a fee.

#### Transfer Stations

Transfer stations are operated in Woodville and Ormondville to take solid waste from local areas, which is then transferred to an appropriate landfill. These two transfer stations were put in place when the landfills in the local area were closed.

#### Woodville Transfer Station

This transfer station is privately owned and operated under contract to the Council. The operator is responsible for the

transfer station site and transferring the refuse to an approved landfill. The operator collects and retains all the fees charged and is paid by the Council for lease of the transfer station, an hourly rate to operate the transfer station and a rate per cubic metre for transporting the refuse to an approved landfill.

#### Ormondville Transfer Station

This transfer station is constructed on the site of the old landfill at Ormondville. The operator is responsible for the transfer station site and transferring the refuse to an approved landfill. The operator collects and pays to Council all the fees charged and is paid by the Council an hourly rate to operate the transfer station and a rate per load for transporting the refuse to an approved landfill.

#### Street Bins

Street bins are provided for the travelling public and local residents to dispose of solid waste when they are in the commercial areas of the towns. They are not designed for disposal of residential refuse. In addition there are bins provided at Council facilities such as cemeteries, car parks and children's playground. These are administered as part of those activities.

#### Mobile Recycling Centres

Nine mobile recycling centres operate across the district. These mobile recycling centres collect cardboard, paper, plastic, cans and glass. Six locations (Dannevirke, Woodville, Eketahuna, Pahiatua, Norsewood and Pongaroa) have bins continuously onsite and these are monitored daily and emptied when required. Three other locations (Herbertville, Akitio and Weber) have bins onsite for two weeks out of every four weeks. The mobile recycling centres are owned by Cairns Transport Group who pick up the bins and empty them at the Awapuni Recycling Centre.

### Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A sustainable natural environment	The provision of rubbish collection, recycling, transfer stations and land fills ensures that waste is properly disposed of, to sustain our natural environment.
A high standard of infrastructure	The provision of conveniently located rubbish receptacles prevents the incidence of littering in public places.

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

### Refuse and Recycling Collections

#### Weekly Kerbside Collections

Kerbside refuse and recycling collections are undertaken weekly in the urban areas of:

Dannevirke  
Woodville  
Pahiatua  
Eketahuna

Kerbside refuse collections are undertaken weekly in:

Norsewood  
Pongaroa  
Akitio  
Herbertville

#### Weekly Transfer Station Collections

At Makuri, a trailer is left in a fixed location once a week for the day. The local residents are able to place bagged refuse in the trailer which is then taken back to Pahiatua for disposal.

In Alfredton, a wire cage is permanently located there for residents to place bagged refuse in. This is emptied once a week and the refuse taken to Pahiatua for disposal.

### Landfill and Transfer Stations

#### Landfills

The landfills are open to the public for a fixed number of hours per week depending on the population in the local area.

Landfill	Hours open per week
Dannevirke	35.5 summer, 31 winter
Eketahuna	6
Pahiatua	23
Pongaroa	4

### Transfer Stations

The transfer stations are open to the public for the following number of hours per week:

Transfer Station	Hours open per week
Woodville	10
Ormondville	5

### Street Bins

Council provides street refuse bin in the following urban areas:

Transfer Station	Number of Bins	Frequency of Emptying (days per week)
Akitio	12	1
Dannevirke	40	7
Eketahuna	9	5
Herbertville	6	1
Norsewood	9	1
Pahiatua	24	5
Pongaroa	3	1
Woodville	16	5

The work of emptying of the bins is included in other contracts such as street cleaning and various property maintenance contracts to enable a sufficient volume of work to be included in contracts for each area.

### What We Achieved

The sites for the proposed Dannevirke and Pahiatua transfer stations have been approved by Council and the draft drawings are complete.

The four landfills of Dannevirke, Eketahuna, Pahiatua and Pongaroa have passed a compliance inspection with Horizons Regional Council, and from July 2009 have been operating under the \$10 per tonne waste levy, as per the Waste Minimisation Act 2008.

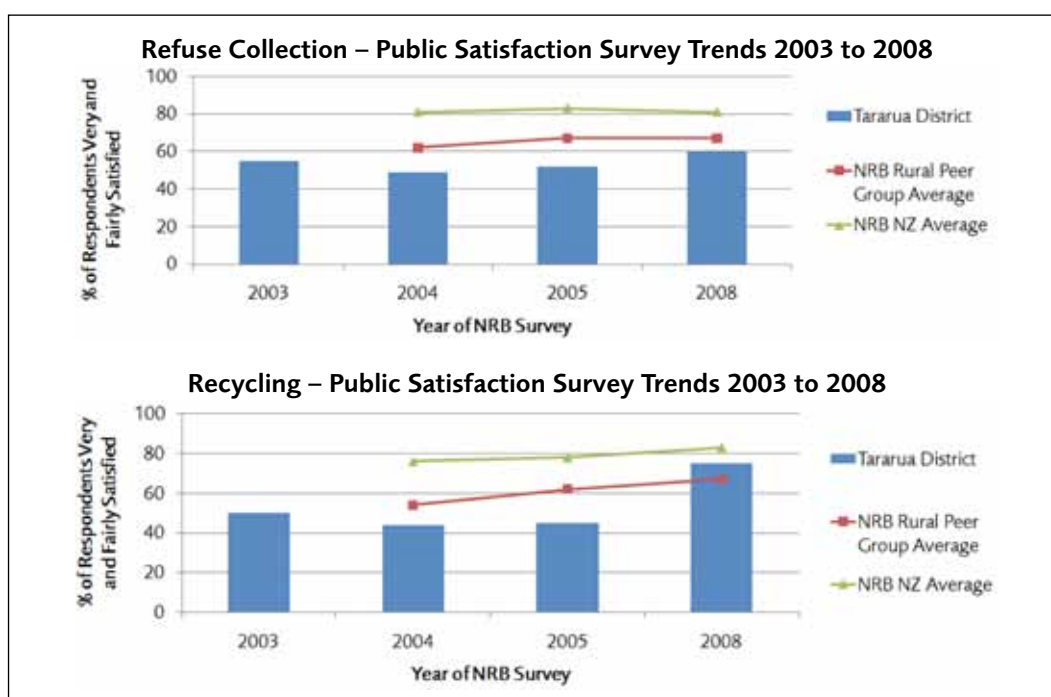
New leachate ponds are complete for the Pahiatua Landfill.

### Major 2009-2019 Community Plan Projects

Pahiatua Transfer Station (including land purchase)	2009–13
Dannevirke Transfer Station	2011–13

## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>At least 60% of residents rate landfill operations as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2011, 2014 and 2017.</li> </ul>	58% were satisfied in February 2008 survey. No survey was conducted in 2009/10.	N/A
<ul style="list-style-type: none"> <li>At least 60% of residents rate urban refuse collection as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2011, 2014 and 2017.</li> </ul>	60% satisfied in February 2008 survey. No survey was conducted in 2009/10.	N/A
<ul style="list-style-type: none"> <li>At least 70% of residents rate recycling services as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2011, 2014 and 2017.</li> </ul>	75% satisfied in February 2008 survey. No survey was conducted in 2009/10.	N/A
<ul style="list-style-type: none"> <li>Aftercare plans for Dannevirke and Pahiatua landfills completed by June 2010.</li> </ul>	NOT ACHIEVED: draft closure plans are under way using the Horizons Regional Council approved guidelines. Final closure plans will be submitted to Horizons for approval in August 2010.	x



## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Solid Waste Management</b>			
<b>Revenue</b>			
Rates	427	601	571
Fees & Charges	967	1,131	1,227
Subsidies		25	66
Miscellaneous Revenue	23	42	3
<b>Total Revenue</b>	<b>1,417</b>	<b>1,799</b>	<b>1,867</b>
<b>Expenses</b>			
Landfills/transfer Stations- Normal Operation	484	534	544
Landfills/transfer Stations- Claims Operation	290	319	325
Refuse collection	135	149	152
Recycling collection	76	83	85
Recycling Bins	280	308	314
Street Bins	45	49	50
Waste levy	217	239	244
Other costs (District, Support costs)	57	63	64
Depreciation	58	71	58
Interest	14	57	18
<b>Total Expenses</b>	<b>1,656</b>	<b>1,872</b>	<b>1,854</b>
<b>Operating Surplus/(Deficit)</b>	<b>(239)</b>	<b>(73)</b>	<b>13</b>

**Comments:** Income is under budget by \$68,000. This is from receiving less fee income of \$96,000 in the form of dump fees from the landfills and less government grants of \$41,000. Other income received was better than planned. Operating expenditure incurred is similar to budget.

# Stormwater Drainage

## Statutory Requirements

The key legislation relating to the management of the stormwater drainage assets is listed below:

- Health Act 1956
- Local Government Act 2002
- The Local Government (Rating) Act 2002
- Building Act 1991
- Water & Soil Conservation Act
- Resource Management Act

The District Plan and Bylaws enacted by Council are also relevant to stormwater management.

## Description of Activity *WHY WE DO IT*

The four main townships in Tararua (Dannevirke, Woodville, Pahiatua and Eketahuna) each have systems based around open waterways.

Location	Drainage Description
Dannevirke	Drainage to the Mangapururu Stream.
Pahiatua	Drainage to the Town Creek Centre Drain and Huxley Street drain.
Woodville & Eketahuna	Drainage is to a number of unnamed drains.

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A safe community	The health and safety of the community is preserved through prevention of flooding that may cause risks to health through contaminated floodwaters, accidents, drowning, and land subsidence.
A high standard of infrastructure	Property is protected from flood damage

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

To provide protection of the community's assets from flooding by providing systems that enable stormwater to dissipate as quickly as practicable.

## Contingencies

Ensuring waterways are clear at all times from rubbish, debris and weed growth so system runs at full capacity with no obstruction during heavy rainfall.

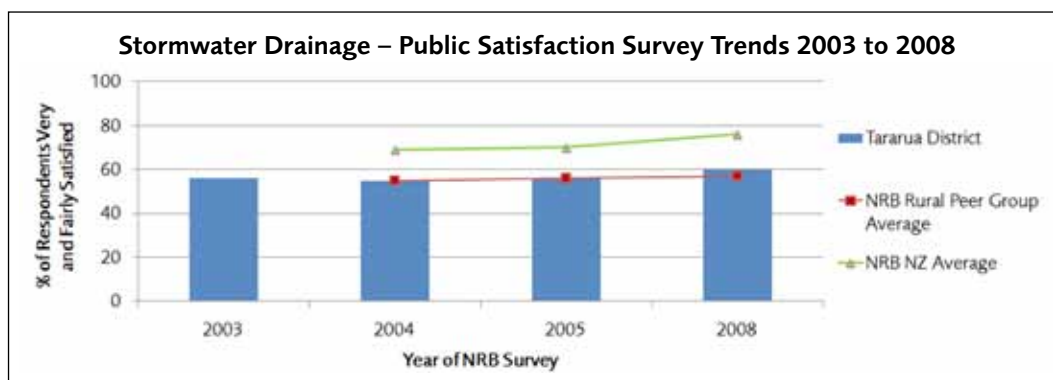
## What We Achieved

Realigned the Mangapururu drain behind Primary Wool's property to mitigate the erosion into the bank occurring.

Asset Management Plans have been prepared. These will allow Council to look forward with a strategic focus, which effectively ensures that funds are spent on the most appropriate project.

### Major 2009-2019 Community Plan Projects

Prepare Asset Management Plan	2009/10
Dannevirke – stormwater upgrade for High/Cole Streets	2009/11
Dannevirke – Mangapururu Stream diversion	2018/19
Woodville – Atkinson/McLean Streets development	2009/10



## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>100% compliance with Horizons Regional Council's resource consent requirements.</li> </ul>	<p>ACHIEVED: No consents are currently required.</p> <p>Implementation of resource consents has been delayed and are due to be introduced over the next two years.</p>	✓
<ul style="list-style-type: none"> <li>Response times meet Service Levels system 80% of the time.</li> </ul>	ACHIEVED: 32 faults were responded to and 96.88% were within the required timeframe.	✓
<ul style="list-style-type: none"> <li>Timeliness of response to system failure measured annually:                             <ul style="list-style-type: none"> <li>Breakages/blockages.</li> <li>Effecting continuity of disposal (immediate anytime 24 hours / 7 days).</li> </ul> </li> </ul>	ACHIEVED: Monthly inspection sheets are filled in by contractors and there has been a reduction in system failures compared to previous years: 15 in 2007/08, six in 2008/09, four in 2009/10.	✓
<ul style="list-style-type: none"> <li>At least 70% of residents rate stormwater drainage as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2011, 2014 and 2017.</li> </ul>	60% satisfied in February 2008 survey. No survey was conducted in 2009/10.	N/A

## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Stormwater/Drainage</b>			
<b>Revenue</b>			
Rates	497	499	498
Fees & Charges	2	2	2
Miscellaneous Revenue	1	-	-
<b>Total Revenue</b>	<b>500</b>	<b>501</b>	<b>500</b>
<b>Expenses</b>			
Reticulation - For the transportation of stormwater	29	32	38
Maintenance - To minimise blockages or surface flooding	43	46	56
Drain Maintenance – maintain clear open waterways	32	34	41
Depreciation	99	194	109
Interest	140	122	145
<b>Total Expenses</b>	<b>343</b>	<b>428</b>	<b>389</b>
<b>Operating Surplus/(Deficit)</b>	<b>157</b>	<b>73</b>	<b>111</b>

**Comment:** Income received is the same as budgeted, expenditure incurred is \$39,000 more than budgeted due to \$85,000 more depreciation charge than budgeted. All other costs are lower than budgeted.

# Swimming Pools

## Description of Activity *WHY WE DO IT*

There are four public swimming pools operating in the district. Eketahuna, Pahiatua and Woodville are outdoor pools operating only in the summer months and with restricted hours, and the Dannevirke pool is a heated indoor complex operating all year round, open all day and into the evening.

Users pay an admission fee, or key fee, which partly covers the operating costs, but Council makes a grant to each pool to assist with operating costs, maintenance and the provision of amenities.

The three outdoor pools are managed by local committees of enthusiastic volunteers. The heated indoor pool is managed by a charitable trust, which, in turn, employs a manager to oversee the facility.

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A safe community	Management of the pools will always be done with safety as the paramount issue
Access to local services	Access to public swimming pools which are in good condition and are attractive to users
A connected community	Swimming pools provide an important facility for sport (competitive or fun) and recreation.

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council

contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

### Outdoor Pools

The pools will operate in the summer months, with opening times that generally suit the local community's requirements.

The pools will always operate within approved standards, presently NZS 5826 (2000).

### Indoor Heated Pool

The heated indoor pool at Dannevirke is operated by the Tararua Aquatic Community Trust (TACT).

As the pool complex is owned by the Trust, they have autonomous control over the pool operations. The land is owned by Council.

The pool will always operate within approved standards.

## What We Achieved

### Woodville

A new filtration pump was installed.

### Eketahuna

The leaks in the main pool have repaired.

### Pahiatua

The leaks in the main pool have repaired.

The filtration pipes from the filtration pump to the new filters have been replaced in the main pool.

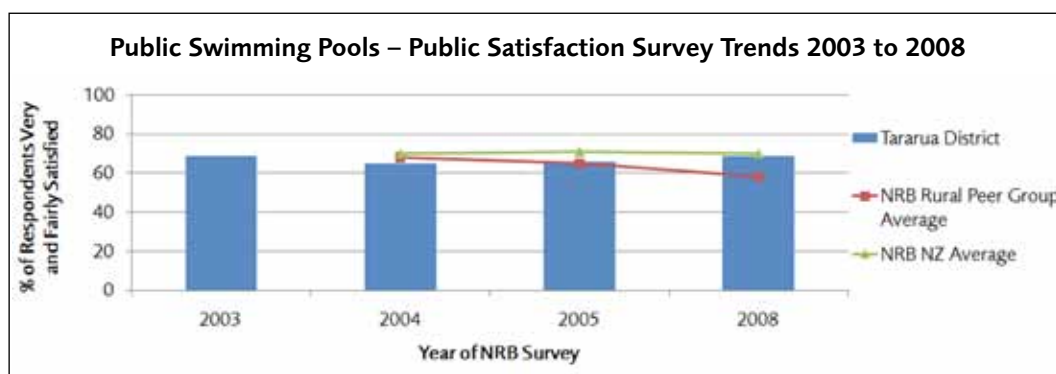
Replacement budgets have been included in the Community Plan for Eketahuna 2012/2013 and Pahiatua 2013/2014.

## Major 2009-2019 Community Plan Projects

Replace Eketahuna pool	2012/13
Replace Pahiatua pool	2013/14
Feasibility study – Bush Multisport	2011/12
Extra maintenance to allow for later replacement of pools than at first envisaged:	
Pahiatua	2009/10 & 2010/11
Eketahuna	2009/10

## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>Community pools comply with New Zealand Swimming Pool Water Standards, as measured weekly, while operational.</li> </ul>	ACHIEVED: Reports from the three outdoor pools indicate compliance with the standard. No complaints received in respect of water quality.	✓
<ul style="list-style-type: none"> <li>No reported health and safety incidents per year at community pools.</li> </ul>	ACHIEVED: No reported health and safety incidents.	✓



## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Swimming Pools</b>			
<b>Revenue</b>			
Rates	355	409	409
Fees & Charges	2	3	1
Interest Revenue*	4	2	-
Miscellaneous Revenue	1	-	1
<b>Total Revenue</b>	<b>362</b>	<b>414</b>	<b>411</b>
<b>Expenses</b>			
Dannevirke Indoor Pool	194	208	191
Woodville Pool	27	37	27
Pahiatua Pool	43	68	42
Eketahuna Pool	30	49	30
Depreciation	33	37	42
Interest	3	3	3
<b>Total Expenses</b>	<b>330</b>	<b>402</b>	<b>335</b>
<b>Operating Surplus/(Deficit)</b>	<b>32</b>	<b>12</b>	<b>76</b>

**Comment:** Income for the year was as budgeted. All expenses incurred were higher than budgeted mainly due to extraordinary maintenance that needed to be done on the pools in Dannevirke, Eketahuna and Pahiatua.

# Water Supplies

## Description of Activity *WHY WE DO IT*

A number of water supplies are located in various towns within the Tararua district. Most of the water schemes are in Council ownership or administered by Council.

Dannevirke, Woodville, Pahiatua, Eketahuna, Akitio, Norsewood (Backup supply) are all managed by the Asset Management division of the Council and maintenance is contracted out.

The Pongaroa, Makuri and Pleckville water schemes are all managed by private water scheme committees.

## Contribution to Community Outcomes

Key Community Outcomes	How the activity contributes
A safe community	The health and safety of the community is maintained through the provision of potable water reticulated within supply areas, as well as providing fire fighting capabilities.
A strong prosperous economy	Industrial, commercial and residential development is supported by the availability of potable water.
A sustainable natural environment	The sustainable use of natural water resources is preserved and promoted through water conservation and metered supplies.

The Community Outcome Monitoring Report on page 29 sets out the first benchmark of progress on the four wellbeings of the community: social, cultural, the environment and economy. These are those things that our community believe are important for us, the people of the Tararua. How Council contributes in its activities towards those outcomes are also explained in full at end of the Financial Statements section.

## Level of Service *WHAT WE DO*

To provide a continuous, uninterrupted, and safe supply of water for commercial and domestic users in urban areas.

## Water Quality and Grading

All water supplies in the district have been given a grade of Ee.

## Contingencies

Demand management involves implementing non asset related solutions to manage the demand for a service. There are a number of non asset solutions that can be implemented to control demand including:

- Water restrictions and rationing
- Water conservation and public education
- Water metering and pricing

- Water leakage detection and repairs
- Private supplies

These solutions are generally implemented when demand exceeds supply, which are currently not an issue for Tararua district. The following demand management strategies are being implemented:

**Water Restrictions and Rationing:** Water restrictions and rationing is an appropriate means of restricting usage when water demand increases above average. It may be appropriate to implement water restrictions in summer when demand increases. If the Council is unable to fund improvements to systems, water restrictions and rationing may be required.

**Water Conservation and Public Education:** As environmental policies are developed by the Council, consideration should be given to develop water conservation policies. By educating the population about the benefits of conserving water and restricting wastage the Council may reduce demand and avoid the costly expense of upgrading infrastructure assets. Council is required to have a Water Conservation Strategy for Pahiatua as a condition of the water take consent. As at 25 June 2010 the Council was non-compliant as one was not in place. Horizons Regional Council have been provided with a draft document for their review in July 2010.

**Water Metering and Pricing:** The Council is currently implementing a water metering strategy which will include the installation of water meters at industrial sites. By metering water users the Council is able to more accurately assess demand and apply more realistic charges for the service provided. Water meters also make users more aware of how much water they consume and aid water conservation programmes.

**Water Leakage, Control Detection and Repairs:** The older water supply networks are the more relevant leakage control, detection and repairs become. Councils can save a significant amount of money by implementing leak detection programmes, through reduced demand and restricting lost income. The Council currently does not have a leak detection strategy but may need to develop one in the future as water supply networks age and deteriorate. Leak detection and control is important even if the Council can meet current demand.

**Private Supplies:** Due to the rural nature of the district a number of private supplies exist. This restricts the need for Council to serve the whole district. When more 'lifestyle' blocks develop in the district near urban centres there may be an increased demand for Council to extend public systems to serve increased development. The Council needs to consider these issues when approving subdivisional plans, including industrial development.

**Restricted Supplies:** In rural or rural-residential areas where the cost per user of installing a reticulated supply is high, a restricted supply with on-site tanks can reduce the system's capital and operational costs. If demand for public reticulated supplies increases in the district, more restricted supplies may be necessary.

## What We Achieved

Telemetry system upgraded to improve the alarming and early warning system. This will lead to better response times to issues in the water and waste water systems and improve the monitoring of these systems.

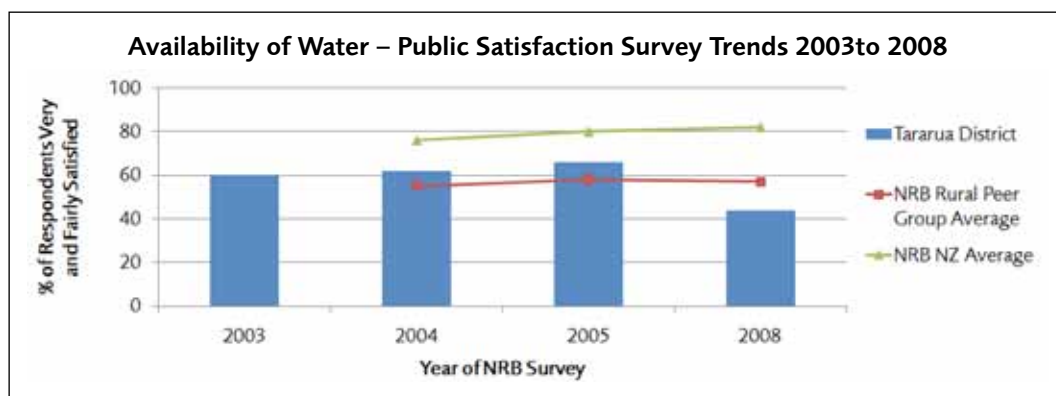
New impounded Dannevirke storage site agreed. Draft design finished and landowner agreement completed.

Installed a new flow meter and rebuilt the rock weir in Eketahuna to enhance the intake structure to provide better water management.

The Water Asset Management Plan was updated in March 2010 for input into the 2010/11 Annual Plan. The Asset Management Plan covers the period from 1 July 2009 to 30 June 2019. This gives Council the ability to align condition assessment renewals to deliver the agreed level of service.

## Performance Against Objectives

Performance Measure	Achievement	Target
<ul style="list-style-type: none"> <li>Hydrants tested meet 80% Code of Practice requirements.</li> </ul>	ACHIEVED: 10% of hydrants have been tested and met the requirements 100% of the time.	✓
<ul style="list-style-type: none"> <li>Response times meet service levels: <ul style="list-style-type: none"> <li>Emergencies: 1 hour 95% of time.</li> <li>Non-urgent faults: 24 hours 90% of time.</li> <li>Leaking tobies: 3 days 80% of time.</li> <li>New connections: 10 days 90% of time.</li> </ul> </li> </ul>	ACHIEVED	✓
	ACHIEVED	✓
	ACHIEVED	✓
	ACHIEVED	✓
<ul style="list-style-type: none"> <li>At least 70% of residents rate water supplies as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2011, 2014, 2017.</li> </ul>	44% satisfied in February 2008. The summer drought led to total hosing bans on all water supplies raising concerns over the availability of water, at the time of the survey.	N/A
<ul style="list-style-type: none"> <li>Public Health Risk Management Plans will be implemented for each water supply.</li> </ul>	ACHIEVED: The Pahiatua plan is complete. The other plans are in draft form and will be completed over the next few years, as per the three year extension granted by the Ministry of Health.	✓
<ul style="list-style-type: none"> <li>Improve the current gradings of public supplies until funding is secured for upgrades to the New Zealand Drinking Water Standards.</li> </ul>	NOT ACHIEVED: Council is currently developing a water quality upgrade strategy to be funded either internally or via a Government subsidy. Mandatory compliance with drinking water standards has been deferred for three years by the Government.	x
<ul style="list-style-type: none"> <li>Water treatment upgrades for supplies that gain Government subsidy achieve a minimum of B grade by 2013/14 as per New Zealand Drinking Water Standards.</li> </ul>	NOT ACHIEVED: Funding not yet approved.	x



## Statement of Cost of Services

For the Year Ended 30 June 2010

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
<b>Water Supplies</b>			
<b>Revenue</b>			
Rates	1,084	1,200	1,196
Fees & Charges	422	493	553
Subsidies	-	-	1,425
Interest Revenue	8	5	-
Miscellaneous Revenue	2	-	3
<b>Total Revenue</b>	<b>1,516</b>	<b>1,698</b>	<b>3,177</b>
<b>Expenses</b>			
Treatment to provide safe, potable water	297	275	294
Reticulation water to all connected properties	107	99	106
Maintenance to minimise failures in quality and supply	253	232	250
Planning and development to ensure future capacity	156	144	154
Telemetry system monitoring to prevent system failures	32	30	32
Depreciation	855	948	898
Interest	75	78	117
<b>Total Expenses</b>	<b>1,775</b>	<b>1,806</b>	<b>1,851</b>
<b>Operating Surplus/(Deficit)</b>	<b>(259)</b>	<b>(108)</b>	<b>1,326</b>

**Comment:** Income is well below budget due to a planned subsidy of \$1.4 million for the Pahiatua water system upgrade that did not go ahead so was not received. This upgrade should go ahead next year. Operating costs were lower than budgeted mainly due, again, to the Pahiatua project not going through. Depreciation costs are higher than budgeted due to the fixed asset revaluation upwards meaning we can claim more depreciation.

### Major 2009-2019 Community Plan Projects

All water supplies will need significant capital investment to meet the 2005 drinking water standards. Approximately \$4 million is programmed from 2009/10 to 2012/13 for this work and will only proceed if subsidised by central government.

Proposed projects in the programme are:

Update Asset Management Plans	2009/10
Water treatment plant upgrades	
• Pahiatua	2009/10
• Akitio	2012/13
• Woodville	2010/11
• Dannevirke filtration and water storage (impounded supply)	2012/13
• Eketahuna filtration	2010/11
• Ground based water investigation	2009/10 and 2012/13



# Financial Statements





# Consolidated Statement of Comprehensive Income

## For the Year Ended 30 June 2010

	Note	2008/09 Actual \$000's	2009/10 Council Actual \$000's	Council Full Year Plan \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated Actual \$000's
<b>Income</b>						
Rates	2	15,984	16,521	16,511	15,974	16,514
Grants and Subsidies		7,608	7,425	12,710	7,615	7,451
Fees and Charges		2,893	3,284	3,437	35,167	32,663
Finance Income	3	791	463	503	810	483
Dividends and Subvention		221	3	377	6	3
Other Revenue	4	793	258	214	833	295
Forestry Sales		1	62		139	162
<b>Total operating revenue</b>		<b>28,291</b>	<b>28,016</b>	<b>33,752</b>	<b>60,544</b>	<b>57,571</b>
<b>Expenditure</b>						
Other Operating Expenses	8	13,845	12,771	13,372	27,330	26,416
Depreciation and amortisation	16	8,912	10,254	9,148	10,993	12,450
Personnel Costs	6	3,887	4,116	3,927	19,410	18,928
Finance Costs	3	791	758	1,012	1,232	990
<b>Total operating expenditure before asset gains/losses</b>		<b>27,435</b>	<b>27,899</b>	<b>27,459</b>	<b>58,965</b>	<b>58,784</b>
<b>Operating surplus/(deficit) before asset gains/losses</b>		<b>856</b>	<b>117</b>	<b>6,293</b>	<b>1,579</b>	<b>(1,213)</b>
Other asset gains/(losses)	5	(3,127)	(155)	-	(3,168)	100
<b>Operating surplus/(deficit) before tax</b>		<b>(2,271)</b>	<b>(38)</b>	<b>6,293</b>	<b>(1,589)</b>	<b>(1,113)</b>
Less Taxation Expense/Plus Refund	9	-	-	-	228	(98)
<b>Surplus/(deficit) after tax</b>		<b>(2,271)</b>	<b>(38)</b>	<b>6,293</b>	<b>(1,817)</b>	<b>(1,015)</b>
<b>Surplus/(deficit) attributable to:</b>						
Parent Interest (Taranua District Council)	22	(2,271)	(38)	6,293	(1,993)	(609)
Minority Interest			-	-	176	(406)
<b>Surplus/(deficit) for the period</b>		<b>(2,271)</b>	<b>(38)</b>	<b>6,293</b>	<b>(1,817)</b>	<b>(1,015)</b>
<b>Other Comprehensive Income</b>						
Gains/(losses) on Infrastructure assets revaluation	23	16,983	33,757	59,873	16,903	33,844
<b>Other Comprehensive Income Sub-total</b>		<b>16,983</b>	<b>33,757</b>	<b>59,873</b>	<b>16,903</b>	<b>33,844</b>
<b>Total Comprehensive Income</b>		<b>14,712</b>	<b>33,719</b>	<b>66,166</b>	<b>15,086</b>	<b>32,829</b>

These Statements should be read in conjunction with the Notes to the Financial Statements.

# Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2010

		2008/09 Actual \$000's	2009/10 Council Actual \$000's	Council Full Year Plan \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated Actual \$000's
	Note					
<b>Balance at 1 July</b>		<b>753,452</b>	<b>768,164</b>	<b>755,850</b>	<b>768,791</b>	<b>783,807</b>
Total comprehensive income previously reported		14,712	33,719	66,166	15,086	32,829
Dividends to non-controlling interest		-	-	-	(70)	-
<b>Total Balance at 30 June</b>	<b>22</b>	<b>768,164</b>	<b>801,883</b>	<b>822,016</b>	<b>783,807</b>	<b>816,636</b>
<b>Total comprehensive income attributable to:</b>						
Tararua District Council		14,712	33,719	66,166	14,910	33,235
Non-controlling interests		-	-	-	176	(406)
<b>Total comprehensive income</b>		<b>14,712</b>	<b>33,719</b>	<b>66,166</b>	<b>15,086</b>	<b>32,829</b>

These Statements should be read in conjunction with the Notes to the Financial Statements.

# Consolidated Statement of Financial Position

As at 30 June 2010

	Note	Council Actual 2008/09 \$000's	Council Actual 2009/10 \$000's	Council Plan 2009/10 \$000's	Consolidated 2008/09 \$000's	Consolidated 2009/10 \$000's
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalent	1	1,876	2,233	2,408	2,106	2,951
Debtors and other receivables	10	3,202	2,485	2,853	8,445	6,789
Other financial assets	13	7,259	8,701	11,339	7,362	8,808
Inventories	12	38	26	22	2,147	2,111
Refund of taxation due		-	-	-	165	89
<b>Total Current Assets</b>		<b>12,375</b>	<b>13,445</b>	<b>16,622</b>	<b>20,225</b>	<b>20,748</b>
<b>Non-Current Assets</b>						
Other financial assets	13	6,167	6,154	5,148	1,151	1,137
Debtors and other receivables	10	13	-	41	-	-
Investment Property	14	442	430	416	-	-
Forestry Assets	11	-	-	-	769	1,008
Intangible Assets	17	54	278	29	890	904
Property, Plant & Equipment – Operational	16	28,921	27,943	22,743	50,339	47,390
Property, Plant & Equipment – Infrastructure	16	729,800	762,156	793,545	729,800	762,156
Property, Plant & Equipment – Restricted	16	5,254	5,254	3,274	5,254	5,254
<b>Total Non-Current Assets</b>		<b>770,651</b>	<b>802,215</b>	<b>825,196</b>	<b>788,203</b>	<b>817,849</b>
<b>Total Assets</b>		<b>783,026</b>	<b>815,660</b>	<b>841,818</b>	<b>808,428</b>	<b>838,597</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Creditors and other payables	18	3,366	2,448	3,211	5,594	4,728
Cash and cash equivalent (overdraft)		-	-	-	13	-
Borrowings – current	21	3,022	2,023	4,000	4,345	4,042
Employee entitlements	7	315	392	365	2,145	2,200
Provision for dividend		-	-	-	34	-
Provision – site restoration		-	-	-	60	60
<b>Total Current Liabilities</b>		<b>6,703</b>	<b>4,863</b>	<b>7,576</b>	<b>12,191</b>	<b>11,030</b>
<b>Non-Current Liabilities</b>						
Borrowings – non current	21	7,023	8,000	11,118	9,043	8,000
Employee entitlements	7	128	117	201	413	375
Tenant contributions	15	550	547	608	550	547
Provision for Landfill Aftercare	19	458	250	299	458	250
Deferred tax liability		-	-	-	1,966	1,759
<b>Total Non-Current Liabilities</b>		<b>8,159</b>	<b>8,914</b>	<b>12,226</b>	<b>12,430</b>	<b>10,931</b>
<b>Total Liabilities</b>		<b>14,862</b>	<b>13,777</b>	<b>19,802</b>	<b>24,621</b>	<b>21,961</b>

	Note	Council Actual 2008/09 \$000's	Council Actual 2009/10 \$000's	Council Plan 2009/10 \$000's	Consolidated 2008/09 \$000's	Consolidated 2009/10 \$000's
<b>Equity</b>						
Accumulated Funds	22	369,226	368,021	372,941	376,959	375,174
Asset Revaluation Reserves	23	389,236	422,914	433,635	390,974	424,718
Special Funded Reserves	24	9,672	10,918	15,407	9,672	10,918
Trust Funds	25	30	30	33	30	30
Minority Interest		-	-	-	6,172	5,796
<b>Total Equity</b>		<b>768,164</b>	<b>801,883</b>	<b>822,016</b>	<b>783,807</b>	<b>816,636</b>
<b>Total Liabilities and Equity</b>		<b>783,026</b>	<b>815,660</b>	<b>841,818</b>	<b>808,428</b>	<b>838,597</b>

These Statements should be read in conjunction with the Notes to the Financial Statements

# Consolidated Statement of Cash Flows

For the Year Ended 30 June 2010

	Note	2008/09 Council Actual \$000's	2009/10 Council Actual \$000's	2009/10 Council Plan \$000's	2008/09 Consolidated Actual \$000's	2009/10 Consolidated Actual \$000's
<b>Cash Flows from Operating Activities</b>						
<b>Cash was provided from:</b>						
Rates		15,786	16,363	16,511	15,775	16,356
Grants and subsidies		7,238	8,108	12,710	7,244	8,137
Fees, charges and other receipts (incl Donations)		3,360	3,556	3,437	34,168	36,061
Interest received		880	395	503	887	426
Dividends & subvention payment received		445	218	377	7	219
Income tax refunds		-	-	-	1	-
Other Revenue		-	-	214	-	-
		<b>27,709</b>	<b>28,640</b>	<b>33,752</b>	<b>58,082</b>	<b>61,119</b>
<b>Cash was applied to:</b>						
Suppliers		(13,512)	(12,879)	(13,372)	(39,981)	(42,841)
Employee benefit costs		(4,010)	(4,050)	(3,927)	(4,214)	(4,081)
Interest paid		(815)	(759)	(1,012)	(1,293)	(992)
Income tax payments		-	-	-	(2)	(2)
GST payments		(130)	(898)	-	(148)	(814)
		<b>(18,467)</b>	<b>(18,586)</b>	<b>(18,311)</b>	<b>(45,638)</b>	<b>(48,730)</b>
<b>Net Cash inflow (outflow) from operating activities</b>	<b>26</b>	<b>9,242</b>	<b>10,054</b>	<b>15,441</b>	<b>12,444</b>	<b>12,469</b>
<b>Cash Flows from Investing Activities</b>						
<b>Cash was provided from:</b>						
Proceeds from sale of property, plant and equipment		19	5	-	23	55
Proceeds from investment property		-	-	-	-	-
Proceeds from investments realised		11,818	16,111	-	11,796	16,090
		<b>11,837</b>	<b>16,116</b>	<b>-</b>	<b>11,819</b>	<b>16,145</b>
<b>Cash was applied to:</b>						
Purchase of property, plant and equipment		(10,996)	(8,142)	(15,099)	(11,920)	(8,334)
Purchase of Intangible assets		(62)	(106)	-	(166)	(357)
Purchase of investments*		(12,757)	(17,540)	-	(12,860)	(17,544)
		<b>(23,815)</b>	<b>(25,788)</b>	<b>(15,099)</b>	<b>(24,946)</b>	<b>(26,235)</b>
<b>Net cash inflow (outflow) from investing activities</b>		<b>(11,978)</b>	<b>(9,672)</b>	<b>(15,099)</b>	<b>(13,127)</b>	<b>(10,090)</b>
<b>Cash Flows from Financing Activities</b>						

	Note	2008/09 Council Actual \$000's	2009/10 Council Actual \$000's	2009/10 Council Plan \$000's	2008/09 Consolidated Actual \$000's	2009/10 Consolidated Actual \$000's
<b>Cash was provided from:</b>						
Proceeds from borrowings		5,000	3,000	687	5,000	3,000
Tenant contributions received		-	-	-	-	-
		<b>5,000</b>	<b>3,000</b>	<b>687</b>	<b>5,000</b>	<b>3,000</b>
<b>Cash was applied to:</b>						
Dividend paid		-	-	-	(701)	(170)
Tenant contributions repaid		(58)	(3)	-	(58)	(3)
Repayment of borrowings		(5,022)	(3,022)	-	(8,194)	(4,348)
		<b>(5,080)</b>	<b>(3,025)</b>	<b>-</b>	<b>(8,953)</b>	<b>(4,521)</b>
<b>Net cash inflow (outflow) from financing activities</b>		<b>(80)</b>	<b>(25)</b>	<b>687</b>	<b>(3,953)</b>	<b>(1,521)</b>
<b>Net increase (decrease) in cash held</b>		<b>(2,816)</b>	<b>357</b>	<b>1,029</b>	<b>(4,636)</b>	<b>858</b>
Total cash resources at start of the year		4,692	1,876	1,379	6,729	2,093
<b>Total cash resources at end of the year</b>	<b>1</b>	<b>1,876</b>	<b>2,233</b>	<b>2,408</b>	<b>2,093</b>	<b>2,951</b>

These Statements should be read in conjunction with the Notes to the Financial Statements

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

# Statement of Commitments and Operating Leases (Council)

As at 30 June 2010

Council was committed to the following projects at year end:

2008/09		Council \$000's	Council \$000's	Council \$000's	Council \$000's	2009/10 Council \$000's
Council \$000's		< 1 Year	1-2 Years	2-5 Years	> 5 Years	Total
<b>Council Capital Commitments</b>						
-	Footpath rehabilitation	-	-	-	-	-
112	Administration	112	-	-	-	112
87	Minor safety	220	-	-	-	220
186	Seal extension – Coast Road	-	-	-	-	-
23	RAMM condition rating	-	-	-	-	-
62	Bridge painting	-	-	-	-	-
134	Bridge structural repairs	-	-	-	-	-
130	Syme Road bridge N-35	-	-	-	-	-
80	Bridge E-116 walkway	-	-	-	-	-
163	Bridge structure painting	-	-	-	-	-
21	Ormond Transfer Station	21	-	-	-	21
-	Minor improvements (Miller/Denmark St roundabout)	45	-	-	-	45
-	Woodville sewage treatment plant upgrade	-	-	-	-	-
-	Eketahuna sewage treatment plant upgrade	-	-	-	-	-
371	Pavement rehabilitation southern	200	-	-	-	200
467	Pavement rehabilitation northern	200	-	-	-	200
-	Dannevirke Town Centre Refurbishment	-	-	-	-	-
<b>1,836</b>	<b>Total Capital Commitments</b>	<b>798</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>798</b>
<b>Council Operating Commitments</b>						
166	Administration	530	618	771	-	1,919
345	Facilities management contracts	190	86	216	-	492
540	Tararua Aquatic Community Trust	180	180	-	-	360
740	Community services maintenance	638	84	-	-	722
1,379	Infrastructural maintenance non-subsidised	4,539	3,995	3,940	-	12,474
-	Infrastructural maintenance subsidised	-	-	-	-	-
1,701	Infrastructural maintenance refuse	648	276	161	-	1,085
63	Civil Defence	-	-	-	-	-
135	Sport Manawatu	45	45	-	-	90
40	Woodville Districts' Vision	28	-	-	-	28
51	Pahiatua on Track	40	-	-	-	40
60	Pahiatua Swimming Pool	20	20	-	-	40
42	Woodville Swimming Pool	14	14	14	-	42
42	Eketahuna Swimming Pool	14	14	-	-	28
<b>5,304</b>	<b>Total Operating Commitments</b>	<b>6,886</b>	<b>5,332</b>	<b>5,102</b>	<b>-</b>	<b>17,320</b>

These Statements should be read in conjunction with the Notes to the Financial Statements.

### Operating Leases as Lessor (Taranua District Council as a landlord)

Council leases its investment property and land under operating leases. These leases all have rent renewal dates within 5 years from 30 June 2010.

The future aggregate minimum lease payments to be collected under non- cancellable operating leases are as follows:

2008/09		Council \$000's	Council \$000's	Council \$000's	Council \$000's	2009/10 Council \$000's
Council \$000's		< 1 Year	1-2 Years	2-5 Years	> 5 Years	Total
172	Council lease commitments receivable	141	31	-	-	172
85	Consolidated lease commitments receivable	55	30	-	-	85

No contingent rents have been recognised in the statement of financial performance during the period.

# Statement of Commitments and Operating Leases (Consolidated)

## As at 30 June 2010

Council & its related entities were committed to the following projects at year end:

2008/09 Consolidated \$000's		\$000's < 1 Year	Consolidated \$000's 1-2 Years	\$000's 2-5 Years	\$000's >5 Years	2009/10 \$000's Total
<b>Consolidated Capital Commitments</b>						
-	Footpath Rehabilitation	-	-	-	-	-
112	Administration	388	-	-	-	388
87	Minor Safety	220	-	-	-	220
186	Seal Extension - Coast Road	-	-	-	-	-
23	RAMM Condition Rating	-	-	-	-	-
62	Bridge painting	-	-	-	-	-
134	Bridge structural repairs	-	-	-	-	-
130	Syme Road Bridge N-35	-	-	-	-	-
80	Bridge E-116 Walkway	-	-	-	-	-
21	Ormond Transfer Station	21	-	-	-	21
-	Minor Improvements (Miller/Denmark St Roundabout)	-	-	-	-	-
-	Woodville STP Upgrade	-	-	-	-	-
-	Eketahuna STP Upgrade	-	-	-	-	-
-	Pavement Rehabilitation Southern	200	-	-	-	200
-	Pavement Rehabilitation Northern	-	-	-	-	-
-	Dannevirke Town Centre Refurbishment	-	-	-	-	-
<b>835</b>	<b>Total Capital Commitments</b>	<b>829</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>829</b>
<b>Consolidated Operating Commitments</b>						
1,223	Administration	853	618	771	432	2,674
345	Facilities Management Contracts	190	86	216	-	492
-	Tararua Aquatic Community Trust	180	180	-	-	360
394	Community Services Maintenance	362	84	-	-	446
723	Infrastructural Maintenance Non subsidised	479	55	-	-	534
-	Infrastructural Maintenance Subsidised	-	-	-	-	-
63	Civil Defence	-	-	-	-	-
135	Sports Manawatu	45	45	-	-	90
40	Woodville Districts' Vision	28	-	-	-	28
51	Pahiatua on Track	40	-	-	-	40
60	Pahiatua Swimming Pool	20	20	-	-	40
42	Woodville Swimming Pool	14	14	14	-	42
42	Eketahuna Swimming Pool	14	14	-	-	28
<b>3,118</b>	<b>Total Operating Commitments</b>	<b>2,225</b>	<b>1,116</b>	<b>1,001</b>	<b>432</b>	<b>4,774</b>

# Statement of Accounting Policies

## for the Year Ended 30 June 2010

### Reporting Entity

Tararua District Council is a New Zealand territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

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

The group consists of Tararua District Council, its subsidiaries. They are domiciled and incorporated in New Zealand.

Their ownership and objective are:

- TDC Holdings Limited (100% owned subsidiary) – profit orientated entity
- Tararua Forest Limited (100% owned subsidiary) – profit orientated entity
- Infracon Limited (66% owned subsidiary) – profit orientated entity
- Manawatu-Wanganui LASS Limited (14% owned investment) – public benefit entity
- Tararua Aquatic Community Trust (subsidiary established in New Zealand by Council as Settlor and controlled by virtue of financing) – public benefit entity

The financial statements of Council are for the year ended 30 June 2010. The financial statements were authorised for issue by Council on 27 October 2010.

### Basis of Preparation

#### Statement of Compliance

The financial statements of Council and the group have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

#### Measurement Base

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

### Functional and Presentation Currency

The financial statements are presented in the functional currency, which is New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$'000).

### Fundamental uncertainty about the validity of the going concern basis on which the financial statements and performance information have been prepared

In forming their opinion for Infracon, Audit New Zealand considered the adequacy of the disclosures made in notes about the use of the going concern basis upon which the financial statements and performance information have been prepared. That assumption depends on:

- the Company's bank continuing to support the Company; and
- the Company's ability to meet its financial forecasts.

The auditors had consider the disclosures to be adequate as the outcome of the bank's continued support and the ability of the Company to meet its financial forecasts is uncertain at this stage. The validity of the going concern basis upon which the financial statements and performance information are prepared depends on continuing support from the bank, and the Company meeting its financial forecasts.

If Infracon was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the Statement of Financial Position. In addition, Infracon may have to provide for further liabilities that might arise, and to re-classify non-current assets and liabilities as current assets and liabilities.

### Breach of Law

Section 67 of the Local Government Act 2002 requires that within three months after the end of the financial year, the directors of a Council Controlled Trading Organisation must deliver to the shareholders and make available to the public, a report on the Company's operations during that year. This requirement was not achieved due to delays in finalising the audit process.

### Changes in Accounting Policies

There have been no changes in accounting policies during the financial year.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Council and group has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

- NZ IAS 1 'Presentation of Financial Statements (revised 2007)' replaces NZ IAS 1 'Presentation of Financial Statements (issued 2004)' and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated based on shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The revised standard gives the Council and the group the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). The Council and the group will adopt this standard for the year ending 30 June 2010, and has decided to prepare a single statement of comprehensive income. Financial statement information for the year ended 30 June 2009 has been restated accordingly. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.
- Amendments to NZ IFRS 7 'Financial Instruments: Disclosures'. The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk. The transitional provisions of the amendment do not require disclosure of comparative information in the first year of application. The Council and group has elected to disclose comparative information.
- NZ IAS 24 'Related Party Disclosures (Revised 2009)' replaces NZ IAS 24 'Related Party Disclosures (Issued 2004)'. The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. Council and group has elected to early adopt the revised standard and its effect has been to disclose further information about commitments between related parties.

#### **Standards, amendments and interpretations issued, but not yet effective, and not been early adopted**

NZ IFRS 9 'Financial Instruments' will eventually replace NZ IAS 39 'Financial Instruments: Recognition and Measurement'. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics

of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. Council has not yet assessed the effect of the new standard and expects it will not be early adopted.

## **Basis of Consolidation of Subsidiaries**

The consolidated financial statements are prepared adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

Council's investment in its subsidiaries are carried at cost in the Council's own "parent entity" financial statements.

## **Subsidiaries**

Council consolidates its subsidiaries in the group financial statements all entities where Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiaries.

This power exists where Council:

- Controls the majority voting power on the governing body, or
- Where such policies have been irreversibly predetermined by Council e.g. in being settlor to a Trust and involved in determining the Trust Deed, or
- Where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

The cost of a business combination is measured as the aggregate of:

- the consideration transferred, which is generally measured at acquisition date fair value;
- the amount of any non-controlling interest measured at either fair value or the non-controlling interest in the fair value of the net identifiable assets of the acquiree; and
- the acquisition date fair value of the previously held equity interest in the acquiree, if any.

Any excess of the cost of the business combination over Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the surplus or deficit.

## **Associates**

Associates are entities over which Council has significant influence but not control and are neither subsidiaries nor joint venture interests.

The Council does not currently have any associates.

Investments in associates are recorded in the financial statements using the equity method and are initially recognised at cost in the parent financial statements. The carrying amount is increased or decreased to recognise Council's share of the surplus or deficit in the associate after the date of acquisition. Council and group's share of the surplus or deficit in the associate is recognised in surplus or deficit. Distributions from associates are recognised in the parent's financial statements, while in the consolidated financial statements they reduce the carrying amount of the investment.

If the share of deficits of an associate equals or exceeds its interest in the associate, Council and group discontinues recognising its share of further deficits. After Council and group's interest is reduced to zero, additional deficits are provided for, and liability is recognised, only to the extent that the Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, Council and group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where Council and group transacts with an associate, surplus or deficits are eliminated to the extent of Council and group's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

## Investments

The Manawatu-Wanganui Local Authority Shared Services Limited (MW LASS) is an investment of the Council.

## Revenue (NZ IAS 18)

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

### Rates Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced quarterly within the financial year to which the rates have been set. Rates revenue is recognised when payable.

### Contribution Revenue

Development contributions and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise development contributions and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

### Government Grants

Council receives government grants from New Zealand Transport Agency, which subsidises part of Council's costs in providing the local roading infrastructure services. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

## Provision of Services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

## Vested Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.

## Commission

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

## Dividends

Dividends are recognised when the right to receive payment has been established.

## Interest Revenue

Interest revenue is recognised using the effective interest method.

## Construction Contracts (NZ IAS 11)

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

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

An expected loss on construction contracts is recognised immediately as an expense in the surplus of deficit.

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

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

## Borrowing Costs (NZ IAS 23)

Council has deferred the adoption of NZ IAS 23 'Borrowing Costs' in accordance with its transactional provision applicable to public benefit entities. Consequently all borrowing costs

are recognised as an expense in the period that they are incurred.

## Grant Expenditure

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

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

## Foreign Currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus or deficit.

## Income Tax (NZ IAS 12)

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted at balance date.

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

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects to recover or settle the carrying amount of its assets and liabilities.

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

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

Current tax and deferred tax is recognised against the surplus or deficit for the period except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

## Leases (NZ IAS 17)

### Finance Leases

Currently the Council parent has no finance leases.

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

At the commencement of the lease term, Council will recognise finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

### Operating Leases

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

## Cash and Cash Equivalents (NZ IAS 7)

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts where applicable are shown within borrowings in current liabilities in the statement of financial position.

## Debtors and Other Receivables (NZ IFRS 7, NZ IAS 39)

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

## Inventories (NZ IAS 2)

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at the lower of cost, adjusted, when applicable, for any loss of service potential. Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

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

The write down from cost to current replacement cost or net realisable value is recognised in the surplus or deficit in the period of the write-down.

## Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

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

Council and group classifies its financial assets into the following categories: fair value through surplus or deficit, held-to-maturity investments, loans and receivables and fair value through other comprehensive income. The classification depends on the purpose for which the instruments were acquired. Management determines the classification of its investments at initial recognition.

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

- **Held to maturity investments**

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

- **Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date or if debt instrument is not expected to be realised within 12 months of balance date. Council and group includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

Council's investments in its subsidiary and associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 'Consolidated and Separate Financial Statements' and NZ IAS 28 'Investments in Associates') whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value, with gains and losses recognised directly in other comprehensive income except for impairment losses, which are recognised in the surplus or deficit. On derecognition the cumulative gain or loss previously recognised in equity is recognised in other comprehensive income is reclassified from equity to surplus or deficit.

- **Financial assets at fair value through surplus or deficit**

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

## Impairment of Financial Assets (NZ IAS 39)

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

## Loans and Other Receivables

Impairment of a loan or a receivable is established when there is objective evidence that Council and group will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that the Council will not be able to collect amounts due to the original terms of the instrument.

- **Financial assets at fair value through other comprehensive income**

For equity investments classified as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to surplus or deficit.

## Non-Current Assets Held for Sale (NZ IFRS 5)

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, rather than continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

## Property, Plant and Equipment (NZ IAS 16)

Property, plant and equipment consists of:

**Operational assets** – These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.

**Infrastructure assets** – Infrastructure assets are the fixed utility systems owned by Council and group. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

**Restricted assets** – Restricted assets are parks and reserves owned by Council and group, which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

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

## Additions

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

Work in progress is recognised at cost less impairment and is not depreciated.

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

## Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

## Subsequent Costs

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

## Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset	Useful life	Depn Rate
<b>Operational &amp; Restricted Assets</b>		
Buildings	15 to 120 years	(0.8%-6.7%)
Computer equipment	2 to 40 years	(2.5%-50%)

Asset	Useful life	Depn Rate
Furniture & Fittings	2 to 40 years	(2.5%-50%)
Landfill post closure	40 years	(2.5%)
Leasehold Development	3 to 20 years	(5%-33%)
Library books	1 to 10 years	(10%-100%)
Motor vehicles	5 to 29 years	(3.5%-20%)
Plant and equipment	2 to 80 years	(1.3%-50%)
Swimming Pools	15 to 50 years	(2%-6.7%)
Fiber Optic Network	20 to 30 years	(3%-5%)

#### Infrastructural Assets

##### Roading Network

Top surface (seal)	15 to 80 years	(1.25%-6.7%)
Top Surface (Unsealed)	1 year	(100%)
Pavement (seal base course)	30 to 55 years	(1.8%-3.33%)
Pavement (unsealed base course)	Not depreciated	
Sub-base (Rural)	Not depreciated	
Sub-base (Urban)	40 years	(2.5%)
Formation	Not depreciated	
Culverts	50 to 75 years	(2%-1.3%)
Kerbing	25 to 100 years	(1%-4%)
Footpaths	10 to 100 years	(1%-10%)
Signs	8 years	(12.5%)
Streetlights	12 to 30 years	(3.3% to 8.3%)
Bridges	50 to 100 years	(1% to 2%)

##### Sewerage network

Pipes & Manholes	60 to 80 years	(1.3%-1.7%)
Treatment Ponds	80 years	(1.3%)
Pumps	10 years	(10%)
Flow monitoring equipment	10 years	(10%)

##### Stormwater network

Pipes	80 years	(1.3%)
Manholes	100 years	(1%)

##### Water network

Pipes, hydrants & valves	50 to 60 years	(1.6%-2%)
Monitoring equipment	10 to 20 years	(5%-10%)
Treatment plants	10 to 100 years	(1% to 10%)
Pumps	15 to 25 years	(4%-6.7%)
Tanks	40 to 100 years	(1%-2.5%)
Waste Management	2 to 17 years	(5.9%-50%)
Items under construction	Not depreciated	

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

## Revaluation

Revaluation	Frequency
Infrastructural Assets	Annually
Roads (except land under roads)	Annually
Bridges	Annually
Sewerage	Annually
Stormwater	Annually
Water	Annually
Land	Every 3 years
Buildings	Every 3 years
Restricted Assets	Every 3 years

Land, buildings (operational and restricted), and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. All other asset classes are carried at depreciated historical cost.

Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

### Operational and Restricted Land and Buildings

These are revalued at fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Registered Valuer, Kerry Stewart BCom VPM PGDip(Com) SNZPI, Quotable Value New Zealand and the valuation is effective as at 30 June 2009. They are valued on a three yearly cycle.

### Infrastructural asset classes: roads, water reticulation, sewerage reticulation and stormwater systems

Are revalued at fair value determined on a depreciated replacement cost basis and reviewed by an independent valuer. The most recent valuation was performed by Ray Cannon BTech Civil Engineering (UK), Council's Consultancy Roding Manager and engineer, and reviewed by Registered Valuers, John Vessey BE BA MIPENZ MACENZ at Opus, using optimised depreciated replacement cost. These assets are revalued annually as at 30 June.

## Land under roads

Land under roads, was valued based on fair value of adjacent land as determined by reference to the Council rating data. Subsequently, this has not been revalued.

## Unformed or paper roads

An unformed or paper road is a term for a road that is legally established and recorded in survey plans, but has not been formed, and that ownership of the land associated with the paper road resides with Council.

Council does not recognise land under unformed paper roads in the statement of financial position because there is no service potential from the majority of paper roads. The public good of having access routes is very difficult to value. In addition there is a very limited market for sale to the surrounding or adjacent property owner, and cannot be measured reliably because of the small individual area of many paper roads to those adjacent or surrounding properties, and the high cost of sale.

## Library Collections

The Library books were valued by "Bookseller" of Palmerston North prior to purchase by Council on 30 September 2003 and will be carried forward as deemed cost from 1 July 2005. These are depreciated on a straight line basis at lives of 1 to 10 years. The NZ Genealogical Cemetery records are recorded at cost less aggregate depreciation and these are assumed to have a useful life of ten years.

## Intangible Assets (NZ IAS 38)

### Goodwill: Business Combinations

Goodwill represents the excess of the cost of an acquisition over the fair value of Council's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets". Goodwill on acquisition of associates is included in "investments in associates" and is tested for impairment as part of the overall balance.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose.

### Resource Consents

Resource consents are recognised at cost. Resource consents have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the resource consents over the shorter period for which the consent is granted or the expected extraction period.

## Software Acquisition and Development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by Council, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

## Amortisation

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

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	3-5 years	20-33%
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## Forestry Assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable filling plans and assessments regarding growth, timber prices, felling costs, and silvicultural costs and takes into consideration environmental, operational, and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the surplus or deficit.

The costs to maintain the forestry assets are recognised in the surplus or deficit when incurred.

## Investment Property (NZ IAS 40)

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

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

After initial recognition, Council measures all investment property at fair value as determined annually by an independent valuer. The most recent valuation was performed by Registered Valuer, Kerry Stewart BCom VPM

PGDip(Com) SNZPI, Quotable Value New Zealand and the valuation is effective as at 30 June 2010.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit. Investment properties are not depreciated.

## Creditors and Other Payables

Debtors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

## Impairment of Property, Plant and Equipment, and Intangible Assets (NZ IAS 36)

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment, the assets recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows. If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

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

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

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

## Livestock (NZ IAS 41)

A small number of deer are kept for recreational purposes and are revalued each year according to Inland Revenue livestock values at national standard cost.

## Employee Entitlements (NZ IAS 19)

### Short-Term Entitlements

Employee benefits that expect to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

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

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

Council and group recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

### Long-Term Entitlements

#### Long Service Leave and Retirement Leave

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows for entitlements. The inflation factor is based on the expected long-term increase in remuneration for employees.

### Superannuation Schemes

#### Defined Contribution Schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

#### Defined Benefit Schemes

Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation.

The scheme is therefore accounted for as a defined contribution scheme.

## Provisions (NZ IAS 37)

Council and group recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the obligation. The increase in the provision resulting from the passage of time is recognised as a finance cost.

## Financial Guarantee Contracts

A financial guarantee contract is a contract that requires Council and group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value even if payment under guarantee is not considered probable. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a liability is recognised based on the probability that Council or group will be required to reimburse a holder for a loss incurred discounted to present values. The proportion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

## Borrowing

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of balance date.

## Equity (NZ IAS 1)

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities.

Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Accumulated funds
- Revaluation reserves
- Special funded reserves
- Trust funds
- Fair value through other comprehensive income reserve

## Special Funded and Council Created Reserves

Special funded reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Council's Treasury Policies and Long Term Council Community Plan allow internal borrowing against these reserves on the basis they will be reimbursed over time or at time of need.

## Trust Funds

Trust funds are those subject to specific conditions accepted as binding by Council. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

## Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## Budget Figures

The budget figures are those approved by the Council at the beginning of the year in the most current of the annual plan or the Long Term Council Community Plan.

The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of the financial statements.

## Cost Allocation

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using expenditure as the cost driver. This applies to all activities except "Representation" which is allocated on an estimated labour basis.

## Statement of Cash Flows (NZ IAS 7)

Cash means cash and cash equivalent balances on hand, held in bank accounts, demand deposits and other highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Council invests such assets as part of its day to day cash management.

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. They include cash received from all revenue sources (such as rates, taxes and government grants) and record the cash payments made for the supply of goods and services (including payments to other public benefit entities to finance their operations, but not loans). Agency transactions are not recognised as receipts and payments in the Statement of Cash Flows as they do not represent transactions that Council can control.

Investing activities are those activities relating to the acquisition and disposal of non-current assets, which are intended to generate future income and cash flows. Investing and financing activity transactions have had their respective sources and applications of cash netted off where roll over of financing has occurred and where there have been transfers between Council bank accounts.

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

## Critical Accounting Estimates and Assumptions

In preparing these financial statements Council and group has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

## Landfill Aftercare Provision

Note 19 provides information about the estimates and assumptions surrounding the landfill aftercare provision.

## Infrastructural Assets

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

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, sewerage and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive income. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers are used in performing or reviewing the Council's infrastructural asset revaluations.

## Critical Judgements in Applying Accounting Policies

Management has exercised the following critical judgements in applying Council and group's accounting policies for the period ended 30 June 2010:

### Classification of Property

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's housing policy. These properties are accounted for as property, plant and equipment.

### **Property, plant and equipment useful lives and residual values**

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

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the statement of comprehensive income,

and carrying amount of the asset in the statement of financial position. Council minimises the risk of this estimation uncertainty by:

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

Council has not made significant changes to past assumptions concerning useful lives and residual values. The carrying amounts of property, plant and equipment are disclosed in note 8.



# Consolidated Notes to Financial Statements

## For the Year Ended 30 June 2010

### 1 Cash and Cash Equivalents

The average interest rate received on the Bank Deposit for the 2009/10 year was 4.21%. In 2008/09 this was 6.50%.

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Cash at bank and in hand	1,876	2,151	2,106	2,869
Term deposits maturing 3 months or less from date of acquisition	-	82	-	82
<b>Total Cash and Cash Equivalents</b>	<b>1,876</b>	<b>2,233</b>	<b>2,106</b>	<b>2,951</b>

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust deeds is \$30,000 (2009 \$30,000). The cash at bank exceeds the minimum level of liquidity as set in Council's Investment policy.

Cash and bank overdrafts include the following for the purposes of the cash flow statement:

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Cash and cash equivalent current asset	1,876	2,151	2,106	2,869
Short term deposits maturing 3 months or less from date of acquisition	-	82	-	82
Cash and cash equivalent current liability – bank overdraft	-	-	(13)	-
<b>Total Cash Resources</b>	<b>1,876</b>	<b>2,233</b>	<b>2,093</b>	<b>2,951</b>

### 2 Rates Revenue

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
<b>General Rates</b>				
Uniform Annual General Charge	4,039	4,373	4,035	4,371
General Land Rates	1,821	2,066	1,820	2,064
Stormwater	497	499	497	499
<b>Targeted rates attributable to Activities</b>				
Roading	5,725	5,998	5,722	5,996
Footpaths Loans	126	155	126	155
Sewerage	2,145	2,230	2,143	2,229
Water	1,084	1,200	1,084	1,200
Lump sum contribution by ratepayers for the Dannevirke Town Centre Refurbishment	547	-	547	-
<b>Rates Revenue before Discount (as per Comprehensive Income)</b>	<b>15,984</b>	<b>16,521</b>	<b>15,974</b>	<b>16,514</b>
Less 3% discount (5% 2009) for full payment at time of first instalment	(130)	(57)	(130)	(57)
<b>Rates Revenue after Discount</b>	<b>15,854</b>	<b>16,464</b>	<b>15,844</b>	<b>16,457</b>
Less Rates Remissions (in Other Operating Expenses)	(247)	(259)	(247)	(258)
Plus Miscellaneous Revenue: Net Rates Penalties	95	137	95	137
<b>Total revenue from rates</b>	<b>15,702</b>	<b>16,342</b>	<b>15,692</b>	<b>16,336</b>

## Rates Remissions

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
<b>Rates Remissions</b>				
Footpath Development Loans (Dannevirke Town Centre)	4	6	4	6
Roading Development Loans (Pahiatua Track)	-	1	-	1
Sewerage – Educational establishments	101	98	101	98
General Rates – Same owner; Same use; Semi contiguous	123	152	123	152
General Rates – Not for profit sports & cultural	19	2	19	2
	<b>247</b>	<b>259</b>	<b>247</b>	<b>259</b>

Council's rates remission policy allows Council to remit rates on condition of a ratepayer's extreme financial hardship, land used for sport, and land protected for historical or cultural purposes.

## 3 Finance Income and Finance Costs

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
<b>Finance Income</b>				
Call deposits	392	168	411	188
Term Deposits	399	295	399	295
Related Party loans	-	-	-	-
Community Loans	-	-	-	-
Local authority and government stock	-	-	-	-
<b>Total Finance Income</b>	<b>791</b>	<b>463</b>	<b>810</b>	<b>483</b>
<b>Finance Costs</b>				
Interest Expense				
Interest on Bank Overdraft	-	-	1	1
Landfill interest expense/(credit) (see note 21)	4	32	4	32
Interest on standby facility	9	9	9	9
Interest on secured loans	778	717	1,218	949
<b>Total Finance Costs</b>	<b>791</b>	<b>758</b>	<b>1,232</b>	<b>991</b>
<b>Net Finance (costs)/gain</b>	<b>-</b>	<b>(295)</b>	<b>(422)</b>	<b>(508)</b>

#### 4 Other Revenue

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Revenue from the healthy homes project	117	-	117	-
Revenue from the various domain boards	169	141	169	141
Library Donation	-	19	-	19
FX Networks land lease & duct access	230	-	230	-
Barraud St Duct to Dannevirke Community Hospital	16	-	16	-
Other	261	98	295	129
Rent	-	-	6	6
<b>Total miscellaneous revenue</b>	<b>793</b>	<b>258</b>	<b>833</b>	<b>295</b>

#### 5 Other Gains & Losses

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Gain on disposal of Property, Plant & Equipment	7	15	7	15
Gifted Assets	30	-	30	-
Loss on derecognition of Property, Plant & Equipment	(3,176)	(159)	(3,205)	85
Gain (Loss) on Investment Properties	10	(12)	-	-
Gain (Loss) on Loans	2	1	-	-
<b>Total gains/(losses)</b>	<b>(3,127)</b>	<b>(155)</b>	<b>(3,168)</b>	<b>100</b>

#### 6 Personnel Costs

Salaries and wages includes movements in employee benefit liabilities.

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Salaries & Wages	3,902	4,006	19,259	18,805
Defined contribution plan employer contributions	38	44	101	148
Increase/(decrease) in employee entitlements/liabilities	(53)	66	50	(25)
<b>Total Employee Benefit Costs</b>	<b>3,887</b>	<b>4,116</b>	<b>19,410</b>	<b>18,928</b>

Employer contributions to defined contribution plans include contributions to Kiwisaver and the DBP Contributors Scheme.

## 7 Employee Entitlements

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Accrued Pay	126	126	234	276
Annual Leave	189	266	1,680	1,675
Long Service Leave	-	-	222	222
Retirement Leave	128	117	375	350
Sick Leave	-	-	47	52
<b>Total Employee Provisions</b>	<b>443</b>	<b>509</b>	<b>2,558</b>	<b>2,575</b>
<b>Made up of:</b>				
Current Portion of Employee Provisions	315	392	2,145	2,200
Term Portion of Employee Provisions	128	117	413	375
<b>Total Employee Provisions</b>	<b>443</b>	<b>509</b>	<b>2,558</b>	<b>2,575</b>

### Employee Provisions – Movements

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
<b>Opening Balance</b>	<b>566</b>	<b>443</b>	<b>2,508</b>	<b>2,558</b>
Additional provision	314	267	488	219
Amount used	(367)	(270)	(368)	(271)
ACC accrued	-	-	-	-
Unused amounts reversed	(70)	69	(70)	69
Changes relating to discount	-	-	-	-
<b>Net Movement for the Year</b>	<b>(123)</b>	<b>66</b>	<b>50</b>	<b>17</b>
<b>Closing Balance</b>	<b>443</b>	<b>509</b>	<b>2,558</b>	<b>2,575</b>

## 8 Other Operating Expenses

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
<b>Fees to Principal Auditor</b>				
Audit fees for financial statement audit	83	84	157	159
Audit fees for Community Plan	63	13	63	13
	<b>146</b>	<b>97</b>	<b>220</b>	<b>172</b>
Impairment of receivables movement (See note 10)	-	-	23	338
Impairment of property plant & equipment	-	-	-	151
Impairment of goodwill	-	-	-	362
Donations	126	17	126	17
Directors fees	-	-	174	172
Rental & operating lease expenses	-	-	323	315
Other operating expenses	13,573	12,657	26,464	24,889
<b>Total other operating expenses</b>	<b>13,845</b>	<b>12,771</b>	<b>27,330</b>	<b>26,416</b>

## 9 Taxation

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
<b>Income Tax Expense</b>				
<b>Components of Tax Expense</b>				
Current tax expense	-	-	123	-
Adjustments to current tax in prior years	-	-	(1)	-
Deferred liability	-	-	106	(98)
<b>Total income tax expense</b>	<b>-</b>	<b>-</b>	<b>228</b>	<b>(98)</b>
<b>Relationship between Tax and Accounting Profit</b>				
Operating surplus/(deficit) before income tax	(2,271)	(38)	(1,589)	(1,113)
Prima facie tax @ 30%	(681)	(11)	(477)	(334)
Timing difference	-	-	-	-
Tax effect of permanent differences:				
Non-deductible expenditure	558	12	678	51
Group loss offset	115	-	1	-
Deferred tax adjustment	-	-	11	101
Recognition of tax effect of losses: Net additional/or (use) of losses	11	-	15	84
Imputation credits attached to dividends received	(3)	(1)	-	-
Income tax over provided in prior year	-	-	-	-
<b>Total income tax expense</b>	<b>-</b>	<b>-</b>	<b>228</b>	<b>(98)</b>

## Consolidated Deferred Tax Assets/Liabilities

	Forestry Assets	Tax Losses	Property, Plant & Equipment	Intan- gibles	Employee Benefits	Retentions	Provisions	Other Provisions	Total
Balance at 1 July 2008	(48)	58	(2,411)	(6)	692	(195)	16	9	(1,883)
Charged to profit & loss	(14)	(9)	-	6	(30)	(54)	(2)	(3)	(106)
Charged to equity	-	-	25	-	-	-	-	-	25
<b>Balance 30 June 2009</b>	<b>(62)</b>	<b>49</b>	<b>(2,386)</b>	<b>-</b>	<b>662</b>	<b>(249)</b>	<b>14</b>	<b>6</b>	<b>(1,964)</b>
Charged to profit & loss	(70)	(12)	150	-	(73)	2	2	1	2
Charged to equity	-	-	109	-	-	-	-	-	109
<b>Balance 30 June 2010</b>	<b>(132)</b>	<b>37</b>	<b>(2,127)</b>	<b>-</b>	<b>589</b>	<b>(247)</b>	<b>16</b>	<b>7</b>	<b>(1,855)</b>

Council and its subsidiaries qualify as a group of companies for tax purposes and transfer of losses:

	2008/09 \$000's Losses	2009/10 \$000's Losses	2008/09 \$000's Tax Effect	2009/10 \$000's Tax Effect
Subvention Payment (Infracon Ltd pays Council: taxable revenue in Council; expense in Infracon)	115	-	35	-
Loss Offset (Losses transferred to Infracon Ltd from Council)	268	-	80	-
	<b>383</b>	<b>-</b>	<b>115</b>	<b>-</b>

As at 30 June 2009 Infracon Limited's tax liability has been reduced by tax losses of \$383,333 transferred from Tararua District Council by subvention payment of \$115,000 and loss offset of \$268,333.

## Imputation Credit Account

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Opening Balance at Start of Year	-	-	2,286	2,179
Imputation credits attaching to dividends received during the year	-	-	43	(35)
Imputation credits attaching to dividends paid during the year	-	-	(213)	(42)
Income tax payments (refunds) during the year	-	-	(130)	(154)
Provisional tax payments made	-	-	191	173
Resident withholding tax paid	-	-	2	2
<b>Closing Balance End of Year</b>	<b>-</b>	<b>-</b>	<b>2,179</b>	<b>2,123</b>

## 10 Debtors and Other Receivables

(Amounts include GST)	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Rates receivables	452	632	452	632
Related party receivables	223	14	-	-
Community Loans	-	-	-	-
Sundry Debtors	445	528	4,573	3,808
Sundry Debtors -NZ Transport Agency: Roading Subsidies*	1,791	1,022	2,623	1,899
Interest Accrued	85	153	85	153
Prepayments	46	64	265	151
Loans to related parties	41	21	-	-
Contract work in progress	-	-	319	427
Other receivables	257	237	259	237
	<b>3,340</b>	<b>2,671</b>	<b>8,576</b>	<b>7,307</b>
Less provision for impairment of receivables	(125)	(186)	(131)	(518)
<b>Total Trade and other Receivables</b>	<b>3,215</b>	<b>2,485</b>	<b>8,445</b>	<b>6,789</b>
<b>Non-current portion</b>				
Loans to related parties	13	-	-	-
Community loans	-	-	-	-
<b>Non-current portion</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current portion</b>	<b>3,202</b>	<b>2,485</b>	<b>8,445</b>	<b>6,789</b>

The rates receivable are as follows for assessed impairment, net collectable and debtor aging:

(Amounts include GST)	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Total rates receivable	452	632	452	632
Less assessed impairment*	(52)	(72)	(52)	(72)
<b>Net assessed as collectible after rating sales &amp; expected collection</b>	<b>400</b>	<b>560</b>	<b>400</b>	<b>560</b>
<b>Collectible split for rating years as:</b>				
>12 months	114	122	114	122
<12 months	286	438	286	438
<b>Carrying amount</b>	<b>400</b>	<b>560</b>	<b>400</b>	<b>560</b>

The trade and receivables excluding rates receivable are as follows for assessed impairment, net collectable and debtor aging:

(Amounts include GST)	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Current	2,623	1,555	7,084	5,187
1 Month	47	161	474	420
2 Months	5	12	86	112
Over 2 Months	88	125	349	438
	<b>2,763</b>	<b>1,853</b>	<b>7,993</b>	<b>6,157</b>

## Fair Value

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

## Impairment

Council does provide for impairment on rates receivable. However, it also has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the impact of discounting is material.

These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit. The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$115,991 (2009 \$67,406).

The status of receivables as at 30 June 2009 and 2010 are detailed below:

\* There is only one concentration of credit risk with respect to receivables outside the group. While the group has a large number of external customers, thereby spreading risk, Tararua District Council has one large debtor in respect of NZ Transport Authority providing government subsidy for Rooding. This concentration of risk and reliance on Government is not considered to be a matter of concern because of the New Zealand Government's strong credit rating.

The face value of loans to related parties is \$22,600 (2009 \$44,200). Fair value has been determined using cash flows discounted at a rate of 4.5% (2009 4.5%) based on a market borrowing rate net of the initial establishment fee. This is the effective interest rate on the loan to related parties on a face value interest rate of 0%.

The face value of community loans is \$NIL (2009, \$NIL).

The effective interest rate at a rate based on Council and Group's borrowing rate of interest rate on the loan to related parties is 0% (2008 7.3%). The carrying value of trade and other receivables (excluding loans to related parties) approximates their fair value.

Council and Group provides for impairment on some rates receivable for properties undergoing rating sales and a portion unlikely to be collected. As of 30 June 2009 and 2010, all overdue receivables, except for rates receivable, have been assessed for impairment and appropriate provisions applied. Council and Group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The impairment provision has been calculated based on expected losses for Council and Group's pool of debtors. Expected losses have been determined based on an analysis of Council and Group's losses in previous periods, and review of specific debtors.

## Group Impairment of Trade & Receivables

Infracon Limited has outstanding receivables of \$3,947,000 (year 2009 \$5,727,000) aged less than 90 days. Those 90 days and over were \$279,000 (year 2009 \$172,000). Those aged 90 days and over were impaired by \$254,000 (Year 2009 \$6,000).

Those specific debtors that are insolvent are fully provided for. As at 30 June 2010 Infracon Limited has identified two debtors that are insolvent totalling \$7,000 (year 2009 \$NIL).

Tararua Forests Ltd and TDC Holdings Ltd only have current receivables due within 30 days and no adjustment for impairment has been made.

## Movements in the provision for impairment of receivables for Council and Group are as follows:

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
At 1 July	125	125	139	131
Additional/(Reduction in) provisions made during the year	4	61	27	398
Less Receivables written off during period	(4)	-	(35)	(11)
<b>At 30 June</b>	<b>125</b>	<b>186</b>	<b>131</b>	<b>518</b>

## 11 Forestry Assets

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Balance at 1 July	-	-	768	769
Increases due to purchases	-	-	-	-
Gains/Losses arising from changes in fair value - less estimated sale costs	-	-	60	297
Decreases due to sales	-	-	-	-
Decrease due to harvest	-	-	(59)	(58)
<b>Balance at 30 June</b>	<b>-</b>	<b>-</b>	<b>769</b>	<b>1,008</b>

Tararua Forests Limited owns 296.10 hectares of pinus radiata forest and 6.4 hectares of culus/native. Tararua Forests Limited has 302.5 hectares of forest at year end (2009: 315.6 hectares). The trees are at varying stages of maturity ranging from 3-30 years. During the 2009/2010 year, Tararua Forests Limited harvested 13.1 hectares of forestry, equalling 13,762 tonnes.

Registered valuers John Turkington Ltd and Alan Bell & Associates have valued forestry assets as at 30 June 2010. The valuation was peer reviewed by P F Olsen Ltd. A pre-tax discount rate of 10% has been used in discounting the present value of expected cash flows.

### Financial Risk Management Strategies

Tararua Forests Limited is exposed to financial risks arising from changes in timber prices. Tararua Forests Limited does not expect timber prices to decline significantly in the foreseeable future, therefore has not taken any measures to manage the risks of a decline in timber prices.

## 12 Inventory and Livestock

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
<b>Held for distribution inventory</b>				
Rural fire consumables	2	1	2	1
Fuel & Oil	-	-	53	55
Paper Stock	-	-	-	-
i-SITE stock	3	4	3	4
<b>Commercial inventory</b>				
Livestock	7	6	7	6
Material Stocks	26	15	2,082	2,045
<b>Total Inventory and Livestock</b>	<b>38</b>	<b>26</b>	<b>2,147</b>	<b>2,111</b>

### 13 Other Financial Assets

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
<b>Current Portion</b>				
Short term deposits with maturities of greater than 3 and up to 12 months from the date of acquisition	7,259	8,701	7,362	8,808
<b>Total Current Portion</b>	<b>7,259</b>	<b>8,701</b>	<b>7,362</b>	<b>8,808</b>
<b>Non-current Portion</b>				
Shares - TDC Holdings Limited	5,016	5,017	-	-
Tararua Aquatic Community Trust Settled by Council (Initial \$500 capital)	0.5	0.5	-	-
Long term deposits with maturities of greater than 12 months from the date of acquisition	1,019	1,005	1,019	1,005
New Zealand Local Government Insurance Corporation Limited				
43,986 Fully Paid Ordinary Shares of \$1.00 each but revalued based on net asset backing	132	132	132	132
<b>Total Non Current Portion</b>	<b>6,167</b>	<b>6,154</b>	<b>1,151</b>	<b>1,137</b>
<b>Total Investments</b>	<b>13,426</b>	<b>14,855</b>	<b>8,513</b>	<b>9,945</b>

There were no impairment provisions for other financial assets.

#### Term Deposits

The carrying amount of term deposits approximates their fair value.

#### Local Authority Share Impairment

The fair value of local authority shares are greater than the cost value appearing in the statements as at 30 June 2010. Therefore there has been no adjustment made for impairment of these assets for 2009/10 year.

#### Impairment

There were no impairment provisions for other financial assets. None of the financial assets are either past due or impaired.

## 14 Investment Property

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Balance at 1 July	416	442	-	-
Additions from acquisitions	16	-	-	-
Disposals	-	-	-	-
Fair value gains/(losses) on valuation	10	(12)	-	-
<b>Balance at 30 June</b>	<b>442</b>	<b>430</b>	<b>-</b>	<b>-</b>
Rental Income	76	74	-	-
Direct Operating Expenses	(13)	(12)	-	-
<b>Surplus (Deficit)</b>	<b>63</b>	<b>62</b>	<b>-</b>	<b>-</b>

Council investment properties are valued annually at fair value effective 30 June. All investment properties were valued based on open market evidence. The valuation was performed by Kerry Stewart BCom VPM PGDip(Com) SNZPI, Darroch, previously Quotable Value New Zealand.

These are leased to Infracon Limited and are treated as Property, Plant & Equipment Operational on consolidation.

## 15 Tenant Contributions

Council owns 12 self-contained flats styled "Tenant Contribution Flats". The tenants of these flats make an interest-free loan to Council on signing a lease, and Council repays the loan upon the tenant vacating the flat. The amount of the loan varies from flat to flat but generally is set at 75% of the current market value of the unit at the time the lease is signed.

At 30 June 2010 the loans repayable to tenants totalled \$547,000 (2009 \$550,000).

## 16 Property, Plant & Equipment

### Council 2010

	Cost or Valuation Opening Bal 1 July 2009 \$000's	Accumulated Depreciation Opening Bal 1 July 2009 \$000's	Carrying Amount Opening Bal 1 July 2009 \$000's	Current Year Additions \$000's	Current Year Disposals \$000's
<b>Operational Assets</b>					
<b>At Valuation</b>					
Buildings	15,613	-	15,613	108	-
Computer Equipment	-	-	-	-	-
Fibre Cabling & Conduits	-	-	-	-	-
Furniture and Fittings	-	-	-	-	-
Land	10,016	-	10,016	-	-
Leasehold Development	-	-	-	-	-
Library Collections	894	(636)	258	112	-
Motor Vehicles	-	-	-	-	-
Plant and Machinery	-	-	-	-	-
Swimming Pools	-	-	-	-	-
<b>At Cost</b>					
Buildings	-	-	-	-	-
Computer Equipment	1,681	(1,415)	266	238	(655)
Fibre Cabling & Conduits	1,041	(20)	1,021	5	-
Furniture and Fittings	572	(521)	51	-	-
Land	-	-	-	-	-
Library Collections	-	-	-	-	-
Motor Vehicles	1,011	(559)	452	227	(102)
Plant and Machinery	1,301	(398)	903	120	(1)
Swimming Pools	351	(108)	243	11	-
Work in Progress	98	-	98	76	-
<b>Total Operational Assets</b>	<b>32,578</b>	<b>(3,657)</b>	<b>28,921</b>	<b>897</b>	<b>(758)</b>

### Infrastructure Assets

#### At Valuation

Roading Network	597,536	-	597,536	6,072	-
Roading Bridges and Culverts	51,803	-	51,803	276	-
Roading Land	24,156	-	24,156	-	-
Sewerage Systems	21,324	-	21,324	461	(141)
Stormwater Systems	4,751	-	4,751	30	-
Street-lighting	917	-	917	79	-
Waste Management	701	(350)	351	-	(199)
Water Supply Systems	27,724	-	27,724	390	(17)

Current Year Impairment Changes \$000's	Current Year Depreciation \$000's	Reverse Accum. Depn on Sales or Revaluation \$000's	Revaluation Movements \$000's	Adjustments* (Allocate WIP) (Re-Class Assets) \$000's	Cost or Valuation 30 June 2010 \$000's	Accum. Depn & Impairment Closing Bal 30 June 2010 \$000's	Carrying Amount Closing Bal 30 June 2010 \$000's
-	(1,219)	-	-	-	15,721	(1,219)	14,502
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	10,016	-	10,016
-	-	-	-	-	-	-	-
-	(69)	-	-	-	1,006	(705)	301
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(169)	655	-	-	1,264	(929)	335
-	(39)	-	-	-	1,046	(59)	987
-	(21)	-	-	-	572	(542)	30
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(118)	101	-	-	1,136	(576)	560
-	(134)	1	-	-	1,420	(531)	889
-	(7)	-	-	-	362	(115)	247
-	-	-	-	(98)	76	-	76
-	<b>(1,776)</b>	<b>757</b>	-	<b>(98)</b>	<b>32,619</b>	<b>(4,676)</b>	<b>27,943</b>

-	(5,270)	-	17,582	(2)	615,918	-	615,918
-	(1,274)	-	5,147	-	55,952	-	55,952
-	-	-	4	(4)	24,156	-	24,156
-	(703)	-	1,534	-	22,475	-	22,475
-	(189)	-	6,460	-	11,052	-	11,052
-	(50)	-	121	-	1,067	-	1,067
-	(26)	-	-	-	502	(376)	126
-	(923)	-	2,912	-	30,086	-	30,086

	Cost or Valuation Opening Bal 1 July 2009 \$000's	Accumulated Depreciation Opening Bal 1 July 2009 \$000's	Carrying Amount Opening Bal 1 July 2009 \$000's	Current Year Additions \$000's	Current Year Disposals \$000's
<b>At Cost</b>					
Roading Network	-	-	-	-	-
Roading Bridges and Culverts	-	-	-	-	-
Roading Land	-	-	-	-	-
Sewerage Systems	-	-	-	-	-
Stormwater Systems	-	-	-	-	-
Street-lighting	-	-	-	-	-
Waste Management	-	-	-	-	-
Water Supply Systems	-	-	-	-	-
Work in Progress	1,238	-	1,238	1,324	-
<b>Total Infrastructure Assets</b>	<b>730,150</b>	<b>(350)</b>	<b>729,800</b>	<b>8,632</b>	<b>(357)</b>
<b>Restricted Assets</b>					
<b>At Valuation</b>					
Cemetery Reserves	1,706	-	1,706	-	-
Parks and Reserves	2,212	-	2,212	-	-
Roading Reserves	651	-	651	-	-
Sundry Reserves	432	-	432	-	-
War Memorials	253	-	253	-	-
<b>Total Restricted Assets</b>	<b>5,254</b>	<b>-</b>	<b>5,254</b>	<b>-</b>	<b>-</b>
<b>Total Council Assets</b>	<b>767,982</b>	<b>(4,007)</b>	<b>763,975</b>	<b>9,529</b>	<b>(1,115)</b>
Plus Intangible Amortisation					
<b>Total Parent Depreciation and Amortisation</b>					

\* The adjustments column refers to the reversal of the work in progress balances from the previous year.

Current Year Impairment Changes	Current Year Depreciation	Reverse Accum. Depn on Sales or Revaluation	Revaluation Movements	Adjustments* (Allocate WIP) (Re-Class Assets)	Cost or Valuation 30 June 2010	Accum. Depn & Impairment Closing Bal 30 June 2010	Carrying Amount Closing Bal 30 June 2010
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	(1,238)	1,324	-	1,324
-	(8,435)	-	33,760	(1,244)	762,532	(376)	762,156

-	-	-	-	-	1,706	-	1,706
-	-	-	-	-	2,212	-	2,212
-	-	-	(2)	2	651	-	651
-	-	-	-	-	432	-	432
-	-	-	-	-	253	-	253
-	-	-	(2)	2	5,254	-	5,254
-	(10,211)	757	33,758	(1,340)	800,405	(5,052)	795,353

(43)

(10,254)

## Consolidated 2010

	Cost or Valuation Opening Bal 1 July 2009 \$000's	Accumulated Depreciation Opening Bal 1 July 2009 \$000's	Carrying Amount Opening Bal 1 July 2009 \$000's	Current Year Additions \$000's	Current Year Disposals \$000's
<b>Operational Assets</b>					
<b>At Valuation</b>					
Buildings	16,823	-	16,823	180	-
Computer Equipment	-	-	-	-	-
Fibre Cabling & Conduits	-	-	-	-	-
Furniture and Fittings	-	-	-	-	-
Land	11,432	-	11,432	-	-
Leasehold Development	-	-	-	-	-
Library Collections	894	(636)	258	112	-
Motor Vehicles	6,050	(733)	5,317	-	(13)
Plant and Machinery	10,991	(808)	10,183	46	(44)
Swimming Pools	-	-	-	-	-
<b>At Cost</b>					
Buildings	1,418	(255)	1,163	49	-
Computer Equipment	2,397	(1,899)	498	314	(656)
Fibre Cabling & Conduits	1,041	(19)	1,022	4	-
Furniture and Fittings	667	(553)	114	5	-
Land	143	-	143	-	-
Library Collections	-	-	-	-	-
Motor Vehicles	1,010	(559)	451	228	(102)
Plant and Machinery	4,061	(1,466)	2,595	218	(2)
Swimming Pools	350	(108)	242	12	-
Work in Progress	98	-	98	76	-
<b>Total Operational Assets</b>	<b>57,375</b>	<b>(7,036)</b>	<b>50,339</b>	<b>1,244</b>	<b>(817)</b>
<b>Total Infrastructural Assets</b>	<b>730,150</b>	<b>(350)</b>	<b>729,800</b>	<b>8,632</b>	<b>(357)</b>
<b>Total Restricted Assets</b>	<b>5,254</b>	<b>-</b>	<b>5,254</b>	<b>-</b>	<b>-</b>
<b>Total Consolidated Assets</b>	<b>792,779</b>	<b>(7,386)</b>	<b>785,393</b>	<b>9,876</b>	<b>(1,174)</b>

Plus Intangible Amortisation

### Total Consolidated Depreciation and Amortisation

\* The adjustments column refers to the reversal of the work in progress balances from the previous year.

† Deferred tax adjustment in Revaluation Reserve Infracon Limited 109

Impairment adjustment in Revaluation Reserve Infracon Limited (2)

Disposals adjustment in Revaluation Infracon Limited (21)

**Revaluation movements 33,844**

Current Year Impairment Changes	Current Year Depreciation	Reverse Accum. Depn on Sales or Revaluations	Revaluation Movements	Adjustments# (Allocate WIP) (Re-Class Assets)	Cost or Valuation 30 June 2010	Accum. Depn & Impairment Closing Bal 30 June 2010	Carrying Amount Closing Bal 30 June 2010
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
-	(1,255)	-	-	1	17,004	(1,255)	15,749
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	(13)	11,419	-	11,419
-	-	-	-	-	-	-	-
-	(69)	-	-	-	1,005	(704)	301
(45)	(733)	-	-	-	5,991	(1,465)	4,526
(106)	(820)	-	-	1	10,888	(1,628)	9,260
-	-	-	-	-	-	-	-
-	(40)	-	-	-	1,466	(294)	1,172
-	(323)	655	-	-	2,055	(1,567)	488
-	(39)	-	-	-	1,045	(58)	987
-	(33)	-	-	-	672	(586)	86
-	-	-	-	-	143	-	143
-	-	-	-	-	-	-	-
-	(118)	101	-	-	1,137	(577)	560
-	(435)	1	-	(1)	4,278	(1,902)	2,376
-	(7)	-	-	-	363	(116)	247
-	-	-	-	(98)	76	-	76
<b>(151)</b>	<b>(3,870)</b>	<b>757</b>	<b>-</b>	<b>(110)</b>	<b>57,542</b>	<b>(10,152)</b>	<b>47,390</b>
-	<b>(8,435)</b>	-	<b>33,760</b>	<b>(1,244)</b>	<b>762,532</b>	<b>(376)</b>	<b>762,156</b>
-	-	-	<b>(2)</b>	<b>2</b>	<b>5,254</b>	-	<b>5,254</b>
<b>(151)</b>	<b>(12,307)</b>	<b>757</b>	<b>33,758<sup>†</sup></b>	<b>(1,352)</b>	<b>825,328</b>	<b>(10,528)</b>	<b>814,800</b>
	(505)						
	<b>(12,812)</b>						

## Council 2009

	Cost or Valuation Opening Balance 1 July 2008 \$000's	Accumulated Depreciation Opening Balance 1 July 2008 \$000's	Carrying Amount Opening Balance 1 July 2008 \$000's	Current Year Additions \$000's	Current Year Disposals \$000's
<b>Operational Assets</b>					
<b>At Valuation</b>					
Buildings	15,270	(1,788)	13,482	366	(7)
Computer Equipment	-	-	-	-	-
Furniture and Fittings	-	-	-	-	-
Land	-	-	-	-	-
Leasehold Development	6,222	-	6,222	-	-
Library Collections	-	-	-	-	-
Motor Vehicles	786	(489)	297	108	-
Plant and Machinery	-	-	-	-	-
Swimming Pools	-	-	-	-	-
<b>At Cost</b>					
Buildings	-	-	-	-	-
Computer Equipment	-	-	-	-	-
Fiber Cabling & Conduits	1,627	(1,337)	290	133	(79)
Furniture and Fittings	200	(5)	195	841	-
Land	558	(495)	63	14	-
Library Collections	-	-	-	-	-
Motor Vehicles	-	-	-	-	-
Plant and Machinery	916	(549)	367	239	(144)
Swimming Pools	744	(373)	371	609	(52)
Work in Progress	341	(101)	240	10	-
	49	-	49	98	-
<b>Total Operational Assets</b>	<b>26,713</b>	<b>(5,137)</b>	<b>21,576</b>	<b>2,418</b>	<b>(282)</b>

## Infrastructure Assets

### At Valuation

Roading Network	593,853	-	593,853	8,157	(3,131)
Roading Bridges and Culverts	52,595	-	52,595	85	-
Roading Land	24,156	-	24,156	-	-
Sewerage Systems	17,922	-	17,922	2,161	-
Stormwater Systems	3,847	-	3,847	769	-
Street-lighting	769	-	769	61	-
Waste Management	417	(327)	90	284	-

Current Year Impairment Changes	Current Year Depreciation	Reverse Accumulated Depreciation on Sales	Revaluation Movements	Adjustments*	Cost or Valuation 30 June 2009	Accumulated Depreciation & Impairment Closing Balance 30 June 2009	Carrying Amount Closing Balance 30 June 2009
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
-	(894)	1	2,665	-	15,613	-	15,613
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	3,794	-	10,016	-	10,016
-	-	-	-	-	-	-	-
-	(147)	-	-	-	894	(636)	258
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(157)	79	-	-	1,681	(1,415)	266
-	(15)	-	-	-	1,041	(20)	1,021
-	(26)	-	-	-	572	(521)	51
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(116)	106	-	-	1,011	(559)	452
-	(77)	52	-	-	1,301	(398)	903
-	(7)	-	-	-	351	(108)	243
-	-	-	-	(49)	98	-	98
-	<b>(1,439)</b>	<b>238</b>	<b>6,459</b>	<b>(49)</b>	<b>32,578</b>	<b>(3,657)</b>	<b>28,921</b>

-	(4,563)	-	3,220	-	597,536	-	597,536
-	(1,212)	-	335	-	51,803	-	51,803
-	-	-	-	-	24,156	-	24,156
-	(649)	-	1,890	-	21,324	-	21,324
-	(94)	-	229	-	4,751	-	4,751
-	(41)	-	128	-	917	-	917
-	(23)	-	-	-	701	(350)	351

	Cost or Valuation Opening Balance 1 July 2008 \$000's	Accumulated Depreciation Opening Balance 1 July 2008 \$000's	Carrying Amount Opening Balance 1 July 2008 \$000's	Current Year Additions \$000's	Current Year Disposals \$000's
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Water Supply Systems	25,293	-	25,293	522	-
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#### At Cost

Road Network	-	-	-	-	-
Road Bridges and Culverts	-	-	-	-	-
Road Land	-	-	-	-	-
Sewerage Systems	-	-	-	-	-
Stormwater Systems	-	-	-	-	-
Street-lighting	-	-	-	-	-
Waste Management	-	-	-	-	-
Water Supply Systems	-	-	-	-	-
Work in Progress	4,250	-	4,250	1,238	-
<b>Total Infrastructure Assets</b>	<b>723,102</b>	<b>(327)</b>	<b>722,775</b>	<b>13,277</b>	<b>(3,131)</b>

#### Restricted Assets

##### At Valuation

Cemetery Reserves	918	-	918	-	-
Parks and Reserves	1,388	-	1,388	-	-
Road Reserves	428	-	428	-	-
Sundry Reserves	287	-	287	-	-
War Memorials	253	-	253	-	-
<b>Total Restricted Assets</b>	<b>3,274</b>	<b>-</b>	<b>3,274</b>	<b>-</b>	<b>-</b>
<b>Total Council Assets</b>	<b>753,089</b>	<b>(5,464)</b>	<b>747,625</b>	<b>15,695</b>	<b>(3,413)</b>

\*The adjustments column refers to the reversal of the work in progress balances from the previous year and to movements between years in the non-current assets held for sale.

Current Year Impairment Changes	Current Year Depreciation	Reverse Accumulated Depreciation on Sales	Revaluation Movements	Adjustments*	Cost or Valuation 30 June 2009	Accumulated Depreciation & Impairment Closing Balance 30 June 2009	Carrying Amount Closing Balance 30 June 2009
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
-	(833)	-	2,742	-	27,724	-	27,724
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	(4,250)	1,238	-	1,238
-	(7,415)	-	8,544	(4,250)	730,150	(350)	729,800
-	-	-	788	-	1,706	-	1,706
-	-	-	824	-	2,212	-	2,212
-	-	-	223	-	651	-	651
-	-	-	145	-	432	-	432
-	-	-	-	-	253	-	253
-	-	-	1,980	-	5,254	-	5,254
-	(8,854)	238	16,983	(4,299)	767,982	(4,007)	763,975

## Consolidated 2009

	Cost or Valuation Opening Balance \$000's	Accumulated Depreciation Opening Balance \$000's	Carrying Amount Opening Balance \$000's	Current Year Additions \$000's	Current Year Disposals \$000's
<b>Operational Assets</b>					
<b>At Valuation</b>					
Buildings	16,434	(1,790)	14,644	520	(8)
Computer Equipment	-	-	-	-	-
Fiber Cabling & Conduits	-	-	-	-	-
Furniture and Fittings	-	-	-	-	-
Land	7,691	-	7,691	-	-
Leasehold Development	-	-	-	-	-
Library Collections	786	(489)	297	108	-
Motor Vehicles	6,055	-	6,055	15	(20)
Plant and Machinery	10,780	(9)	10,771	235	(24)
Swimming Pools	-	-	-	-	-
<b>At Cost</b>					
Buildings	1,356	(218)	1,138	62	-
Computer Equipment	2,090	(1,712)	378	386	(79)
Fiber Cabling & Conduits	200	(5)	195	841	-
Furniture and Fittings	631	(517)	114	36	-
Land	143	-	143	-	-
Library Collections	-	-	-	-	-
Motor Vehicles	917	(549)	368	237	(144)
Plant and Machinery	3,363	(1,156)	2,207	759	(61)
Swimming Pools	342	(101)	241	8	-
Work in Progress	49	-	49	98	-
<b>Total Operational Assets</b>	<b>50,837</b>	<b>(6,546)</b>	<b>44,291</b>	<b>3,305</b>	<b>(336)</b>
<b>Total Infrastructural Assets</b>	<b>723,102</b>	<b>(327)</b>	<b>722,775</b>	<b>13,277</b>	<b>(3,131)</b>
<b>Total Restricted Assets</b>	<b>3,274</b>	<b>-</b>	<b>3,274</b>	<b>-</b>	<b>-</b>
<b>Total Consolidated Assets</b>	<b>777,213</b>	<b>(6,873)</b>	<b>770,340</b>	<b>16,582</b>	<b>(3,467)</b>

The amortisation expense has been recognised in the statement of financial performance.

Current Year Impairment Changes \$000's	Current Year Depreciation \$000's	Reverse Accumulated Depreciation on Sales \$000's	Revaluation Movements \$000's	Adjustments \$000's	Cost or Valuation \$000's	Accumulated Depreciation & Impairment Closing Balance \$000's	Carrying Amount Closing Balance \$000's
-	(922)	1	2,659	(71)	16,823	-	16,823
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	3,720	21	11,432	-	11,432
-	-	-	-	-	-	-	-
-	(147)	-	-	-	894	(636)	258
-	(733)	-	-	-	6,050	(733)	5,317
-	(799)	-	-	-	10,991	(808)	10,183
-	-	-	-	-	-	-	-
-	(37)	-	-	-	1,418	(255)	1,163
-	(266)	79	-	-	2,397	(1,899)	498
-	(14)	-	-	-	1,041	(19)	1,022
-	(36)	-	-	-	667	(553)	114
-	-	-	-	-	143	-	143
-	-	-	-	-	-	-	-
-	(116)	106	-	-	1,010	(559)	451
-	(364)	54	-	-	4,061	(1,466)	2,595
-	(7)	-	-	-	350	(108)	242
-	-	-	-	(49)	98	-	98
-	<b>(3,441)</b>	<b>240</b>	<b>6,379</b>	<b>(99)</b>	<b>57,375</b>	<b>(7,036)</b>	<b>50,339</b>
-	<b>(7,415)</b>	-	<b>8,544</b>	<b>(4,250)</b>	<b>730,150</b>	<b>(350)</b>	<b>729,800</b>
-	-	-	<b>1,980</b>	-	<b>5,254</b>	-	<b>5,254</b>
-	<b>(10,856)</b>	<b>240</b>	<b>16,903</b>	<b>(4,349)</b>	<b>792,779</b>	<b>(7,386)</b>	<b>785,393</b>

## 17 Intangible Assets

### Intangibles on Easements

Easements have not been valued as the total estimated value (number of easements 20 @ \$1000) of \$20,000 is not material.

	Cost \$000	Accumulated amortisation impairment expense \$000	Opening carrying amount \$000	Additions \$000	Disposals \$000	Amortisation impairment expense \$000	Closing balance \$000
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#### Council

##### 2009/10

Computer Software	516	(462)	54	74	-	(43)	85
Computer Software WIP	-	-	-	193	-	-	193
<b>Total</b>	<b>516</b>	<b>(462)</b>	<b>54</b>	<b>267</b>	<b>-</b>	<b>(43)</b>	<b>278</b>

##### 2008/09

<b>Computer Software</b>	<b>471</b>	<b>(404)</b>	<b>67</b>	<b>45</b>	<b>-</b>	<b>(58)</b>	<b>54</b>
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#### Consolidated

##### 2009/10

Computer Software	803	(662)	142	325	-	(104)	363
Computer Software WIP	-	-	-	193	-	-	193
Resource Consent	659	(272)	387	-	-	(39)	348
Business Combinations	412	(50)	362	-	-	(362)	-
<b>Total</b>	<b>1,874</b>	<b>(984)</b>	<b>890</b>	<b>518</b>	<b>-</b>	<b>(505)</b>	<b>904</b>

##### 2008/09

Computer Software	655	(565)	90	149	-	(97)	142
Resource Consent	659	(233)	426	-	-	(40)	386
Business Combinations	412	(50)	362	-	-	-	362
<b>Total</b>	<b>1,726</b>	<b>(848)</b>	<b>878</b>	<b>149</b>	<b>-</b>	<b>(137)</b>	<b>890</b>

### Total Intangibles

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Current Portion	-	-	-	-
Non Current Portion	54	278	890	904
<b>Total Intangibles</b>	<b>54</b>	<b>278</b>	<b>890</b>	<b>904</b>

## 18 Creditors and Other Payables

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Trade payables	1,340	1,037	3,759	2,930
Amounts payable to related parties including their retentions (note 27)	1,815	989	-	-
Revenue in advance from customers	52	66	473	244
Interest Accrued	15	14	15	14
Amounts payable to contractors as retentions	101	295	101	17
Advances received for contract work	25	-	25	-
Other payables	18	47	1,221	1,523
<b>Total trade and other payables</b>	<b>3,366</b>	<b>2,448</b>	<b>5,594</b>	<b>4,728</b>

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

## 19 Provision for Landfill Aftercare

The Council, as operator and past-operator of six landfills, has a legal obligation under the various resource consents to provide ongoing maintenance and monitoring services at the landfill sites after closure.

A provision for post-closure costs is recognised as a liability when the obligation for post-closure cash flows arise.

The closure date of the landfills is the lesser of estimated life or the end of current resource consents to operate the landfill.

The cash outflows for landfill post-closure costs are expected to occur over the next 41 years. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account known future technology and is discounted using a discount rate of 6.4%. This is the councils average cost of debt and has been amended from previously using the councils average investment return less inflation. (2009: 1.4%)

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
<b>Non current</b>				
<b>Landfill aftercare provision</b>				
Opening Balance	299	458	299	458
Additional provisions during the year	185	(208)	185	(240)
Amounts used during the year	-	-	-	32
Unused amounts reversed during the year	-	-	-	-
Discount unwinding	(26)	-	(26)	-
<b>Closing balance</b>	<b>458</b>	<b>250</b>	<b>458</b>	<b>250</b>

	Opening Date	Closure Date	After Care Until	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Woodville Landfill	1960	1997	2027	43	28	43	28
Pahiatua Landfill	1973	2011	2041	89	53	89	53
Ormondville Landfill	1963	2000	2030	13	(7)	13	(7)
Eketahuna Landfill	1971	2018	2048	133	86	133	86
Pongaroa Landfill	1973	2021	2051	66	24	66	24
Dannevirke Landfill	1973	2011	2041	114	66	114	66
<b>Total Landfill Liability</b>				<b>458</b>	<b>250</b>	<b>458</b>	<b>250</b>

2008/09		Carrying Amount Brought Forward	Provision Made Over the Period	Amount Used	Balance
Council		\$000's	\$000's	\$000's	\$000's
43	Woodville Landfill	43	(12)	(3)	28
89	Pahiatua Landfill	89	(30)	(6)	53
13	Ormondville Landfill	13	(17)	(3)	(7)
133	Eketahuna Landfill	133	(40)	(7)	86
66	Pongaroa Landfill	66	(36)	(6)	24
114	Dannevirke Landfill	114	(41)	(7)	66
<b>458</b>	<b>Total Landfill Liability</b>	<b>458</b>	<b>(176)</b>	<b>(32)</b>	<b>250</b>

## 20 Provision – Site Restoration

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Balance at 1 July	-	-	60	60
Additional Provisions made during the year	-	-	-	-
Amounts used during the year	-	-	-	-
Unused amounts reversed during the year	-	-	-	-
<b>Balance at 30 June</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>60</b>

Infracon Limited has recognised a provision for reinstatement at the Mangamaire Quarry site. Mangamaire is a land based aggregate extraction site. The provision is based on current assumptions of the costs required to restore the site to the requirements under the resource consent. The associated costs are earthworks and regrassing. The provision is reviewed each year and any increases in reinstatement provisions are recognised when identified. There is no indication that the reinstatement will be required in the near future.

## 21 Borrowings

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
<b>Current</b>				
Bank Overdraft (Infracon - current rate of interest is 10.85%, last year 13.55%)	-	-	13	-
Secured Loans	3,022	2,023	4,345	4,042
<b>Total current borrowings</b>	<b>3,022</b>	<b>2,023</b>	<b>4,358</b>	<b>4,042</b>
<b>Non-current</b>				
Secured Loans	7,023	8,000	9,043	8,000
<b>Total non-current borrowings</b>	<b>7,023</b>	<b>8,000</b>	<b>9,043</b>	<b>8,000</b>
<b>Total Borrowings</b>	<b>10,045</b>	<b>10,023</b>	<b>13,401</b>	<b>12,042</b>

## Fixed-Rate Borrowings

Council's secured debt of \$10,000,000 (2009 \$10,000,000) is all issued at a fixed rate or a capped rate of interest.

	Maturity Date	Interest Rate 2008/09	Interest Rate 2009/10	Actual 2008/09	Actual 2009/10
<b>Current</b>					
Fixed Rate Term Loan		8.79%		1,000	
Fixed Rate Term Loan		8.21%		2,000	
Fixed Rate Term Loan	15 Sept 2010		5.05%		2,000
EECA Loan CL235	15 May 2011	5.20%	5.20%	22	23
<b>Total Current Borrowings</b>				<b>3,022</b>	<b>2,023</b>
<b>Non Current</b>					
Fixed Rate Term Loan	15 Sept 2011	-	8.21%	-	2,000
Fixed Rate Term Loan	16 Sept 2012	-	6.47%	-	1,000
Capped Range Rate Term Loan	31 Mar 2014	8.21%	5.84%	2,000	5,000
Capped Range Rate Term Loan	Cap Range of 5.84% to 6.20%		-	5,000	-
EECA Loan CL235		5.20%	-	23	-
<b>Total Non Current Borrowings</b>				<b>7,023</b>	<b>8,000</b>
<b>Total Borrowings</b>				<b>10,045</b>	<b>10,023</b>

## Security

Any overdraft is secured against rates. The maximum amount that can be drawn down against the overdraft facility is \$500,000 (2009 \$500,000), however, it is "loaded" at \$200,000 to trigger review if this amount is exceeded. There are no restrictions on the use of this facility.

Council term loans are secured by special rates over the rateable land value of the Tararua district.

	2009 \$000's	2010 \$000's
<b>Borrowing facilities not drawn down up to 30 June</b>		
Committed cash advance facility – standby disaster relief facility	5,000	5,000
Overdraft facility (\$500,000 approved but only \$200,000 limited loaded)	300	300
BNZ Business Visa (\$35,000 limit)	21	29
<b>Liabilities outstanding under Letter of Credit</b>		
None	-	-
<b>Outstanding commitments on forward exchange contracts</b>		
None	-	-

## Refinancing

Council manages its borrowings in accordance with its Funding and Financial Policies, which includes a Liability Management Policy. These policies have been adopted as part of Council's Long-Term Council Community Plan.

## Terms and Conditions

Term liabilities and bank overdraft facility are secured over the fixed assets of the company by a First Registered Debenture held by the Bank of New Zealand and Registered First Mortgage over 17 hectare farm and quarry at Mangamaire Road, Registered First Mortgage over property at Lindsay Road, Waipukurau, Registered First Mortgage over property situated at Makirikiri Road,

Dannevirke, Registered First Mortgage over property situated at Pahiatua-Managhao Road Pahiatua and Master Instrument by Way of Security over the specific assets listed on the Credit Plus Facility Asset Schedule.

### Bank Overdraft

The current interest rate on the bank overdraft is 10.85% per annum (2009 10.85%).

The bank overdraft facility was not draw down at balance date.

### Credit Plus Facility

The credit Plus facility is a revolving credit facility. The available limit at balance date was \$1,325,513. The credit plus facility was not draw on at balance date.

### Assets Pledged as Security

The carrying amounts of assets pledged as security for current and non current liabilities are:

	\$
Land	1,177,000
Buildings	1,042,325
Property Plant & Equipment	15,366,829

The carrying amount of borrowings repayable within one year approximate their fair value.

Tararua Forests Ltd and TDC Holdings Limited do not have any borrowings.

### Breach of Banking Covenants

As at the calculation date of 30 June 2010, Infracon Limited breached the interest cover ratio of its banking covenant.

The interest coverage ratio requires the company to maintain interest coverage at 1.25 times EBIT (earnings before interest and taxation). The bank has reviewed the breach and has agreed to renew all banking facilities with the Company on existing indications that terms and conditions, and has agreed to take no further action; however it reserved its rights and remedies in the event of any future breaches. The facilities are subject to review on a half yearly basis and there are indications that the Company will breach this particular covenant during the first half of 2010/11 financial year before recovering compliance based on the budget approved by the Board and submitted to the Bank.

Tararua Forests Limited and TDC Holdings Limited do not have any borrowings.

### Maturity Analysis and Effective Interest Rates

The following is a maturity analysis of Council and Group's borrowings. There are no early repayment options.

	Overdraft Council	Secured Loans	Consolidated
<b>Expense Interest Rates 2010</b>			
Less than one year	-	2,000	4,018
weighted average effective interest rate	N/A	5.05%	6.68%
Later than one year but not more than five years	-	8,001	8,001
weighted average effective interest rate	N/A	6.51%	6.51%
Later than five years	-	-	-
weighted average effective interest rate	N/A	-	-
<b>Energy Efficiency &amp; Conservation Authority</b>			
(with fee deemed as Interest expense)			
Less than one year		23	23
weighted average effective interest rate		5.20%	5.20%
Later than one year but not more than five years		-	-
weighted average effective interest rate		5.20%	5.20%
	-	10,023	12,042

	Overdraft Council	Secured Loans	Consolidated
<b>Expense Interest Rates 2009</b>			
Less than one year	-	3,000	4,337
weighted average effective interest rate	N/A	8.73%	8.60%
Later than one year but not more than five years	-	7,000	9,021
weighted average effective interest rate	N/A	6.52%	6.92%
Later than five years	-	-	-
weighted average effective interest rate	N/A	-	-
<b>Energy Efficiency &amp; Conservation Authority</b> (with fee deemed as Interest expense)			
Less than one year		22	22
weighted average effective interest rate		5.20%	5.20%
Later than one year but not more than five years		23	23
weighted average effective interest rate		5.20%	5.20%
	-	10,045	13,401

### Internal Funding (Borrowing)

The funds released from the establishment of Council and TDC Holdings Limited through \$5 million holding company loans has been used internally to refinance existing debt and pay for approved capital works programmes. This strictly follows the Inland Revenue Department's Binding Ruling on the tax deductibility of the loan.

The funds have been applied internally to Council as follows:

	2008/09 Council \$000's	2009/10 Council \$000's
Animal Control	-	-
Building Control	1	-
Cemeteries	35	36
Community Buildings	8	303
District	71	99
Emergency Management – Civil Defence & Disaster Recovery	329	6
Emergency Management – Rural Fire Protection	14	5
Footpaths	1,714	1,612
General Inspection/Liquor Licensing	6	4
Health Control	1	-
Property/Parks & Reserves	200	183
Public Conveniences	137	126
Library	51	28
Resource Management	2	1
Roading	694	609
Service Centres	9	7
Sewerage	4,674	4,350
Stormwater and Drainage	1,977	1,867

	2008/09 Council \$000's	2009/10 Council \$000's
Swimming Pools	40	36
Waste Management	392	384
Water Supply	1,230	1,182
	<b>11,585</b>	<b>10,838</b>
<b>Funded from</b>		
Internal Funding from/(Surplus to) Operating Cash	-	(660)
Internal Funding from/(Surplus to) Special Funds	1,585	1,498
<b>External Debt</b>		
Investment Loans in TDC Holdings Limited	5,000	5,000
Capital Expenditure Loans	5,000	5,000
	<b>11,585</b>	<b>10,838</b>
<b>Movement of Internal Loans</b>		
Opening Balance of Internal Loans	11,665	11,584
Plus loan funding of capital items	1,028	328
Less loan repayments (as funded)	(1,108)	(1,074)
<b>Closing Balance of Internal Loans</b>	<b>11,585</b>	<b>10,838</b>

## 22 Equity

Summary of Equity Movements – a supplementary explanation to the Statement of Movements in Equity.

	Council Accum Funds 000's	Council Asset Rev. Res 000's	Council Special Funded Reserves 000's	Council Trusts 000's	Council Total Equity 000's	Consoli- dated Total Equity 000's
<b>2010</b>						
<b>Balance at 1 July</b>	<b>369,226</b>	<b>389,236</b>	<b>9,672</b>	<b>30</b>	<b>768,164</b>	<b>783,807</b>
Net surplus/(deficit) for the year	(38)	-	-	-	(38)	(1,015)
Less dividend declared	-	-	-	-	-	-
Fair value through equity, valuation gains	-	-	-	-	-	-
Increases/(decreases) from revaluation	-	33,757	-	-	33,757	33,844
<b>Change in Equity for the year before transfers of equity reserves</b>	<b>(38)</b>	<b>33,757</b>	<b>-</b>	<b>-</b>	<b>33,719</b>	<b>32,829</b>
<b>Transfers between equity reserves:</b>						
Net Appropriation from Accum. Funds to Special Funds	(1,246)	-	1,246	-	-	-
Net Appropriation to Accum. Funds from Trust Funds	-	-	-	-	-	-
Net Transfers from Revaluation Reserves to Accum. Funds	79	(79)	-	-	-	-
<b>Total Change in Equity for the Period</b>	<b>1,205</b>	<b>33,678</b>	<b>1,246</b>	<b>-</b>	<b>33,719</b>	<b>32,829</b>

	Council Accum Funds 000's	Council Asset Rev. Res 000's	Council Special Funded Reserves 000's	Council Trusts 000's	Council Total Equity 000's	Consoli- dated Total Equity 000's
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#### Closing Equity at 30 June 2010

Parent Financial Interest	368,021	422,914	10,918	30	801,883	810,840
Minority Interest	-	-	-	-	-	5,796
<b>Balance at 30 June</b>	<b>368,021</b>	<b>422,914</b>	<b>10,918</b>	<b>30</b>	<b>801,883</b>	<b>816,636</b>

#### 2009

<b>Balance at 1 July</b>	<b>367,748</b>	<b>373,815</b>	<b>11,856</b>	<b>33</b>	<b>753,452</b>	<b>768,791</b>
Net surplus/(deficit) for the year	(2,271)	-	-	-	(2,271)	(1,817)
Less dividend declared	-	-	-	-	-	(70)
Fair value through equity, valuation gains	-	-	-	-	-	-
Increases/(decreases) from revaluation	-	16,983	-	-	16,983	16,903
<b>Change in Equity for the year before transfers of equity reserves</b>	<b>(2,271)</b>	<b>16,983</b>	<b>-</b>	<b>-</b>	<b>14,712</b>	<b>15,016</b>

#### Transfers between equity reserves:

Net Appropriation to Accumulated Funds from Special Funds	2,184	-	(2,184)	-	-	-
Net Appropriation to Accumulated Funds from Trust Funds	3	-	-	(3)	-	-
Net Transfers from Revaluation Reserves to Accumulated Funds	1,562	(1,562)	-	-	-	-
<b>Total Change in Equity for the Period</b>	<b>1,478</b>	<b>15,421</b>	<b>(2,184)</b>	<b>(3)</b>	<b>14,712</b>	<b>15,016</b>

#### Closing Equity at 30 June 2009

Parent Financial Interest	369,226	389,236	9,672	30	768,164	777,635
Minority Interest	-	-	-	-	-	6,172
<b>Balance at 30 June</b>	<b>369,226</b>	<b>389,236</b>	<b>9,672</b>	<b>30</b>	<b>768,164</b>	<b>783,807</b>

## 23 Revaluation Reserves

	Balance 1-Jul-09	Revaluation Deferred Tax	Revaluation Assets changes	Disposals/ Value. Adjust	Balance 30-Jun-10
	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Council Revaluation Reserves</b>					
<b>Fixed Assets Revaluation Reserves</b>					
Operational: Land	7,789	-	-	-	7,789
Operational: Buildings	7,118	-	-	-	7,118
Operational: Motor Vehicles	-	-	-	-	-
Operational: Plant & Equipment	-	-	-	-	-
Reserves: Cemetery	1,314	-	-	-	1,314
Reserves: Parks and Reserves	1,764	-	-	-	1,764
Reserves: Roothing	532	-	(2)	-	530
Reserves: Sundry	361	-	-	-	361
Reserves: War Memorials	142	-	-	-	142
Roothing Network	312,674	-	17,702	(1)	330,375
Roothing Land	4,288	-	4	-	4,292
Bridges and Culverts	21,516	-	5,147	-	26,663
Stormwater	1,136	-	6,460	-	7,596
Water Network	20,421	-	2,912	(12)	23,321
Wastewater	10,181	-	1,534	(66)	11,649
<b>Total Fixed Assets Revaluation Reserves</b>	<b>389,236</b>	<b>-</b>	<b>33,757</b>	<b>(79)</b>	<b>422,914</b>
<b>Share Revaluation Reserve</b>					
Shares	-	-	-	-	-
<b>Total Share Revaluation Reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revaluation Reserves - Council</b>	<b>389,236</b>	<b>-</b>	<b>33,757</b>	<b>(79)</b>	<b>422,914</b>
<b>Consolidated Revaluation Reserves</b>					
<b>Fixed Assets Revaluation Reserves</b>					
Council	389,236	-	33,757	(79)	422,914
Other Entities	1,738	72	(15)	7	1,804
<b>Total Revaluation Reserves - Consolidated (Per Statements)</b>	<b>390,974</b>	<b>72</b>	<b>33,742</b>	<b>(72)</b>	<b>424,718</b>
Minority Interests	1,372	37	(7)	-	1,401
<b>Revaluation Reserves including Minority Interests</b>	<b>392,346</b>	<b>109</b>	<b>33,735</b>	<b>(72)</b>	<b>426,119</b>
<b>Net Movement</b>			<b>33,844</b>		

## 24 Special Funded Reserves

Special Funds are those funds, or reserves, which Council has established by resolutions, the terms of which restrict the use of the funds.

Each fund has been set up as a separate account to maintain a degree of independence from Council's General Funds.

	Balance 1-Jul-09 \$000's	Transfers In \$000's	Transfers Out \$000's	Transfer Interest In \$000's	Balance 30-Jun-10 \$000's
Tararua General Purpose	725	-	(1)	31	755
Tararua Land Sub-division and Development	4	-	-	-	4
Council Depreciation	5,111	7,943	(7,285)	183	5,952
Tararua Emergency Roading	1,761	-	1	75	1,837
Tararua Gratuity	266	-	-	11	277
Tararua Housing	253	65	(41)	11	288
Dannevirke Airport Authority	3	4	(1)	-	6
Eketahuna Cemetery	50	-	(1)	2	51
Pahiatua Borough Lawn Cemetery	9	-	(4)	-	5
Makuri Water Scheme	6	-	1	-	7
Recreation Grant	84	20	(1)	4	107
Tenant Contribution (Debt Repayment)	550	-	(31)	24	543
Pongaroa Water Supply Depreciation	130	10	-	5	145
Heritage Reserve	47	-	-	2	49
Consultancy Depreciation	139	52	(1)	6	196
Consultancy General	29	-	(20)	1	10
Biodiversity Protection	66	-	(23)	3	46
Election	-	19	(14)	-	5
Water Development	(14)	-	(2)	1	(15)
Waste Management	79	-	(8)	3	74
TACT Wai Splash Depreciation	64	40	(26)	2	80
Sewerage Op Surplus Reserve	-	70	-	-	70
Water Op Surplus Reserve	-	61	-	-	61
Bush Multisport Depreciation	20	40	-	1	61
Domain Boards Bank Balances	290	158	(144)	-	304
<b>Total Council</b>	<b>9,672</b>	<b>8,482</b>	<b>(7,601)</b>	<b>365</b>	<b>10,918</b>

### Summary of Special Fund Movements

	Balance 1-Jul-08 \$000's	Net transfer to/(from) Accumulated Funds \$000's	Balance 30-Jun-09 \$000's
<b>Total Council</b>	<b>9,672</b>	<b>1,246</b>	<b>10,918</b>

## 25 Trust Accounts

Trust Accounts are funds held by Council on behalf of external parties. Trust Accounts are treated as part of Council's Equity in line with Financial Reporting Standard 2 and the Statement of Concepts of the Institute of Chartered Accountants of New Zealand.

	Balance 1-Jul-09 \$000's	Funds Received \$000's	Expenses Paid \$000's	Interest Earned \$000's	Balance 30-Jun-10 \$000's
Dannevirke Fairbrother	-	-	-	-	-
Dannevirke Urban Campsite	1	-	-	-	1
Ormondville Play Group	1	-	-	-	1
Pahiatua Heritage	19	-	-	-	19
Arts Council of NZ	-	17	(17)	-	-
Mayoral Storm Relief Fund	9	-	-	-	9
<b>Total Council</b>	<b>30</b>	<b>17</b>	<b>(17)</b>	<b>-</b>	<b>30</b>

### Summary of Trust Fund Movements

	Balance 1-Jul-09 \$000's	Net transfer to/(from) Accumulated Funds \$000's	Balance 30-Jun-10 \$000's
<b>Total Council and Consolidated</b>	<b>30</b>	<b>-</b>	<b>30</b>

## 26 Reconciliation of Net Surplus to Net Cash Inflow from Operating Activities

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
<b>Reported Surplus/(Deficit) from Statement of Comprehensive Income</b>	<b>(2,271)</b>	<b>(38)</b>	<b>(1,817)</b>	<b>(1,016)</b>
<b>Add (less) non cash items</b>				
Depreciation & Amortisation	8,912	10,254	10,993	12,450
Impairment Losses/(Recoveries)	-	-	-	151
(Increase)/Decrease Deferred Taxation	4	8	85	(198)
Goodwill impairment	-	-	-	362
Assets Introduced	-	-	-	-
Donated Assets	(260)	-	(260)	-
Changes in Fair Value	-	-	-	-
Value of Forests Sold	-	-	59	58
Other (Gains)/Losses & Revaluation (Increases)/Decreases	3,127	155	3,168	(100)
Bad Debts Written Off or Bad Debt Provision	4	(57)	36	(25)
<b>Total non cash items</b>	<b>11,787</b>	<b>10,360</b>	<b>14,081</b>	<b>12,698</b>
<b>Add/(less) movements in working capital items</b>				
(Increase)/Decrease in Inventory and Livestock	(16)	12	479	36
(Increase)/Decrease in Accounts Receivable & Prepayments	(349)	717	(1,251)	2,862
Increase/(Decrease) in Accounts Payable & Accruals	(68)	(844)	384	(1,985)
Increase/(Decrease) in Employee Provisions	(123)	66	(148)	115
(Increase)/Decrease in Net GST	223	(74)	222	(74)
<b>Total movements in working capital</b>	<b>(333)</b>	<b>(123)</b>	<b>(314)</b>	<b>954</b>
Add/(Less) Items classified as Investing Activities	59	(146)	494	(167)
<b>Total items classified as Investing Activities</b>	<b>59</b>	<b>(146)</b>	<b>494</b>	<b>(167)</b>
<b>Net cash surplus from operating activities</b>	<b>9,242</b>	<b>10,054</b>	<b>12,444</b>	<b>12,469</b>

## 27 Related Party Transactions

	2008/09 \$000's	2009/10 \$000's
<b>Tararua District Council "Council" engaged its fully owned subsidiary, TDC Holdings Limited, to hold 66% of Infracon Limited and 100% of Tararua Forest Limited shares on its behalf.</b>		
<b>Each of the companies are Council Controlled Trading Organisations in accordance with the Local Government Act 2002</b>		
<b>TDC Holdings Limited transacted with its subsidiary, Infracon Limited</b>		
Dividends payable to TDC Holdings Limited from Infracon Limited at year end (GST exc)	137	-
<b>TDC Holdings Limited transacted with its subsidiary, Tararua Forests Limited</b>		
Services provided to Tararua Forests Limited by TDC Holdings Limited during the year (GST exc)	4	5
Amounts payable to TDC Holdings Limited by Tararua Forests Limited at year end (GST inc)	-	6
Dividends paid to TDC Holdings Limited by Tararua Forests Limited during the year (GST exc)	-	-
<b>TDC Holdings Limited transacted with its parent, Council</b>		
Services received by Council from TDC Holdings Limited during the year (GST exc)	46	46
Services provided by TDC Holdings Limited to Council during the year (GST exc)	6	7
Dividends payable to Council by TDC Holdings Limited during the year (GST exc)	100	-
Amounts payable to TDC Holdings Limited by Council at year end (GST inc)	-	52
Amounts receivable by Council from TDC Holdings Limited at year end (GST inc)	-	8
<b>Council engaged its 66% owned (via TDC Holdings Limited) subsidiary, Infracon Limited, to maintain roading and other facilities and services</b>		
Services received by Council from Infracon Limited during the period (GST exc)	11,095	7,879
Services provided and Rates to Infracon Limited by Council during the period (GST exc)	108	219
Amounts receivable by Council from Infracon Limited at year end (GST inc)	10	8
Subvention Payment receivable by Council from Infracon Limited at year end (GST exc)	115	-
Amounts payable to Infracon Limited by Council at year end as contract retentions (GST inc)	417	278
Amounts payable to Infracon Limited by Council at year end provision for ex employee retirement (GST exc)	46	43
Amounts payable to Infracon Limited by Council at year end -provision for ex employee sick leave (GST exc)	25	16
Amounts payable to Infracon Limited by Council at year end (GST inc)	1,328	620
Services received by Infracon from Council	-	34
<b>Council engaged its fully owned subsidiary (via TDC Holdings Limited), Tararua Forests Limited, to maintain forests</b>		
Services received by Council from Tararua Forests Limited during the year (GST exc)	-	-
Services and Rates provided to Tararua Forests Limited by Council during the period (GST exc)	9	8
<b>Council is settlor of the Tararua Aquatic Community Trust and meets the definition being of a Council Organisation</b>		
Income of the Trust provided by the Council (GST exc)	187	180
Council provided TACT a Loan sourced from Energy Efficiency Conservation Authority for a new water heat exchange plant	44	-
- This is a low cost loan and is discounted to its fair value and is included in "Trade and Other Receivables"	41	21
Loan repayments from the Trust to Council (by right of offset against the Income provided to the Trust)	22	23
Payments for Services received by the Council from the Trust (GST exc)	2	-
Amounts receivable by Council from the Trust at year end (GST inc)	-	-

	2008/09 \$000's	2009/10 \$000's
<b>Manawatu Wanganui LASS</b>		
Insurance charged to Council from MW LASS	-	62
<b>Related party transactions involving Elected Members</b>		
David Roberts, Manager of Dorington Poole & Partners Dannevirke	2	-
- Legal Services to Infracon Limited		
David Lea, Principal Property Brokers Pahiatua	13	-
- Commission on Sale of Land to Council, Queen Street, Pahiatua		
Katrina Dimock, Eketahuna Community Board	-	-
- Card rack for the Woodville I Site		
<b>Related party transactions involving Directors and Trustees</b>		
TDC Holdings Limited had no related party transactions involving Directors.		
Infracon Limited contracted with certain directors of Infracon Limited		
These transactions involved providing contracting services to directors or entering into a subcontractor relationship whereby a director provided services to Infracon Limited. All transactions were at normal commercial rates.		
P Burne (Morris & Bailey Ltd, contracting services provided by Infracon Limited)	45	173
P Burne (Morris & Bailey Ltd, provided services to Infracon Limited)	708	528
R J Trotter (contracting services provided by Infracon Limited)	-	3
J P Gallagher	-	2
B Davey	1	-
Flowerlands, Family Association to Infracon Chief Executive, G Tripp	3	3
At 30 June 2010:		
Infracon Limited owing by Morris & Bailey	6	-
Infracon Limited owing to Morris & Bailey	144	-
Infracon Limited owing by R J Trotter	-	-
I McKenzie who is a Trustee of Tararua Aquatic Community Trust is a Partner of Holloway and Irwin which supplies the Trust with accounting and financial services.	3	-

## 28 Financial Instruments

### Financial Instrument Categories

The accounting policies for financial instruments have been applied to the line items below:

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
<b>Financial Assets</b>				
Fair value through the surplus or deficit – held for trading	-	-	-	-
<b>Loans and Receivables</b>				
Cash and cash equivalents	1,876	2,233	2,106	2,951
Debtors and other receivables*	3,169	2,421	8,180	6,638
Other financial assets	-	-	-	-
- term deposits	7,259	9,706	7,362	9,813
- community loans	-	-	-	-
- loans to related parties	41	21	-	-
<b>Total loans and receivables</b>	<b>12,345</b>	<b>14,381</b>	<b>17,648</b>	<b>19,402</b>
<b>Fair value through other comprehensive income</b>				
Other financial assets				
- unlisted shares	132	132	132	132
<b>Total fair value through other comprehensive income</b>	<b>132</b>	<b>132</b>	<b>132</b>	<b>132</b>
<b>Total Financial Assets</b>	<b>12,477</b>	<b>14,513</b>	<b>17,780</b>	<b>19,534</b>
<b>Financial Liabilities</b>				
<b>Fair value through the surplus or deficit - held for trading</b>				
<b>Financial Liabilities at amortised cost</b>				
Creditors and other payables	3,366	2,448	5,594	4,728
Borrowings				
- bank overdraft	-	-	13	-
- secured loans	10,045	10,023	13,401	12,042
- debentures	-	-	-	-
<b>Total Financial Liabilities at amortised cost</b>	<b>13,411</b>	<b>12,471</b>	<b>19,008</b>	<b>16,770</b>

\* Debtors and other receivables does not include prepayments.

## 29 Financial Instrument Risks

Council and group have a series of policies to manage the risks associated with financial instruments. Council and group are risk averse and seeks to minimise exposure from its treasury activities. Council and group have established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

### Market Risk

#### Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

#### *Council*

Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through other comprehensive income. This relates to shares in Civic Assurance which are held at net asset backing value as impairment of a New Zealand Government owned company is not deemed necessary.

#### *TDC Holdings Limited and Tararua Forests Limited*

TDC Holdings Ltd and Tararua Forests Ltd price risk arises due to market movements in listed securities. This price risk is managed by diversification of their investment portfolios in accordance with the limits set out in their investment policies.

### **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

#### *Council*

Council has purchased plant and equipment associated with the construction of certain infrastructural assets from overseas which required it to enter into transactions denominated in foreign currencies. All such purchases have been completed so there is no exposure to this risk.

It is Council's policy to manage foreign currency risks arising from contractual commitments and liabilities that are above specified amounts by entering into forward foreign exchange contracts to hedge the foreign currency risk exposure. This means Council is able to fix the New Zealand dollar amount payable prior to delivery of the plant and equipment from overseas.

#### *Tararua Forests Limited*

Tararua Forests Ltd is only exposed to currency risk if it sells milled timber off shore.

#### *Infracon Limited*

Infracon Ltd may be exposed to currency exchange risk in the normal course of its business when purchasing capital from overseas sources. Consideration is given to mitigating foreign currency risk by entering into forward currency contracts.

### **Fair Value Interest Rate Risk**

#### **Council**

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose the Council to fair value interest rate risk. Infracon's Liability Management policy is to maintain approximately 50% of its borrowings in fixed rate instruments.

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

#### **TDC Holdings Limited and Tararua Forests Limited**

These companies currently have no fair value interest rate debt or investments.

#### **Infracon Limited**

Infracon Ltd 's exposure for fair value interest rate risk is limited to its borrowings and short-term bank deposits, and maintains approximately 98% of its borrowings in fixed rate instruments.

The bulk of Infracon Ltd borrowings are on fixed term. Variable borrowings are limited to revolving credit facilities. Infracon Ltd has a revolving credit plus facility with the BNZ which has a variable interest rate.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- Cash and bank overdraft – the carrying amount of cash and bank overdraft balances is equivalent to their fair value.
- Short-term investments – for the purpose of compliance with generally accepted accounting practice, the carrying amount of all short term investments are stated at the lower of cost or market value. The fair value of short-term investments is estimated based on quoted market prices for those instruments at balance date.
- Long term debt – the fair value of long term debt is estimated based on current market interest rates available to the company for debt of similar maturities.

#### **TACT**

The Tararua Aquatic Community Trust currently has no fair value interest rate debt or investments.

## Credit Risk

### Council

In the normal course of its activities, the Council incurs credit risk from debtors and financial institutions. Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, the Council invests surplus cash into term deposits and local authority stock which gives rise to credit risk. There are no significant concentrations of credit risks except that Council's cash resources are held by four trading banks.

Council's Investment policy limits the amount of credit exposure to any one financial institution or organisation.

Other than other local authorities, the group only invests funds with entities that have a Standard and Poor's credit rating of at least A2 for short term and A- for long-term investments.

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

### TDC Holdings Limited

Due to the timing of its cash inflows and outflows, the TDC Holdings Ltd invests surplus cash into term deposits and local authority stock which gives rise to credit risk.

TDC Holdings Ltd's investment policy limits the amount of credit exposure to any one financial institution or organisation. Investments in other Local Authorities are secured by charges over rates. Other than other local authorities, the group only invests funds with entities that have a Standard and Poor's credit rating of at least A2 for short term and A- for long-term investments.

TDC Holdings Ltd has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

### Tararua Forests Limited

Tararua Forests Ltd's debtors and other receivables arise from normal trade activities by the company, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Tararua Forests Ltd has no significant concentration of credit risk in relation to receivables as it's main debtor is the logging contractor who operates on behalf of the company. Tararua Forests Ltd have minimal liabilities and assets for credit risk to be an issue.

### Infracon Limited

Infracon uses financial instruments that potentially subject the company to concentrations of risk, and consist principally of cash and short term investments, trade receivables and various off balance sheet instruments (if any).

Infracon places its cash and short term investments with high credit quality institutions and sovereign bodies and limits the amount of credit exposure to any one financial institution.

Concentrations of credit risk with respect to accounts receivable are high due to the reliance on the Tararua & Central Hawkes Bay District Councils for over 42% of Infracon Limited's revenue. However, the District Councils are high credit quality entities.

### TACT

The Tararua Aquatic Community Trust invests surplus with registered banks. The maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash equivalents, investments and trade receivables. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

### Maximum Exposure to Credit Risks

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

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Cash at bank and term deposits	9,135	11,939	9,468	11,902
Debtors and other receivables	2,825	2,433	6,536	5,403
Community and related party loans	69	21	69	-
Local authority and government stock	-	-	-	-
Derivative financial instrument assets	-	-	-	-
Financial guarantees	-	-	-	-
Derivative financial instrument assets	-	-	-	-
<b>Total credit risk</b>	<b>12,029</b>	<b>14,393</b>	<b>16,073</b>	<b>17,305</b>

## Credit Quality of Financial Assets

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

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
<b>Counterparties with Credit Ratings</b>				
<b>Cash at Bank and Term Deposits</b>				
A1+	9,135	10,929	9,468	11,892
A1	-	10	-	10
<b>Total cash at bank and term deposits</b>	<b>9,135</b>	<b>10,939</b>	<b>9,468</b>	<b>11,902</b>
<b>Counterparties without Credit Ratings</b>				
<b>Community and related party loans:</b>				
Existing counterparty with no defaults in the past	41	21	-	-
Existing counterparty with defaults in the past	-	-	-	-
<b>Total community and related party loans</b>	<b>41</b>	<b>21</b>	<b>-</b>	<b>-</b>

Debtors and other receivables mainly arise from Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has only one significant concentration of credit risk in relation to debtors (Land Transport New Zealand). This concentration of risk and reliance on Government is not considered to be a matter of concern because of the New Zealand Government's strong credit rating.

As it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers, there is no other significant risk.

## Liquidity Risk

### Management of Liquidity Risk

#### Council

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

In meeting its liquidity requirements, Council maintains a target level of investments that must mature within the next 12 months. Council manages its borrowings in accordance with its funding and financial policies, which includes Liability Management Policy 2- Liquidity. These policies have been adopted as part of the Council's Long Term Council Community Plan.

Council has a maximum amount that can be drawn down against its overdraft facility of \$500,000 (2009 \$500,000). There are no restrictions on the use of this facility. Council has a standby loan facility of \$5,000,000 to be used in the event of a natural disaster.

#### TDC Holdings Limited

In meeting its liquidity requirements, TDC Holdings Ltd and group maintains sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Also by having a spread of maturity dates of the debt facilities.

#### Tararua Forests Limited

Tararua Forests Ltd management activities oversee its cashflow by harvesting forests to cover forecast expenditure.

Tararua Forests Ltd has a maximum amount that can be drawn against its overdraft facility of \$50,000.

#### Infracon Limited

Infracon Limited believes that the carrying amounts for financial instruments shown in the annual accounts represent their fair values.

Committed Cash Facilities are secured over the assets of the company by a First Registered Debenture held by the Bank of New Zealand and Registered First Mortgage over several properties listed on the Credit Plus Facility Asset Schedule.

The company manages its liquidity risk by having a spread of maturity dates of the company's debt facilities.

## Contractual Maturity Analysis of Financial Liabilities

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

	Carrying Amount \$000's	Contractual Cash \$000's	Less than 1 Year \$000's	1–2 Years \$000's	2–5 Years \$000's	More than 5 Years \$000's
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### Council 2010

Creditors and other payables	2,448	2,448	2,448	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured Loans	10,023	10,023	2,023	3,000	5,000	-
Finance leases	-	-	-	-	-	-
Financial guarantees	-	-	-	-	-	-
<b>Total</b>	<b>12,471</b>	<b>12,471</b>	<b>4,471</b>	<b>3,000</b>	<b>5,000</b>	<b>-</b>

### Group 2010

Creditors and other payables	4,728	4,728	4,728	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured Loans	12,042	12,042	4,226	3,324	6,095	-
Finance leases	-	-	-	-	-	-
Financial guarantees	-	-	-	-	-	-
<b>Total</b>	<b>16,770</b>	<b>16,770</b>	<b>8,954</b>	<b>3,324</b>	<b>6,095</b>	<b>-</b>

### Council 2009

Creditors and other payables	3,366	3,366	3,366	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured Loans	10,045	10,045	3,023	2,022	5,000	-
Finance leases	-	-	-	-	-	-
Financial guarantees	-	-	-	-	-	-
<b>Total</b>	<b>13,411</b>	<b>13,411</b>	<b>6,389</b>	<b>2,022</b>	<b>5,000</b>	<b>-</b>

### Group 2009

Creditors and other payables	5,594	5,594	5,594	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Bank overdraft	13	-	13	-	-	-
Secured Loans	13,402	13,402	4,904	3,498	5,000	-
Finance leases	-	-	-	-	-	-
Financial guarantees	-	-	-	-	-	-
<b>Total</b>	<b>19,009</b>	<b>18,996</b>	<b>10,511</b>	<b>3,498</b>	<b>5,000</b>	<b>-</b>

## Contractual Maturity Analysis of Financial Assets

The table below analyses Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Carrying Amount \$000's	Contractual Cash \$000's	Less than 1 Year \$000's	1–2 Years \$000's	2–5 Years \$000's	More than 5 Years \$000's
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### Council 2010

Cash and Cash Equivalents	2,233	2,233	2,233	-	-	-
Debtors and other receivables	2,421	2,421	2,421	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:	-	-	-	-	-	-
- term deposits	9,706	9,706	8,701	1,005	-	-
- community and related party loans	-	-	21	-	-	-
- local authority and government stock	-	-	-	-	-	-
<b>Total</b>	<b>14,360</b>	<b>14,360</b>	<b>13,355</b>	<b>1,005</b>	<b>-</b>	<b>-</b>

### Group 2010

Cash and Cash Equivalents	2,951	2,951	2,951	-	-	-
Debtors and other receivables	6,638	6,638	6,638	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:	-	-	-	-	-	-
- term deposits	9,813	9,813	9,234	1,049	-	-
- community and related party loans	-	-	-	-	-	-
- local authority and government stock	-	-	-	-	-	-
<b>Total</b>	<b>19,402</b>	<b>19,402</b>	<b>18,823</b>	<b>1,049</b>	<b>-</b>	<b>-</b>

### Council 2009

Cash and Cash Equivalents	1,876	1,876	1,876	-	-	-
Debtors and other receivables	3,242	3,242	3,242	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:	-	-	-	-	-	-
- term deposits	7,339	7,339	7,339	-	-	-
- community and related party loans	41	41	21	20	-	-
- local authority and government stock	-	-	-	-	-	-
<b>Total</b>	<b>12,498</b>	<b>12,498</b>	<b>12,478</b>	<b>20</b>	<b>-</b>	<b>-</b>

### Group 2009

Cash and Cash Equivalents	2,106	2,106	2,106	-	-	-
Debtors and other receivables	6,609	6,609	6,609	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:	-	-	-	-	-	-
- term deposits	7,362	7,362	7,362	-	-	-
- community and related party loans	-	-	-	-	-	-
- local authority and government stock	-	-	-	-	-	-
<b>Total</b>	<b>16,077</b>	<b>16,077</b>	<b>16,077</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Sensitivity Analysis

The tables below illustrate the potential profit and loss and equity (excluding accumulated funds) impact for reasonably possible market movements, with all other variables held constant, based on Council's financial instrument exposures at the balance date.

		2010 \$000's -100bps	2010 \$000's -100bps	2010 \$000's +100bps	2010 \$000's +100bps	2009 \$000's -100bps	2009 \$000's -100bps	2009 \$000's +100bps	2009 \$000's +100bps
	Note	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
<b>Interest Rate Risk</b>									
<b>Financial Assets</b>									
Cash and Cash Equivalents	1	(22)	-	22	-	(36)	-	36	-
<b>Financial Liabilities</b>									
Borrowings:									
- bank overdraft		-	-	-	-	-	-	-	-
- term loans	2	(8)	-	8	-	(5)	-	5	-
<b>Total sensitivity to interest rate risk</b>		<b>(30)</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>(41)</b>	<b>-</b>	<b>41</b>	<b>-</b>

### Explanation of Sensitivity Analysis – Council

#### 1 Cash and cash equivalents

Cash and cash equivalents include deposits at call totalling \$2,233,000 (2009 \$3,624,000) which are at floating rates.

A movement in interest rates of plus or minus 1% has an effect on interest income of \$22,330 (2009 \$36,600).

#### 2 Most term loans are at fixed rates and therefore not sensitive to interest rate movement.

A \$5 million loan is capped within the range of 5.84% to 6.20%. The loan commenced 31 March 2009, resulting in a potential range of interest \$8,000 for the year.

However the lower rate of 5.84% applied for the 3 months within the 2009/10 financial year. A full year potential variance is \$18,000.

## 30 Capital Management

Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Council Community Plan (Community Plan) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's Community Plan.

Council has the following Council created reserves:

- reserves for different areas of benefit;
- self-insurance reserves; and
- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from payers of general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

## 31 Contingent Liabilities

Council is aware of the following contingent liabilities existing at year end.

	2008/09 Council \$000's	2009/10 Council \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
Expected court costs for legal proceedings known at balance date	-	2	-	-
Performance bonds held by the bank, by way of guarantees	-	-	2,734	2,174
Council is providing no guarantees to other organisations.				
<b>Total Contingent Liabilities</b>	<b>-</b>	<b>2</b>	<b>2,734</b>	<b>2,174</b>

The Council has a contingent liability at year end for an undetermined amount to New Zealand Mutual Liability RiskPool.

The liability is for leaky homes claims in other areas of the country that may become known in the future but relate to the period that the council was a member of the RiskPool.

There were 33 (2009: 41) performance bonds held by the Bank of New Zealand by way of guarantees given by the Bank on behalf of the company totalling \$2,174,135 (2009: \$2,734,293). The Bank of New Zealand, by issuing performance bonds, has guaranteed the performance of contracts the company has entered into.

No liability is expected to arise, therefore, it is impractical to determine any possible liability with any acceptable degree of reliability.

## 32 Post Balance Date Events

No post balance date events occurred up to the date of the report adoption that are known to have a material affect on the Financial Statements and Notes to the Financial Statements of Council.

### 33 Remuneration

During the year to 30 June 2010, the total remuneration and value of other non-financial benefits received by, or payable to the Mayor, other Councillors, and the Chief Executive of the Council were as follows:

	2008/09 \$000's	2009/10 \$000's
<b>Mayor</b>		
Maureen Reynolds	69	77
<b>Councillors</b>		
Warren Davidson*	26	35
Roly Ellis	2	24
Keith Fenemor	21	21
Bill Keltie	22	24
David Lea	33	34
Claire Matthews	23	22
David Roberts	22	22
Chris Southgate	24	22
Judy Swenson	4	-
<b>Total Mayor &amp; Councillors</b>	<b>246</b>	<b>281</b>
<b>Community Boards</b>		
Charlie Death	4	4
Katrina Dimock	4	4
Robert Dresser	4	4
Nigel Ensor	1	-
Biddy Fraser-Davies	4	4
John Harman	7	7
Carole Isaacson	4	4
Ross MacDonald	2	4
Ray Teahan	7	7
<b>Total Community Boards</b>	<b>37</b>	<b>38</b>
<b>Chief Executive</b>		
Roger Twentyman, Employee Benefit Costs	90	-
Roger Twentyman, Motor Vehicle	5	-
Blair King, Employee Benefit Costs	107	170
Blair King, Motor Vehicle		9
The employee benefit costs include the value of any non-financial benefits, except for motor vehicle, which is separately disclosed.		
<b>Total Chief Executive</b>	<b>202</b>	<b>179</b>
<b>Key Management Personnel (includes mayor, councillors, chief executive, and senior managers)</b>		
Employee Benefit Costs	921	977
Post Employee Benefit Costs (including Superannuation)	14	-
Other Long Term Benefits	-	-
Termination Benefits	-	-
<b>Total Key Management Personnel</b>	<b>935</b>	<b>977</b>
<b>Severance Payments</b>		
All Employees (nil for both years)	-	-

\* Included in Councillor Davidson's remuneration is \$8,275 received and on-paid to Councillor Davidson from Mighty River Power.

## 34 Major Budget Variations

Explanations for major budget variations from the Council's budget figures in the 2009/10 Annual Plan are as follows:

### Statement of Comprehensive Income – Revenue

#### Rates

Rates revenue is slightly higher than budget by \$10,000. This slight variation is due to changes in the rates collected because of property changes during the year.

#### Interest Revenue

Interest revenue is slightly lower than budget by \$40,000 due to the bank balances and interest rate being slightly lower than predicted.

#### Dividends & Subventions

No dividends were declared at at 30 June 2010, (\$215,000 in 2009) as a result of the economic downturn affecting the profitability of Infracon Limited.

Dividends were budgeted for \$377,000 in 2010, of this \$3,300 was received from Civic Insurance. In addition, Tararua Forests Limited directors have recommended that no dividends be distributed so that cash from the tree harvest be retained for replanting due to the impact of the Emission Trading Scheme.

#### Grants and Subsidies

The decrease in grants and subsidies over plan of \$5.285 million was primarily due to the following reasons:

- The Pahiatua Track improvements not receiving subsidy funding from the NZ Transport Agency of \$2.55 million, however a subsidy is being sought for a revised project;
- the subsidy from the Ministry of Health for Pahiatua Water Treatment upgrade of \$1.425 million, although approval has been given to spend \$200,000 and Broadband network not now proceeding of \$688,000 as the Government has cancelled the regional broadband approach. The balance of \$622,000 is mainly due to roading work that has not been completed.

#### Fees and Charges

Fees and charges are lower than plan by \$153,000 due to less building consents (\$57,000), water fees (\$60,000), landfill fees for all regions of (\$97,000) Emergency Management fees of (14,000) and other activities of (\$24,000). This is offset by increased revenue within roading \$24,000, and sewerage \$26,000.

#### Other Revenue

The Other Revenue is over budget by \$11,000 of which Council was awarded (\$18,000) of legal costs, which had not been budgeted.

### Statement of Comprehensive Income – Expenses

#### Operating Expenses

Actual operating expenditure was lower than budget by \$601,000. The most significant under expenditure was within the roading activity \$324,000 as NZ Transport Agency approved a lower programme value for sealed pavement maintenance and structures maintenance and Sewerage operating costs were under budget by \$289,000 primarily due to savings made by Council on the Infracon Ltd contract for the sewerage treatment plant at Dannevirke \$160,000 and Woodville \$100,000.

#### Depreciation and Amortisation

Total depreciation and amortisation is over budget by \$1.106 million as at the time of setting the budgets the significant increase from the 2008/09 asset revaluation and the additional stormwater network assets gained as part of the asset management plans were not known.

#### Personnel Costs

There was an increase of \$189,000 in personnel costs due to a planned retirement not occurring during the year and additional increases in market rates, and a new staff member within Emergency Management was employed, a role formerly contracted out.

### Statement of Financial Position

#### Cash and Cash Equivalent (including Other Financial Assets)

Cash & bank, including Other Financial Assets have increased by \$1.786 million from 2008/09 as cash reserves have increased due to less spent than planned on capital expenditure.

The variance to budget of \$1.8 million was primarily due to Council not receiving additional subsidy funding of \$5.3 million less capital expenditure not completed \$6.6 million.

#### Debtors and Other Receivables

Debtors and other receivables are lower than plan by \$409,000 as the actual debtors of \$2.4 million is very much dependant on the size of roading subsidy from NZ Transport Agency and its timing.

#### Current Liabilities

The current liabilities are \$1.8 million less than the prior year due to short-term loans of \$1 million maturing in 2009, and being rolled over to long-term in 2010, as well as a reduction of \$920,000 in creditors and other payables.

### **Property, Plant & Equipment**

The increase of \$31.4 million from the prior year is due to additions of \$9.53 million plus the revaluation of \$33.76 million. This increase is offset by depreciation of \$10.254 million and disposals of \$1.1 million.

Actual increase was less than budgeted by \$24.2 million due to less capital spent than budgeted of \$5.6 million, an increase in revaluation compared to budget of \$19.7 million and more depreciation than budgeted of \$1.1 million.

### **Borrowings**

Actual borrowings are lower than budgeted due to \$6.6 million capital works programme completed compared to budget of \$15.14 million.

### **Asset Revaluation Reserves**

This increase in revaluation reserves of \$33.7 million is due to the revaluation of our infrastructure assets carried out in 2010.

The increase is due mainly to higher unit costs in roading and utilities which are dependant on the cost of oil and labour costs.

### **Special Funded Reserves**

Special funds of \$10.9 million at year end are \$4.5 million less than budgeted due to a reduction last year of \$1.2 million for missed adjustments in 2005 to 2008 (this was not accounted for in budget figures). The remainder is due to budgeted transfers from depreciation reserves that did not occur.

### **Statement of Cash Flows**

The Council's cash position increased by \$357,000 opposed to a decrease of \$2.8 million last year. This is due to a decrease in debtors of \$730,000 plus an increase in other financial assets of \$1.4 million less a decrease in creditors of \$918,000 and other cash movements of \$884,000.

Grants and subsidies not received during the year from NZ Transport Agency and the Ministry of Health and the roading and water projects, which have not been completed or delayed, have impacted on the forecasted cash balance in the Annual Plan.

### **GST**

GST refunds largely offset the payments and these transactions are essentially neutral to Council as it pays what it receives in GST.

### **Proceeds from investments realised and purchase of investments**

These two balances represent cash flowing between our operating account and term deposits (over 3 months).

### **Purchase of Fixed Assets**

Council spent less on fixed assets (\$9.53 million) than it planned (\$15.09 million), and at year end approximately \$6.5 million of expenditure is being carried forward for possible completion in future years.

### **Loans Raised**

This shows the refinancing of \$3 million of loans during the year which were rolled over. The repayment of the old loan is reflected in the loans repaid figure.

## 35 Summary Cost of Services

	Actual 2010 \$000's	Budget 2010 \$000's	Actual 2009 \$000's
<b>Income</b>			
District	-	-	(230)
District Treasury	(332)	(880)	(781)
Animal Control	(177)	(186)	(160)
Cemeteries	(67)	(70)	(76)
Commercial Property	(135)	(123)	(117)
Community Buildings	(49)	(36)	(36)
Community Support	(23)	(2)	(153)
District Promotion and Development	(2)	(690)	(2)
Emergency Management	(149)	(125)	(49)
Footpaths	(18)	(2)	(161)
Health & Safety	(397)	(453)	(373)
Housing	(377)	(348)	(378)
Library	(73)	(55)	(65)
Parks and Reserves	(166)	(169)	(191)
Public Conveniences	(1)	(1)	(1)
Representation	(20)	(27)	(36)
Resource Management	(43)	(51)	(53)
Roading	(8,673)	(11,675)	(8,872)
Service Centres	(4)	(3)	(4)
Sewerage	(123)	(100)	(64)
Solid Waste Management	(1,198)	(1,297)	(991)
Stormwater/Drainage	(2)	(2)	(2)
Swimming Pools	(5)	(2)	(6)
Tararua i-SITE	(26)	(14)	(18)
Water Supplies	(493)	(1,981)	(424)
Water Supplies - Pongoroa	(5)	-	(8)
<b>Total Activity Income</b>	<b>(12,558)</b>	<b>(18,292)</b>	<b>(13,251)</b>
Less Internal Income	1,063	1,051	944
Rates	(16,521)	(16,511)	(15,984)
<b>Total Income</b>	<b>(28,016)</b>	<b>(33,752)</b>	<b>(28,291)</b>

	Actual 2010 \$000's	Budget 2010 \$000's	Actual 2009 \$000's
<b>Expenditure</b>			
District	315	306	378
District Treasury	3	(76)	-
Animal Control	188	184	171
Cemeteries	249	269	249
Commercial Property	118	88	82
Community Buildings	656	615	545
Community Support	328	313	575
District Promotion and Development	134	112	185
Emergency Management	340	309	399
Footpaths	594	529	532
Health & Safety	853	715	721
Housing	666	537	543
Library	730	698	744
Parks and Reserves	987	964	920
Public Conveniences	174	176	164
Representation	1,063	1,136	1,173
Resource Management	394	305	284
Roading	14,359	14,120	14,221
Service Centres	369	370	361
Sewerage	1,783	2,254	1,891
Solid Waste Management	1,872	1,884	1,657
Stormwater/Drainage	429	389	342
Swimming Pools	402	334	331
Tararua i-SITE	152	127	136
Water Supplies	1,556	1,614	1,558
Water Supplies - Pongoroa	250	238	217
<b>Total Activity Expenditure</b>	<b>28,962</b>	<b>28,510</b>	<b>28,379</b>
Less Internal Expenditure	(1,063)	(1,051)	(944)
<b>Total Operating Expenditure</b>	<b>27,899</b>	<b>27,459</b>	<b>27,435</b>

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities (refer to note 3). In order to fairly reflect the total external operations for the Council in the statement of comprehensive income, these transactions are eliminated as shown above.

# Council's Significant Interests in Other Entities

The Local Government Act 2002, Schedule 10 (16) requires Council to provide information regarding its involvement in Trading Organisations (CCTOs), companies and other organisations under the control of Council or in which Council has a significant interest.

## TDC Holdings Limited

### The Company

The Holding Company was incorporated under the Companies Act 1993 on 16 June 1997, to provide better optimisation of Council's funds invested in its two operational CCTOs, Infracon Limited and Tararua Forests Limited.

### Nature and Scope of Activities

The core investment of the company is a 66% interest in Infracon Limited and a 100% interest in Tararua Forests Limited totalling \$9.424 million. Council has an investment in TDC Holdings Limited of \$5.016 million.

### Objectives

The objective of the Company is to operate as a successful investment business and to ensure Council obtains an adequate return on its investments.

### Performance Targets

#### Return on Shareholder Funds

TDC Holdings Limited performance for return on shareholders funds will be assessed on the combined dividend or cash distributions made to TDC Holdings Limited and Council by Infracon Limited and Tararua Forests Limited.

### This Year's Result

This year's operating surplus before tax was \$1,430 (2009 \$134,777). TDC Holdings Ltd received income of \$54,000 made up from Council fees and charges to the subsidiary companies. There were no dividends received this year from Infracon Limited.

The contracting industry is passing through difficult times and due to this Infracon Ltd has made a loss after tax of \$1,193,450. Tararua Forests Ltd harvesting revenue for the year reduced by 27% from the previous year. However the forestry revaluation resulted in a net surplus after tax of \$199,903 (2009 \$51,934).

### Fundamental uncertainty about the validity of the going concern basis on which the financial statements and performance information have been prepared

TDC Holdings owns 66% of Infracon. In forming their opinion for Infracon, Audit New Zealand considered the adequacy of the disclosures made in notes about the use of the going concern basis upon which the financial statements and performance information have been prepared. That assumption depends on:

- the Company's bank continuing to support the Company; and
- the Company's ability to meet its financial forecasts.

The auditors had consider the disclosures to be adequate as the outcome of the bank's continued support and the ability of the Company to meet its financial forecasts is uncertain at this stage. The validity of the going concern basis upon which the financial statements and performance information are prepared depends on continuing support from the bank, and the Company meeting its financial forecasts.

If Infracon was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the Statement of Financial Position. In addition, Infracon may have to provide for further liabilities that might arise, and to re-classify non-current assets and liabilities as current assets and liabilities.

This issue has impacted TDC Holdings and Group financial statements.

### Breach of Law

Section 67 of the Local Government Act 2002 requires that within three months after the end of the financial year, the directors of a Council Controlled Trading Organisation must deliver to the shareholders and make available to the public, a report on the Company's operations during that year. This requirement was not achieved due to delays in finalising the audit process.

	2009/2010 Actual	2009/2010 Budget
Ratio of shareholder funds to total assets	98.8%	60-70%
Distribution to Tararua District Council (& Group Tax Subvention Payment)	\$100,000	\$200,000 - 500,000

Objective	Performance Target	Achievement
To negotiate and agree with Council the Company's Statement of Intent	Agreement of the Company's Statement of Intent (Sol) with the Council not later than 30 June each year.	Achieved
	Compliance with provisions of the Local Government Act 2002 and the Company's Constitution.	Achieved
To negotiate with its subsidiaries and, after consultation, with Council, approve the subsidiaries Sol's	Consideration of draft Sol's from subsidiaries and, if appropriate, discussions with subsidiary Boards of Directors not later than 15 June of each year.	Achieved
	Ensuring subsidiaries' Sol compliance with provision of the Local Government Act and subsidiaries' Constitutions.	Achieved
	Approval of subsidiaries' Sol's not later than 30 June of each year	Achieved
To monitor the subsidiaries' performances against targets established in the Sol.	Establishment of recording requirements and protocols for the subsidiaries to the Company.	Achieved
	Review of subsidiaries' reports quarterly and obtaining information on significant variances to performance targets.	Not achieved within timeframe
To report regularly to Shareholders on the Company's performance against targets.	Compliance with the reporting requirements detailed in the Sol and Board attending on Council to discuss reports	Not achieved
	Holding not less than one shareholders' meeting each year for the purpose of briefing the representatives of shareholders on developments in the subsidiaries	Achieved
To report regularly to Council on its own and subsidiaries' performance	Compliance with Council requirements for six monthly reports comparing performance against targets and other information	Not achieved
To report to Council on actual or potential non-compliance or problems with performance requirements.	Reporting to Council at the earliest opportunity of any significant problems/issues relating to the Company or subsidiaries.	Not achieved
To operate as a successful company in terms of the Companies Act, the Local Government Act and all other statutory provisions.	Compliance with Requirements of the Local Government Act 2002.	Not achieved: 2009 Annual Report adopted at AGM held on 25 March 2010
	Compliance with the Companies Act 1993 and the Financial Reporting Act 1993	Not achieved: AGM on 25 March 2010 for 2008/09
	Compliance with the Company's Constitution.	Not achieved: AGM on 25 March 2010 for 2008/09
	Compliance with the Statement of Intent's performance targets.	Complied

# CCTO (Council Controlled Trading Organisation) Financial Statements

## TDC Holdings Limited (TDC HL)

	2008/09 TDC HL \$000's	2009/10 TDC HL \$000's	2008/09 Consolidated \$000's	2009/10 Consolidated \$000's
<b>Statement of Comprehensive Income for the 12 Months Ended 30 June 2010</b>				
<b>Revenue</b>				
Revenue from operations	186	51	43,568	38,108
Revenue from forestry sales	-	-	137	100
Interest revenue	1	3	18	18
<b>Total Revenue</b>	<b>187</b>	<b>54</b>	<b>43,723</b>	<b>38,226</b>
<b>Expenses</b>				
Operating Expenditure	52	53	42,911	39,571
<b>Total Expenses</b>	<b>52</b>	<b>53</b>	<b>42,911</b>	<b>39,571</b>
Other gains/(losses)	-	-	(4)	256
<b>Net profit before taxation</b>	<b>135</b>	<b>1</b>	<b>(795)</b>	<b>(1,089)</b>
Taxation expense/(refund)	-	-	228	(98)
<b>Operating Surplus (Deficit) After Tax</b>	<b>135</b>	<b>1</b>	<b>(567)</b>	<b>(991)</b>
<b>Other Comprehensive Income</b>				
Gain on property revaluations	-	-	(105)	(22)
Tax on property revaluations	-	-	25	109
<b>Total Comprehensive Income</b>	<b>135</b>	<b>1</b>	<b>488</b>	<b>905</b>
<b>Total comprehensive income attributable to:</b>				
TDC HL	135	1	339	(529)
Non-controlling interest			149	(376)
<b>Statement of Financial Position as at 30 June 2010</b>				
<b>Assets</b>				
Current Assets	301	216	8,533	8,244
Non-Current Assets	9,425	9,424	19,755	19,664
<b>Total Assets</b>	<b>9,726</b>	<b>9,640</b>	<b>28,288</b>	<b>27,908</b>
<b>Liabilities</b>				
Current Liabilities	113	26	7,113	7,130
Non-Current Liabilities	-	-	2,030	2,017
<b>Total Liabilities</b>	<b>113</b>	<b>26</b>	<b>9,143</b>	<b>9,147</b>
<b>Equity</b>				
Public Equity				
Parent Interest	9,613	9,614	13,494	12,965
Minority Interest	-	-	5,651	5,796
Revaluation Reserves	-	-	-	-
<b>Total Equity</b>	<b>9,613</b>	<b>9,614</b>	<b>19,145</b>	<b>18,761</b>
<b>Total Equity &amp; Liabilities</b>	<b>9,726</b>	<b>9,640</b>	<b>28,288</b>	<b>27,908</b>

## Infracon Limited

### The Company

Infracon Limited is a Council Controlled Trading Organisation (CCTO) which is 66% owned by TDC Holdings Limited. It was established on 1st July 2003 under Section 594B of the Local Government Amendment No.2 Act 1989. The Company has its own management structure.

### Mission Statement

"For Infracon Limited to be the outstanding provider of Roading and Civil Engineering and associated services in the communities we serve."

### Objectives

The principal objective of the Company is to provide competitive and quality service to a wide range of customers by creating a stimulating and rewarding environment for our people. This will add value for our shareholders and communities.

### Nature and Scope of Activities

Infracon Limited's primary activity is the management and execution of infrastructure maintenance particularly in the areas of Local Authority Roading and Underground Service Utilities.

The Company will undertake work as follows:

- Road and bridge maintenance
- Utilities and services maintenance
- Parks and reserves maintenance
- Civil engineering contracts for Transit NZ, local authorities, and private customers
- General plant hire
- Crushing and quarry operations
- Refuse collection and disposal
- Supply of readymix concrete
- Other works which are incidental or conducive to the attainment of the principal objective of operating a successful business.

### This Year's Result

Concentrating on the fundamentals of the business has been foremost by maintaining budgets, being closely aware of costs

and prioritising expenditure. A loss of \$1,193,450 (2009: profit of \$571,849) was achieved.

### Fundamental uncertainty about the validity of the going concern basis on which the financial statements and performance information have been prepared

In forming their opinion for Infracon, Audit New Zealand considered the adequacy of the disclosures made in notes about the use of the going concern basis upon which the financial statements and performance information have been prepared. That assumption depends on:

- the Company's bank continuing to support the Company; and
- the Company's ability to meet its financial forecasts.

The auditors had consider the disclosures to be adequate as the outcome of the bank's continued support and the ability of the Company to meet its financial forecasts is uncertain at this stage. The validity of the going concern basis upon which the financial statements and performance information are prepared depends on continuing support from the bank, and the Company meeting its financial forecasts.

If Infracon was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the Statement of Financial Position. In addition, Infracon may have to provide for further liabilities that might arise, and to re-classify non-current assets and liabilities as current assets and liabilities.

### Breach of Law

Section 67 of the Local Government Act 2002 requires that within three months after the end of the financial year, the directors of a Council Controlled Trading Organisation must deliver to the shareholders and make available to the public, a report on the Company's operations during that year. This requirement was not achieved due to delays in finalising the audit process.

### Performance Targets

	2009/2010 Actual	2009/2010 Budget
Ratio of shareholder funds to total assets	65%	55% minimum
Net Profit before tax and Subvention Payment to opening shareholders funds	0%	6-8%

# CCTO (Council Controlled Trading Organisation) Financial Statements

## Infracon Limited

	2008/09 \$000's	2009/10 \$000's
<b>Statement of Comprehensive Income for the 12 Months Ended 30 June 2010</b>		
<b>Revenue</b>		
Revenue from operations	43,522	38,060
Interest revenue	11	10
<b>Total Revenue</b>	<b>43,533</b>	<b>38,070</b>
<b>Expenses</b>		
Operating Expenditure	42,711	39,403
<b>Total Expenses</b>	<b>42,711</b>	<b>39,403</b>
Plus Revaluation Increment/(Decrement) & Losses/(Gains) on Sale	(98)	(41)
<b>Net surplus before taxation</b>	<b>724</b>	<b>(1,374)</b>
Taxation expense/(refund)	(206)	(180)
<b>Net surplus/(deficit) after taxation</b>	<b>518</b>	<b>(1,194)</b>
<b>Other Comprehensive Income</b>		
Revaluations	(105)	(22)
Tax on equity items	25	109
<b>Total other comprehensive income</b>	<b>(80)</b>	<b>87</b>
<b>Total comprehensive income attributable to shareholders</b>	<b>438</b>	<b>(1,106)</b>
<b>Statement of Financial Position as at 30 June 2010</b>		
<b>Assets</b>		
Current Assets	9,546	7,882
Non-Current Assets	20,392	18,213
<b>Total Assets</b>	<b>29,938</b>	<b>26,095</b>
<b>Liabilities</b>		
Current Liabilities	7,529	7,128
Non-Current Liabilities	4,257	1,921
<b>Equity</b>		
Shareholder funds	14,116	12,923
Revaluation Reserve	4,036	4,123
	<b>18,152</b>	<b>17,046</b>
<b>Total Equity &amp; Liabilities</b>	<b>29,938</b>	<b>26,095</b>

## Tararua Forests Limited

### The Company

Tararua Forests Limited is a Council Controlled Trading Organisation (CCTO) which is wholly owned by TDC Holdings Limited. It was established on 1st July 1994 under Section 594B of the Local Government Amendment No.2 Act 1989. Tararua Forests Limited was sold by Council to TDC Holdings Limited on 15th October 1997 for \$150,000 in cash. An additional \$1.215million was invested on 30 June 1999 to fund the purchase of Council's Forestry Assets.

### Mission Statement

"To develop over a sustainable forest resource of good economies of scale providing consistent dividends to shareholders."

### Nature and Scope of Activities

Activities of the company are focused upon the development of profitable forestry yielding financial and other benefits.

These activities include:

- (a) Managing our forestry asset.
- (b) Harvesting our forests at the appropriate times.

- (c) Replanting of harvested areas.
- (d) Expanding our forest area.
- (e) Offering forestry management services to Tararua District Council and others.

### Objectives

- (a) Pursue management practices, business and market opportunities in order to maximise profitability.
- (b) Utilise Joint Ventures as a mechanism for further development of a sustainable forest base.
- (c) Develop a management and financial plan for the ongoing activities of the company and monitor progress to ensure that the company achieves its objectives.
- (d) Be a responsible corporate citizen.

### This Year's Result

Market conditions for Tararua Forests Ltd are closely monitored and the current harvesting programme will be reviewed if there are significant changes in market conditions.

Net surplus before tax was \$282,730 (2009: \$74,192).

### Performance Targets

	2009/2010 Actual	2009/2010 Budget
Ratio of shareholder funds to total assets	92%	Minimum 60%
Distribution to TDC Holdings Ltd		
- Dividend	\$0	\$0
- Management Fee	\$5,000	\$3,500
Trading profit and capital growth return on Shareholders Funds	3.7%	7%
Sustainable Yield Forest Area	302.5ha	400ha
Manage existing and new plantings	reported at meetings	contractors reports
Maintain roads at Birch North	reported at meetings	regular reports
Monitoring and reporting	two monthly financial reports	regular review
Statement of Corporate Intent & Statutory Provisions	met	complete by 30 Sept

# CCTO (Council Controlled Trading Organisation) Financial Statements

## Tararua Forests Limited

	2008/09 \$000's	2009/10 \$000's
<b>Statement of Comprehensive Income for the 12 Months Ended 30 June 2010</b>		
<b>Revenue</b>		
Forest sales (Gross)	137	100
Forest management services	-	-
Sundry revenue	7	7
<b>Total Revenue</b>	<b>144</b>	<b>107</b>
<b>Expenses</b>		
Fair value of logs harvested	59	58
Operating expenses & administration	71	63
<b>Total Expenses</b>	<b>130</b>	<b>121</b>
other asset gains/(losses)	60	297
<b>Net surplus/(deficit) before taxation</b>	<b>74</b>	<b>283</b>
Taxation expense/(refund)	22	83
<b>Net Surplus/(Deficit) after Taxation</b>	<b>52</b>	<b>200</b>
Other Comprehensive Income	-	-
<b>Total comprehensive income</b>	<b>52</b>	<b>200</b>
<b>Total comprehensive income attributable to Tararua District Council</b>	<b>52</b>	<b>200</b>
<b>Statement of Financial Position as at 30 June 2010</b>		
<b>Assets</b>		
Current Assets	168	204
Non-Current Assets	1,180	1,451
<b>Total Assets</b>	<b>1,348</b>	<b>1,655</b>
<b>Liabilities</b>		
Current Liabilities	9	33
Non-Current Liabilities	13	96
<b>Equity</b>		
Public Equity	1,326	1,526
<b>Total Equity &amp; Liabilities</b>	<b>1,348</b>	<b>1,655</b>

## Tararua Aquatic Community Trust

### The Trust

Tararua Aquatic Community Trust is a charitable trust created by deed of trust and registered under the Charitable Trust's Act 1957. This trust was set up on 30 April 1993 as an independent body with its own board and management structure.

### Objective

The Trust's objective is to provide and maintain a comprehensive indoor swimming pool and related services, in the Tararua District for the benefit and welfare of the citizens of the Tararua District.

### This Year's Result

The Trust made a surplus of \$14,000 (2009: \$11,000 loss). The Trust has managed its revenues, expenses, assets, liabilities and investments, and general financial dealings prudently as required by deed.

The Trust complied with the terms and conditions listed in the Management Agreement between the Trust and the Council. The Trust provided an audited set of Annual Accounts and Chairman's report to Council by 17 September 2010.

## Trusts – Financial Statements

### Tararua Aquatic Community Trust

	2008/09 \$000's	2009/10 \$000's
<b>Statement of Comprehensive Income for the 12 Months Ended 30 June 2010</b>		
<b>Revenue</b>		
Council grant	187	4
Operating revenue	1	25
Interest revenue	1	1
Other asset gains/(losses)	(3)	(1)
<b>Total Revenue</b>	<b>186</b>	<b>229</b>
<b>Expenses</b>		
Operating expenditure	197	215
<b>Total Expenses</b>	<b>197</b>	<b>215</b>
<b>Net Surplus/(Deficit) for Year</b>	<b>(11)</b>	<b>14</b>
Other Comprehensive Income	-	-
<b>Total comprehensive income</b>	<b>(11)</b>	<b>14</b>
<b>Total comprehensive income attributable to Tararua District Council</b>	<b>(11)</b>	<b>14</b>
<b>Statement of Financial Position as at 30 June 2010</b>		
<b>Assets</b>		
Current Assets	34	50
Non-Current Assets	1,010	988
<b>Total Assets</b>	<b>1,044</b>	<b>1,038</b>
<b>Liabilities</b>		
Current Liabilities	30	31
Non-Current Liabilities	21	-
<b>Equity</b>		
Public Equity	993	1,007
<b>Total Equity &amp; Liabilities</b>	<b>1,044</b>	<b>1,038</b>

## Wanganui-Manawatu LASS Limited

This company has been set up in 2008 by seven local councils to investigate the possibilities of economies of scale by joint procurement.

To date there has been no call on share capital and the financial transactions during the year were restricted to insurance being charged to Council of \$62,000. Tararua District Council owns 1/7th equal share or 14% of this company and has a liability for \$1,000 share capital. This company is an investment of Council.

## In-House Business Unit

### Consultancy

To encourage optimum performance, Council established a business unit which could operate in commercial markets

and be subject to competition of other businesses in the private sector.

Consultancy offers professional consultancy services with separate management and business systems to encourage a focus on providing a service that could be subject to competition in the commercial environment. It is awarded roading professional services on a non-competitive basis. Any work of a nature, which is unable to be handled by Consultancy is competitively tendered on the open market. Consultancy operates from Council premises in Woodville.

Disclosure is as required by the "Transit New Zealand Determination 1992" (Reporting on Minor and Ancillary Roothing Works and In-house Professional Services Performed and Provided by a Local Authority's Own Staff or Assets).

## Business Unit – Financial Statements

### Consultancy

	2008/09 \$000's	2009/10 \$000's
<b>Statement of Financial Performance for the 12 Months Ended 30 June 2010</b>		
<b>Revenue</b>		
In-house professional services for Transit New Zealand financially assisted roading	944	1,063
Other engineering fees and revenue	24	11
<b>Total Revenue</b>	<b>968</b>	<b>1,074</b>
<b>Expenses</b>		
Total costs of operating roading programme	1,032	1,080
<b>Total Expenses</b>	<b>1,032</b>	<b>1,080</b>
<b>Net Surplus/(Deficit) for the year</b>	<b>(64)</b>	<b>(6)</b>

\* Consultancy's net surplus is incorporated into the council net surplus.

## Other Activities

### Tararua Safer Community Council (TSCC)

#### The Council

Tararua Safer Community Council is an organisation developed by the local community and funded by the Crime Prevention Unit. Since 1995, the Tararua District Council has had an agreement with the Crime Prevention Unit to sponsor the Tararua Safer Community Council.

The Crime Prevention Unit provides a Discretionary fund of \$5,000 to assist crime prevention programmes in the Tararua District. The Tararua Safer Community Council is in its twelfth

year of operation; it is chaired by Her Worship the Mayor, Maureen Reynolds, and has representation from 20 plus community groups and agencies.

#### Objective

The mission of the Tararua Safer Community Council is to coordinate existing community crime prevention programmes and to plan for, and encourage the development of new programmes within the context of a local crime prevention plan.

## Community Outcomes

The Local Government Act 2002 requires councils to help their communities identify and prioritise outcomes or goals for the present and future social, economic, environmental and cultural wellbeing of their communities. The Act gives councils much more flexibility in which to work than it has had in the past, to work more collaboratively with other public bodies and private concerns to advance community goals, and encourages councils to be more responsive and accountable to their communities.

### Four Wellbeings Defined

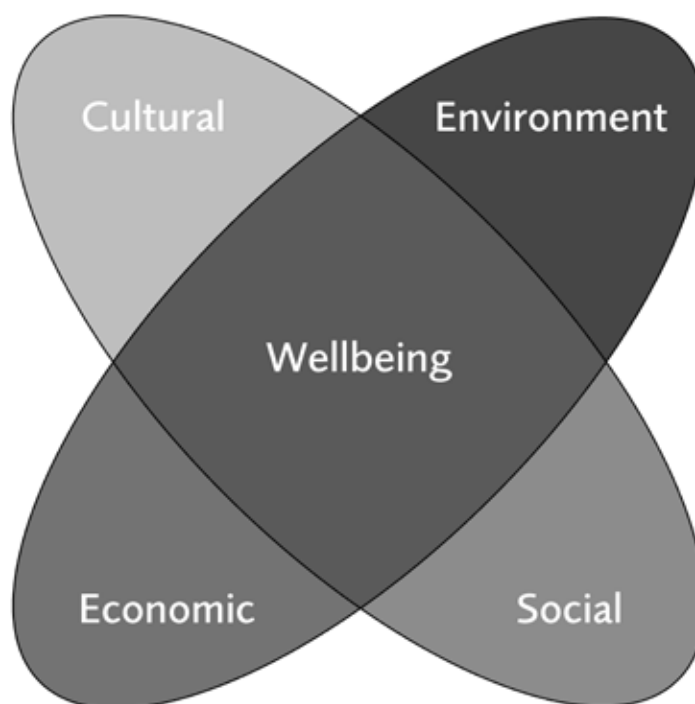
**Social** wellbeing relates to things such as education, health, the strength of community networks and associations, financial and personal security, rights, freedom' and levels of equity.

**Economic** wellbeing relates to the ability of the economy to generate the employment and wealth which enables communities to afford the goods and services they desire.

**Environmental** wellbeing relates to the capacity of the natural environment to support, in a sustainable way, the activities that constitute community life.

**Cultural** wellbeing relates to the shared beliefs, values, customs, behaviours and identities reflected through language, stories, experiences, visual and performing arts, ceremonies, heritage, sport and recreation.

The four wellbeings are not independent of each other; they are interconnected and impact on one another. For example: for a person to be able to work (economic wellbeing) that person needs to have a reasonable level of health to do the work (social wellbeing). The illustration shows this relationship and how each of the four wellbeings contributes to overall wellbeing.



## What are Community Outcomes?

Community outcomes are high level statements that describe the kind of society, community, environment and economy that the people of Tararua want to live in. They are the things the community think are important for its wellbeing. Community outcomes have been identified by the community and belong to the community.

Under the Local Government Act 2002, local authorities are required to assist their communities in identifying community outcomes at least once every six years.

Identifying community outcomes helps to:

- Clarify what the community really wants
- Stimulate debate about local needs and priorities in terms of present and future wellbeing
- Inform and guide the setting of priorities for the activities of Council, central government agencies and community organisations
- Get organisations working together and forming partnerships
- Provide the basis for monitoring the community's progress towards achieving desired outcomes

## Community Outcomes Belonging to People of Tararua

These are the community outcomes identified and belonging to the people of Tararua.

### Social Wellbeing



#### 1. A safe community

- A community free from crime, violence, abuse or harm.



#### 2. Access to local services

- Access to local hospital and health services, education and training programmes, telecommunication, public transport, childcare, retail and banking services that meet the needs of the community.

### Economic Wellbeing



#### 3. A high standard of infrastructure

- A transport network that provides for the safe and convenient movement of people and goods.
- Attractive, well maintained towns and public amenities that our community is proud of.



#### 4. A strong, prosperous economy

- A vibrant, prosperous economy that creates employment opportunities, and supports business development, productive land use, tourism and community initiatives.
- A district that attracts visitors, and attracts and retains residents.

### Environmental Wellbeing



#### 5. A sustainable natural environment

- Effective and efficient waste management for sustainability of our natural environment.
- A natural environment that is protected, preserved and enhanced for present and future generations.

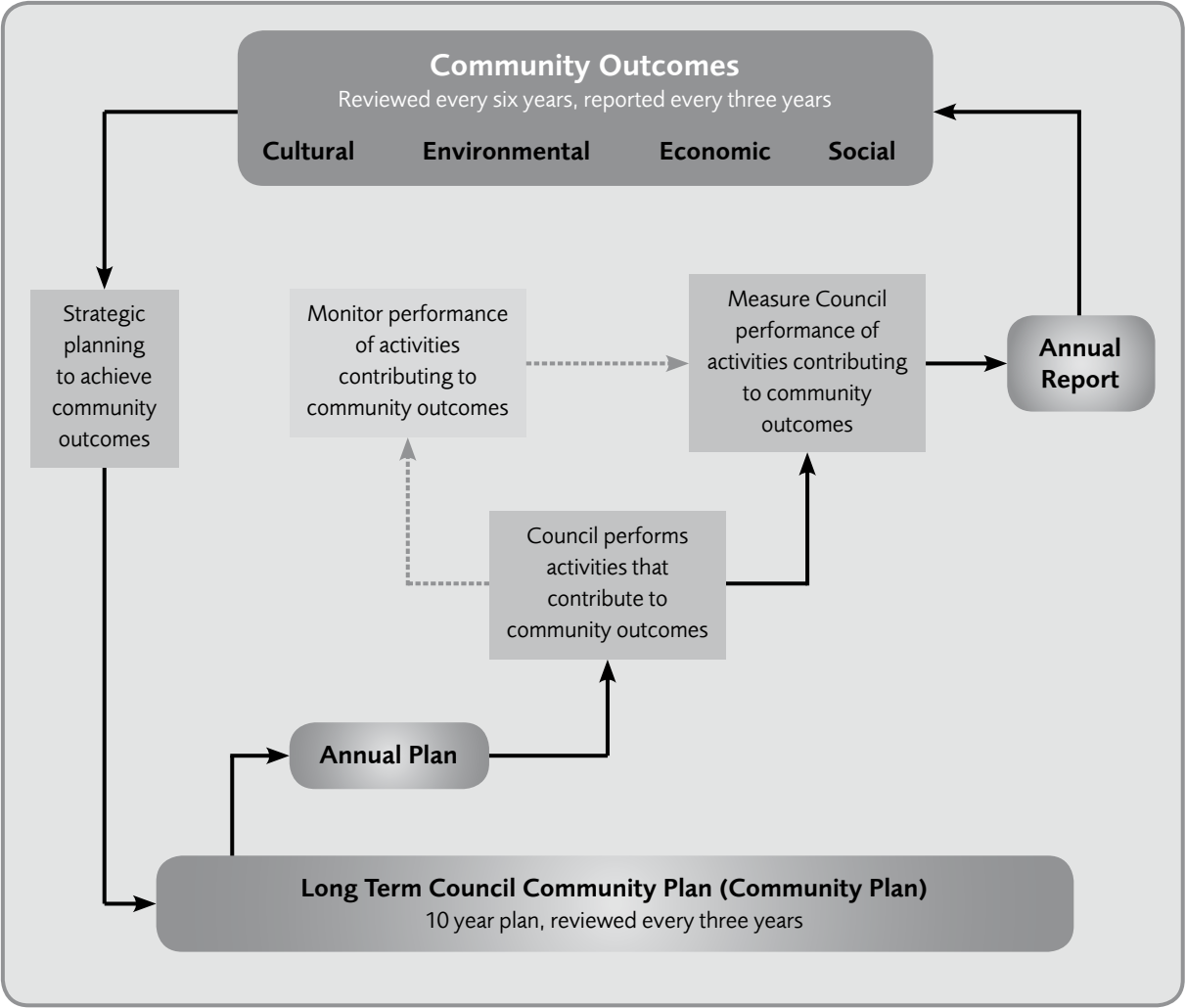
### Cultural Wellbeing



#### 6. A connected community

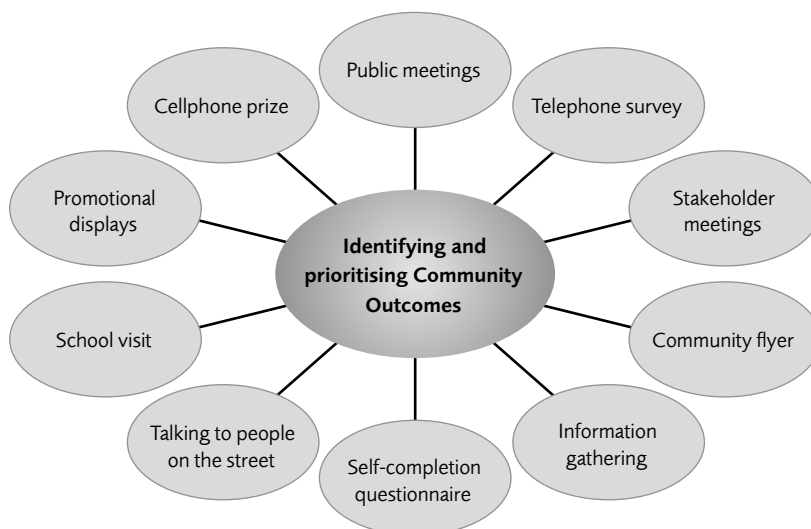
- A community that has access to and participates in sport, recreation and social activities.
- Our community has a greater say in the issues that affect them, and their wishes and needs are listened to.
- Our community's culture and heritage is celebrated and preserved for future generations.
- Arts and culture are supported by the community.

Community Outcomes: A Performance Management Framework



## How were the Community Outcomes identified?

The Tararua District Council undertook extensive consultation with the people of Tararua to identify and prioritise community outcomes for the social, economic, environmental and cultural wellbeing of the community. The consultation took place from October 2004 to April 2005 using the following consultation techniques.



925 issues were identified by the people of Tararua resulting from the consultation process. These issues were sorted into ten common themes and then prioritised by the community into the following descending order of importance:

1. Safe communities
2. Road network
3. Access to services
4. Pride in our community
5. Waste management
6. Environmental protection
7. Economic development and tourism promotion
8. Recreational activities
9. Community and Council link
10. Heritage preservation

From the ranked community priorities the following six community outcomes were developed:

1. A safe community
2. Access to local services
3. A high standard of infrastructure
4. A sustainable natural environment
5. A strong prosperous economy
6. A connected community

For more information on the community outcomes process you are invited to read the report entitled 'Your Future... Tararua District Community Outcomes 2005'.

## Council's Contribution to Community Outcomes

The community outcomes identified by the community belong to the community. All individuals, community groups, government and non-government organisations having an association with Tararua district have an important role to play in contributing to the achievement of community outcomes, including the Council.

Listed below are some of the ways the Council will contribute to furthering community outcomes. More detailed information on each of the Council's core activities is provided in the Activities Section of this document.

The Council's contribution to community outcomes include being a provider or funder of services; regulator and enforcer of rules, legislation and standards; partner or collaborator with other organisations; advocate and leader for the community; and a monitor to measure the community's progress towards achieving community outcomes. The Council engages in many activities for the continued wellbeing of the Tararua community, and many of these roles are performed in the normal course of delivering services to the community.

## Council's Contribution to Community Outcomes through its Core Activities

### 1. A Safe Community

#### Animal Control

- Provide animal control services through the Animal Control Activity in the interests of public and animal health and safety.
- Provide 24 hour dog and stock ranging service.
- Provide education programmes to schools and the community.
- Regulate through the Dog Control Policy and Dog Control Bylaw.

#### Cemeteries

- Provide cemeteries for sanitary disposal of deceased persons.

#### Community Support

- Provide administrative support to the Tararua Safer Community Council.
- Advocate to Central Government in extending the Safer Community Council's contract when it expires.
- Administer the rural rapid numbering system to help emergency services locate rural properties in the event of an emergency.

#### Emergency Management

- Contract emergency management services for the protection of life and property in the event of a civil defence emergency or rural fire.

#### Footpaths

- Provide a footpath on at least one side of urban streets for pedestrian safety.

#### Health and Safety

- Protect public health and safety by:
  - inspecting premises regulated under the Health (Registration of Premises) Regulations 1966.
  - investigating and resolving nuisances under the Health Act 1956.
  - responding to accidental spillages involving hazardous substances.
  - inspecting private swimming pools under the Fencing of Swimming Pools Act 1987.
  - inspecting and approving new plumbing and drainage systems under the control of the Building Act 2004.
  - administering and auditing building warrants of fitness.
  - ensuring buildings comply with the New Zealand Building Code and other legislative requirements.

- Promote the aims of the Sale of Liquor Act by:
  - inspecting liquor licensed premises, issuing on and off licences and managers certificates
  - providing an advisory service to licensees, managers and the general public on liquor licensing matters.
  - investigating all complaints received regarding any licences, certificates, persons or premises regulated by the Sale of Liquor Act 1989.
  - working with other statutory agencies to achieve the desired community outcomes.

#### Representation

- Facilitate regular meetings with Police to collaborate on issues affecting the community.
- Implement District Bylaws to control nuisance and unsafe behaviour.
- Provide an infrastructure that supports and improves public safety.
- Work with stakeholders to improve community safety.
- Provide leadership and advocate on behalf of the community in the interests of public safety.

#### Roading

- Provide a safe road network throughout the district, including street lighting.
- Work with other stakeholders in the interest of road safety e.g. Police, ACC, Roadsafes Central, NZ Transport Agency, Horizons Regional Council.

#### Sewerage

- Provide a sewerage reticulation system in most urban areas to protect public health through the sanitary disposal of human waste.

#### Solid Waste Management

- Protect public health by providing landfills at Dannevirke, Eketahuna, Pahiatua and Pongaroa, transfer stations at Woodville and Ormondville, weekly refuse collections in urban areas, and rubbish receptacles in public places.

#### Stormwater Drainage

- Provide stormwater drainage to protect health and safety of the community through the prevention of flooding that may cause risks to health through contaminated flood waters, accidents, drowning and land subsidence.

#### Water Supplies

- Provide potable reticulated water in urban supply areas and for fire fighting capability.
- Advocate to Central Government on drinking water standards.

## 2. Access to Local Services

### Cemeteries

- Provide local cemeteries in most towns and settlements in the district.

### Community Buildings

- Provide a number of community buildings across the district including town halls, community centres and sports centres.

### Housing

- Provide low cost affordable housing to people 65 years of age and over and low income households.

### Library

- Provide library services at Dannevirke, Eketahuna, Pahiatua and Woodville.

### Public Conveniences

- Provide public conveniences at various locations throughout the district.

### Representation

- Advocate for access to quality health and education services.
- Advocate for improved telecommunication.
- Advocate for improved access to public transport in the district.

### Roading

- Provide physical access to properties within the district.

### Service Centres

- Provide Council Service Centres at Dannevirke, Eketahuna, Pahiatua and Woodville.

### Sewerage

- Provide a sewerage reticulation system in most urban areas.

### Solid Waste Management

- Provide landfills at Dannevirke, Eketahuna, Pahiatua and Pongaroa, transfer stations at Woodville and Ormondville, weekly refuse collections in urban areas, and rubbish receptacles in public places.

### Swimming Pools

- Provide funding assistance to local communities to run swimming pools at Dannevirke, Eketahuna, Pahiatua and Woodville.

### Water Supplies

- Provide reticulated water supplies to most urban areas through the Water Supplies Activity.
- Review farm access to town water supplies where water is piped over farm land.

## 3. A High Standard of Infrastructure

### Commercial Property

- Ensure commercial properties are well-maintained.

### Community Buildings

- Provide clean, attractive facilities that are accessible and safe.
- Maintain buildings to required standards to comply with building warrants of fitness, Health & Safety in Employment Act 1992 and the Building Act 2004.

### Footpaths

- Provide a footpath on at least one side of urban streets through the Footpaths Activity.
- Contract out capital development and ongoing maintenance.

### Health and Safety

- Ensure buildings comply with the New Zealand Building Code and other legislative requirements.

### Housing

- Provide a well maintained housing stock.

### Parks and Reserves

- Provide well-maintained parks and reserves for the active and passive recreation and enjoyment of residents and visitors.

### Public Conveniences

- Provide clean, safe, conveniently located public conveniences.

### Resource Management

- Ensure a high standard of infrastructure throughout the district by regulating activities through the District Plan.

### Roading

- Provide and fund a network of roads in the district, with subsidies received from Central Government for capital development and minor safety improvements.
- Contract out capital development work and maintenance programmes.
- Deliver engineering design and contract supervision services through in-house Consultancy staff.
- Continue with current seal extension programme.
- Advocate for regional funding for local roading projects.
- Work with Central Government, other Councils and regional groups to provide and maintain an efficient and effective road network.
- Work with NZ Transport Agency in establishing a joint working party to determine appropriate standards for the Pahiatua-Palmerston North Route and other alternate east/west links, and options to fund such costs.

- Undertake a capital development project to upgrade the footpaths and streetscape of Dannevirke CBD including further public consultation.
- Facilitate meetings with key stakeholders and advocate to NZ Transport Agency and NZ Transport Agency regarding a truck bypass in Dannevirke.
- Consider implementing a bylaw to control the movement of trucks in Dannevirke's CBD.
- Advocate to truck companies to use the bypass.
- Provide street lighting and contract out ongoing maintenance of street lights.

#### **Sewerage**

- Provide a reticulated sewerage system in urban areas.

#### **Solid Waste Management**

- Provide landfills at Dannevirke, Eketahuna, Pahiatua and Pongaroa, and transfer stations at Woodville and Ormondville.
- Provide rubbish receptacles in CBDs, cemeteries, parks and children's playgrounds.

#### **Stormwater Drainage**

- Provide stormwater reticulation through the Stormwater Drainage Activity.
- Contract out ongoing maintenance.
- Protect property from flood damage and preserve road network.
- Review the culvert network and review capacity in pipe networks in rural areas as part of established programme.

#### **Water Supplies**

- Provide reticulated water supplies to most urban areas through the Water Supplies Activity.
- Advocate for Central Government to meet the additional costs to upgrade water supplies to meet community expectations and government imposed standards.

### **4. A Sustainable Natural Environment**

#### **Parks and Reserves**

- Facilitate and collaborate with Horizons Regional Council and other organisations to extend the Akitio Reserve Management Plan to cover the entire Tararua district coastline.
- Advocate on behalf of the community to various environmental organisations and groups as required.
- Advocate and collaborate with Horizons Regional Council, Department for Conservation and QEII for the control of plant pests.
- Contribute to the protection, preservation and enhancement of our natural environment through the provision of parks and reserves.

#### **Resource Management**

- Control the effects of development on the environment through the District Plan.

#### **Sewerage**

- Provide a reticulated sewerage system to protect and preserve the natural environment from contamination through the treatment of raw sewage.
- Advocate to Ministry for the Environment, the District Health Board, and Central Government regarding environmental standards and government subsidies.
- Advocate to Horizons Regional Council for renewal of resource consents.

#### **Solid Waste Management**

- Provide landfills, transfer stations, recycling and refuse collections, and rubbish receptacles to prevent littering and contamination of the environment.
- Implement education programmes, policies and penalties to prevent littering.

#### **Stormwater Drainage**

- Provide stormwater reticulation to prevent inundation and land subsidence.

#### **Water Supplies**

- Ensure the sustainable use of water through water conservation and metered supplies.
- Advocate to Horizons Regional Council for renewal of resource consents.

## **5. A Strong Prosperous Economy**

#### **Commercial Property**

- Lease a number of properties to private concerns for which the Council receives a financial return on investment.

#### **Community Support**

- Attract and retain residents and attract visitors to the district by providing financial grants and support to:
  - Carnival Park management committee at Pahiatua.
  - Information centres run by local communities in Eketahuna, Norsewood, Pahiatua and Dannevirke.
  - Mainstreet committees at Dannevirke, Eketahuna, Pahiatua and Woodville.

#### **District Promotion**

- Facilitate economic development through the Council's Economic Development Activity.

#### **Representation**

- Provide leadership and an infrastructure that supports business development and tourism promotion.

- Collaborate with other councils in the Mayors' Taskforce for Jobs with the aim of all young people under 25 years of age and adults that are long term unemployed being in paid employment, education or training.
- Provide employment opportunities through the appointment of a Chief Executive to manage Council staff to deliver services to the community.

#### Resource Management

- Ensure provision of appropriate infrastructure to support business development regulated through the District Plan.

#### Roading

- Provide an efficient roading network for the transportation of people, goods and services for the economic growth and prosperity of the district.

#### Tararua i-SITE

- Provide and fund the Tararua i-SITE at Woodville.
- Fund as a partner to the community-run information centres located at Dannevirke, Norsewood, Pahiatua and Eketahuna
- Facilitate and collaborate with Tourism Tararua with an elected member and the District Marketer being Council's representatives.

#### Water Supplies

- Provide water supplies to urban areas to support local industry.

## 6. A Connected Community

#### Cemeteries

- Provide cemeteries that are sensitive to the cultural needs of the community.
- Maintain Pioneer Cemeteries to preserve local history.
- Maintain accurate cemetery records to preserve the identities of those interred in the cemeteries.

#### Community Buildings

- Provide community buildings such as town halls, community centres and sports centres so that residents can participate in social, cultural and recreational events and activities.

#### Community Support

- Financial grants and administrative support are provided to a number of community groups and organisations such as:
  - Carnival Park management committee at Pahiatua
  - Dannevirke Brass Band
  - Dannevirke Highland Pipe Band
  - Information centres run by the communities in Eketahuna, Norsewood, Pahiatua and Dannevirke.
  - Mainstreet committees at Dannevirke, Eketahuna, Pahiatua, Pongaroa, Norsewood, and Woodville
  - Employment of a full-time sports and recreation co-ordinator.
  - Bush Multisports Trust
  - Tararua Safer Community Council
  - Dannevirke and Eketahuna Community Boards' and Pahiatua on Track Inc and Woodville Districts' Vision Inc Discretionary Funds granted to community projects.
  - Pahiatua on Track Inc and Woodville Districts' Vision Community Committees.
  - Administration of the Heritage Policy Development Fund and Elite Sportsperson Fund.

#### Libraries

- Provide library services at Eketahuna, Pahiatua, Woodville and Dannevirke through the Library Activity

#### Parks and Reserves

- Provide parks and reserves for sporting, recreational and social opportunities for residents and visitors.

#### Representation

- Facilitate the community to celebrate its unique spirit and identity.
- Facilitate the Heritage Advisory Group.

#### Roading

- Provide a road network to connect communities.

#### Swimming Pools

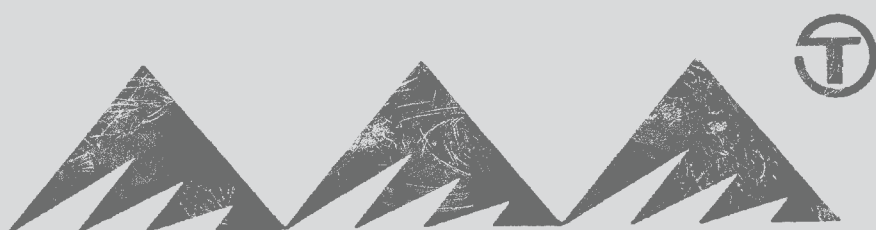
- Provide funding support to the management committees of three public swimming pools at Eketahuna, Pahiatua and Woodville, and the Tararua Aquatic Community Trust at Dannevirke.

## Linkage between Community Outcomes and Key Strategic Planning Documents

The Council has a number of key strategic planning documents and each relate in some way to the community outcomes identified by the community. These linkages are represented as a ● in the table below, with the plans and strategies described in more detail in the section that follows.

Community Outcomes:	A Safe Community	Access to Local Services	A High Standard of Infrastructure	A Strong Prosperous Economy	A Sustainable Natural Environment	A Connected Community
<b>Strategic Planning Documents</b>						
Long Term Council Community Plan	●	●	●	●	●	●
Annual Plan	●	●	●	●	●	●
District Plan				●	●	●
Regional Policy Statement					●	
Asset Management Plans	●	●	●	●	●	
Solid Waste Plan					●	
Assessment of Water and Sanitary Services	●	●	●	●	●	●
National Land Transport Programme	●	●		●	●	
Regional Land Transport Strategy	●	●	●	●	●	●
Economic Development Plan				●		●

# General Information



## Council



**Her Worship the Mayor  
M E (Maureen) Reynolds**

PO Box 45  
Dannevirke  
06 374 7505



**Deputy Mayor  
Cr D A (David) Lea**

182 Main Street  
Pahiatua  
06 376 7798



**Cr W H (Warren)  
Davidson**

RD 3  
Eketahuna  
06 375 8364



**Cr K R Fenemor**

RD 3  
Dannevirke  
06 374 2719



**Cr W H (Bill) Keltie**

RD 1  
Pahiatua  
06 376 8996



**Cr C D (Claire)  
Matthews**

55 Tararua Street  
Pahiatua  
06 376 6594



**Cr D A (David) Roberts**

PO Box 69  
Dannevirke  
06 374 6405



**Cr C W (Chris)  
Southgate**

PO Box 147  
Dannevirke  
06 374 2740



**Cr R (Roly) Ellis**

PO Box 42  
Pongaroa  
06 376 2512

# Community Boards & Council Committees

## Community Boards

### Dannevirke

Generally meets on the 1<sup>st</sup> Monday of the month at 3:00pm.

- **Chairperson**  
Mr R P (Ray) Teahan  
50 Allardice Street, Dannevirke  
06 374 9277
- **Deputy Chairperson**  
Mrs C (Carole) Isaacson  
RD 8, Umutaoroa, Dannevirke  
06 374 5577
- Mr R A (Bob) Dresser  
22 Ries Street, Dannevirke  
06 374 6270
- Mr W R (Ross) Macdonald  
91 Piri Piri Road, RD7, Dannevirke  
06 374 7996
- **Councillor**  
Mr C W (Chris) Southgate  
PO Box 147, Dannevirke  
06 374 2740

### Eketahuna

Generally meets on the 1<sup>st</sup> Friday of the month at 10:00am.

- **Chairperson**  
Mr J M (John) Harman (Chairperson)  
Norlings Road RD 3, Eketahuna  
06 375 8470
- **Deputy Chairperson**  
Mr C C (Charlie) Death  
Nireaha Road RD 2, Eketahuna  
06 375 8503
- Mrs K A (Katrina) Dimock  
87 High Street, Eketahuna  
06 375 8213
- Mrs E (Biddy) Fraser-Davies  
36 Morgans Road  
Kaiparoro, RD 2, Eketahuna  
06 375 8634
- **Councillor**  
Mr W H (Warren) Davidson  
RD 3, Eketahuna  
06 375 8364

## Notes:

Woodville operates its own autonomous community committee, Woodville Districts' Vision (Inc).

Pahiatua operates its own autonomous community committee, Pahiatua on Track (Inc).

## Heritage Advisory Group

Her Worship the Mayor – Mrs M E Reynolds; Cr K R Fenemor;  
Cr D A Lea; Cr C D Matthews; Cr D A Roberts; .

## Historic Places Trust and Tangata Whenua Representatives:

Dr M Bycroft; Mr A Mason; Miss P Mills; Mrs D Ropiha; Mr D Watt (ex-officio).

## Chief Executive's Performance Appraisal Committee

Her Worship the Mayor – Mrs M E Reynolds (Chairperson);  
Cr D A Lea; Cr C D Matthews; Cr D A Roberts.

## Tribunal and Hearings Committee

### Council Representatives:

Cr D A Lea (Chairperson); Cr W H Keltie (Deputy Chairperson);  
Cr W H Davidson; Cr C D Matthews; Cr C W Southgate.

## Management Team

### Executive Staff

Blair King ME (Civil) MIPENZ  
Chief Executive

Peter Wimsett CA, BBS  
Manager Strategy & District Development

Mike Brown BBS, Mgmt Dip  
Manager Environmental Services

Janina Mitchell BBS  
Chief Financial Officer

Garry McGraw NZCE (Civil)  
Manager Asset Management Planning

### Staff Numbers (full time equivalent)

	2008/09	2009/10
Council	56.5	55
Consultancy	12	13
<b>Total</b>	<b>68.5</b>	<b>68</b>

## Directory

### Main Office and Council Chambers

PO Box 115	26 Gordon Street
Dannevirke 4942	Dannevirke
Telephone:	(06) 374 4080
Fax:	(06) 374 4137
General email:	info@tararua.govt.nz
Council Website	www.tararua.govt.nz
District Website	www.tararua.com

### Service Centre Locations

#### Dannevirke

26 Gordon Street, Dannevirke  
(06) 374 4080

#### Pahiatua

136 Main Street, Pahiatua  
(06) 376 0110

#### Woodville

45 Vogel Street, Woodville  
(06) 376 1010

#### Eketahuna

31 Main Street, Eketahuna  
(06) 375 8149

### Bankers\*

Bank of New Zealand  
Dannevirke  
\* Operational banking

### Auditors

Audit New Zealand  
PO Box 149  
Palmerston North  
On behalf of the Auditor-  
General

### Solicitors

Lloyd, Dodson, & Pringle  
Dannevirke

### Insurance Brokers

Aon New Zealand Ltd  
Wellington

# Tararua District Council Statistics

## General

Description	Total
Population	17,634
Rateable Assessments	10,599
Non Rateable Assessments	660
<b>Total Assessments</b>	<b>11,179</b>
Area (ha)	427,000
Net Capital Value (\$m)	2,356
Rateable Land Value (\$m)	1,465
Rural-Metal Roads (km)	777
Rural-Sealed Roads (km)	1,095
Urban-Metal Roads (km)	0.54
Urban-Sealed Roads (km)	86
<b>Total Roads (km)</b>	<b>1,956</b>

## Resource Management

Description	Total
Resource consents issued 1 July 2009 to 30 June 2010	45
Landuse consents	8
Subdivision consents	37
Building consents issued	505
Registered dogs as at 30 June 2010	6,698
Licenced food premises as at 30 June 2010	119

## Buildings

Description	Total
Major Halls	5
Sports Facilities	4
Public Conveniences	17
Libraries	3
Pensioner Flats	107

## Recreation Facilities, Parks & Reserves

Description	Total
Camping Grounds	3
Swimming Pools	3
Cemeteries	20
Major Parks & Reserves	9

## Utilities

Description	Total
Bridges	394
Water Supplies	
Urban	6
Independent	4
Sewerage Systems	7
Solid Waste Disposal Sites	5
Stormwater/Drainage Systems	4

## Vehicles

Description	Total
Cars	11
Utilities	13
Fire Appliances	4

# Glossary of Terms

**Activity** The operation of a facility or the provision of a service.

**Asset Management Plan** A plan, which identifies the current status of an asset, future renewal programme and options to meet growth due to demand/expansion.

**Capital Development** Is the creation of new assets or the addition of new components to existing assets that extend any assets service potential.

**Capital Renewal** Is the replacement of existing assets when they have reached the end of their useful life.

**Community Outcomes** The community's priorities for the future of the District, identified through a community consultation process.

**Cost of Service** The true cost of performing an activity. Calculated as the total of direct costs, support costs, depreciation, interest and debt servicing.

**Council-Controlled Organisation (CCO)** means a council organisation that is:

- a) a company-
  - i) in which equity securities carrying 50% or more of the voting rights at the meeting of the shareholders of the company are-
    - A) held by one or more local authorities; or
    - B) controlled, directly or indirectly, by one or more local authorities; or
  - ii) in which one or more local authorities have the right, directly or indirectly, to appoint 50% or more of the directors of the company; or
- b) an organisation in respect of which one or more local authorities have, whether or not jointly with other local authorities or persons,-
  - i) control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the organisation; or
  - ii) the right, directly or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the organisation.

**Council-Controlled Trading Organisation (CCTO)** A council-controlled organisation that operates a trading undertaking for the purpose of making a profit, formerly known as a Local Authority Trading Enterprise (LATE).

**Depreciation** The cost or value of the economic benefit of an asset used during a financial year.

**Funding Policy** The Funding Policy sets out who should pay for Council's activity and how they should pay for the activity.

**Groups of Activities** The Council's services are divided into four groups of activities - Leadership, Building Communities, Supporting the Economy, Protecting the Environment - based on their relationship and the rationale for providing them.

**Indicator** Flag or signal that represent an issue of concern or which measure change or progress toward a desired outcome.

**Infrastructural Assets** Fixed utility systems that provide a continuing service to the community that are not generally regarded as tradeable. These assets include roads, water and sewerage services and stormwater systems.

**Long Term Council Community Plan (Community Plan)** A plan which outlines the Council's programme for the next 10 years and how it will contribute to achieving the community outcomes.

**Measure** The actual piece of information or data used to gauge an indicator.

**Operational Expenditure** All funding for providing services on a day to day basis, excluding renewal and capital expenditure.

**Operating Revenue** Revenue received as part of day-to-day activities. Includes user charges and rates but not capital revenue (such as new loans).

**Performance Measure** Measure by which organisational performance may be judged in relation to objectives.

**Policy** A course of action or set of parameters adopted by the Council or by management within which decisions can be made and action can be taken.

**Renewal Expenditure** Funding for works that replace the existing assets over their projected lifetime. Generally funded from the depreciation reserve fund.

**Separate Rate** A rate levied over a particular group of properties that receive or are capable of receiving a specific service or benefit additional to that provided by general rate funding.

**Service Delivery Plan** Outlines each of the Council's activities including service levels, performance measures, issues and future demand.

**Toby** A valve situated at the property boundary for the purpose of controlling the flow of water to the property.