

Annual Report

1 July 2010 – 30 June 2011



Untouched coastline, bush cloaked ranges, sparkling fish-filled rivers...

Rugged ranges, remote coastline, bush-clad valleys – defined by hundreds of kilometres of river. The Tararua Region stretches from Mount Bruce to north of Norsewood, and is bounded by the foothills of the majestic Ruahine and Tararua ranges to the shores of the Pacific on the East Coast, the physical presence of Tararua is awesome.

In the beginning ...

The Kurahaupo canoe made landfall on the Mahia Peninsula; the three principal chiefs on board were Ruatea, Whatonga and Popoto. Rongomaiwahine of the Mahia Peninsula, one of the descendants of Popoto, married Kahungunu, a descendant of the Takitimu aristocracy. Their marriage was the beginning of the Ngati Kahungunu of Hawke's Bay.

Whatonga established himself near Cape Kidnappers, and built himself a house which he called 'Heretaunga'. Whatonga's son, Tara, who was born in Hawke's Bay finally made his home in the Wellington area. His name is commemorated in many places from Napier through to Wellington. From Whatonga's second marriage was born Tautoki, who was the father of Tane-nui-a-Rangi, or Rangitane as he is more commonly known.

Tara's descendants, the Ngai-Tara, and the Rangitane people eventually peopled many parts of the Heretaunga, Central Hawke's Bay, Tararua and Wairarapa areas. The pre-European history of the District tells of a vast primeval forest with clearings occupied by Maori.

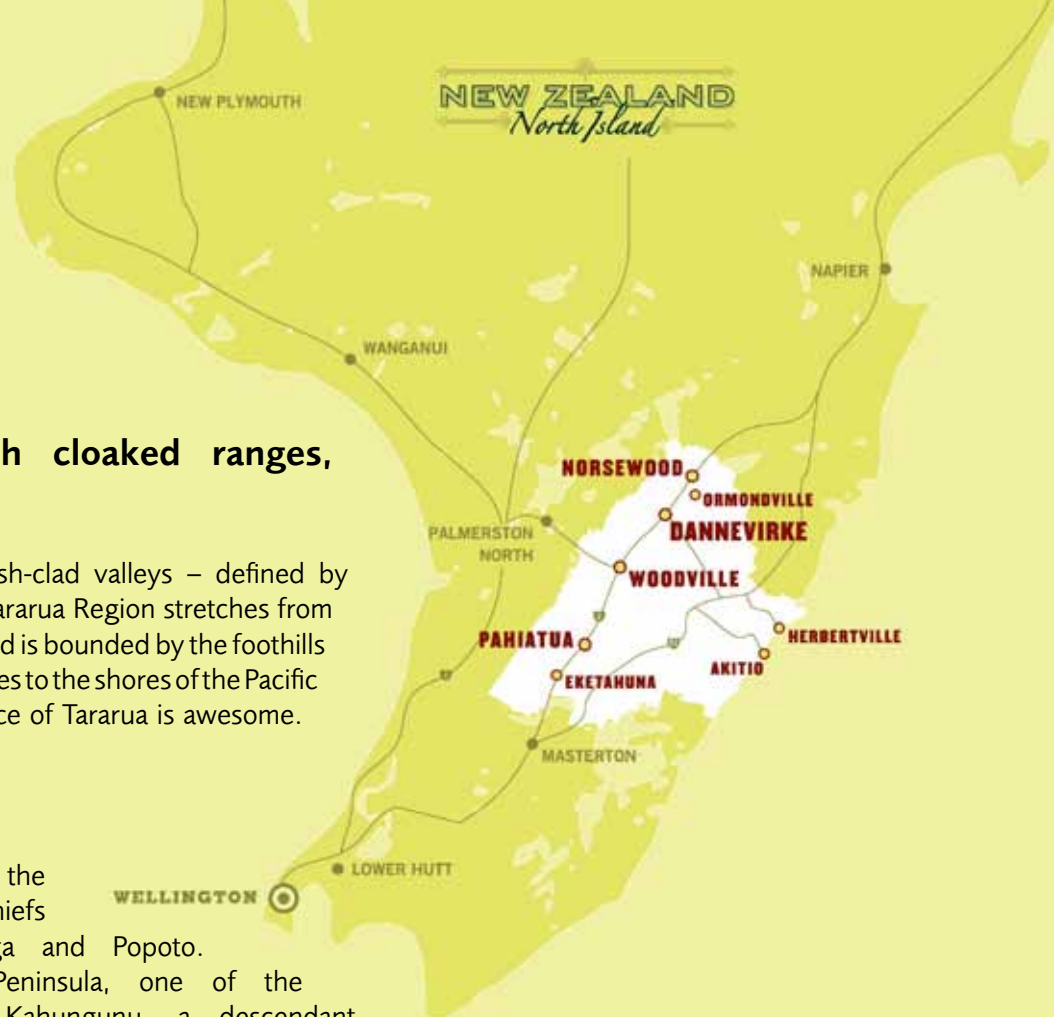
European settlement within the District started in 1854 when the first sheep were driven up the coast from Wellington to establish coastal stations, but access to this area remained almost entirely by sea until well into last century.

There are some great communities waiting to be discovered in Tararua. Each has a unique identity, story to tell and experience to share. From the hardship tales of the Scandinavian settlers who felled the Seventy Mile Bush, to the pioneers who established farming on the region's rugged east coast at Herbertville and Akitio. These communities are one of the elements that make this region unique in New Zealand.

Around 95% of Tararua's 400,000 hectares is farmed and the region has a reputation for producing high quality stock. Sheep, beef and dairy are the most significant types of farming, representing 90% of all holdings and accounting for 99% of total stock units. Forestry is a growing industry and there are now more than 13,000 hectares planted in pinus radiata.

Pastoral farming continues to be the major economic sector within Tararua.

Tararua is a unique, proud and diverse region of rugged unspoiled landscape.



ANNUAL REPORT 2010/2011

TARARUA DISTRICT COUNCIL

Contents

Introduction	7	Public Conveniences.....	91
Introduction from the Mayor and Chief Executive	7	Representation.....	93
What Council has done to Improve the Quality of our		Resource Management	97
Asset Information	10	Roading	101
How this Report Works	11	Service Centres.....	107
Highlights	14	Sewerage	109
Highlights of the Year	14	Solid Waste Management.....	113
Financial Overview	19	Stormwater Drainage	118
Non-Financial Performance	23	Swimming Pools	121
Council Five-Year Summary.....	25	Water Supplies.....	124
Reports & Policies	28	Financial Statements	130
Linkage Between Council Policies & Plans	28	Consolidated Statement of Comprehensive Income	130
Report on Long Term Council Community Plan and		Consolidated Statement of Changes in Equity	131
Policies.....	29	Consolidated Statement of Financial Position	132
Capital Expenditure Report	30	Consolidated Statement of Cash Flows	134
Governance Report	45	Statement of Commitments and Operating Leases	
Report of the Auditor-General.....	47	(Council)	136
Statement of Compliance and Responsibility	50	Statement of Commitments and Operating Leases	
Statements of Service Performance	53	(Consolidated)	138
Animal Control.....	53	Statement of Accounting Policies.....	139
Cemeteries	56	Consolidated Notes to Financial Statements	151
Commercial Property	60	Governance over Council Controlled Organisations	203
Community Buildings	62	Council's Significant Interests in Other Entities.....	204
Community Support	64	Community Outcomes	213
District Promotion and Development	67	General Information	224
Emergency Management.....	71	Council	224
Footpaths	75	Community Boards & Council Committees.....	225
Health and Safety	78	Management Team	226
Housing	81	Management Team & Directory	226
Libraries	84	Tararua District Council Statistics	227
Parks & Reserves	88	Glossary of Terms	228



Introduction





Introduction from the Mayor and Chief Executive

Council responded well to the challenges we faced in 2010/11. The global economic downturn made affordability a pressing issue to Council as well as for households and businesses.

In response to that, Council kept the rates increase to 4.56%, below the 6.48% set out in the Community Plan. As you will see throughout this report, we are generally performing well against our targets.

Funding for water security and treatment were a priority during the year with the completion of the Pahiatua bore, approval of a budget to address Woodville concerns over the supply and treatment, completion of Norsewood's new treatment plant, and the commencement of construction of an impounded water supply for Dannevirke.

The projects outlined in the long-term plan were generally completed, or on track for completion, except when there were factors beyond our control – for example, the Pahiatua Track project not proceeding due to lack of funding.

This year Council continued to focus on core infrastructure, such as roads, water and solid waste and sewerage. This work included 'business as usual' maintenance and improvements necessary for the district's future.

That investment is reflected in the completion of significant projects in the district such as :

- **Improving asset management plans**

Council continued to make significant improvements to its asset management plans. Council engaged the services of an independent expert to assist the asset managers to ensure these documents provide robust information that supports the forecast budget and levels of service for each activity.

These improvements to our asset knowledge will assist in further improving the accuracy of our capital works and renewals programme.

- **Upgrade Woodville water treatment plant**

The Woodville Impounded Supply had an algae bloom due to very warm conditions in January this year that caused a major taste/odour problem with the town water supply.

By the end of January, a combination of water restrictions by residents, higher river flows recorded in the Mangapapa Stream, cooler weather and nine days of intensive operation of the plant, the water quality returned to what is usual for Woodville.

Council resolved to upgrade the Woodville Treatment Plant to ensure we have equipment which delivers the

right quality and quantity of water supply to the township. The upgrade is programmed for 2011/12.

- **Pahiatua and Norsewood new bore**

The savings obtained from the reductions in spend on consultants were used to improve water issues at Norsewood and Tamaki (Dannevirke). The Norsewood bore was commissioned on 14 June 2011 and the Pahiatua bore was commissioned on 19 July 2011.

A number of local residents were positive about the new technology and treatment process that will further improve the water quality to their properties.

- **Dannevirke Impounded water supply**

Council obtained approval from Horizons Regional Council for the construction of an impounded water supply that would hold over 100,000m³ of water.

However with the Christchurch earthquake, Council had to reconsider the design and location of the impounded supply to avoid perceived risk to the landowner's house if a leak occurred after a major earthquake. With the change in location, use of an impermeable liner in the base of the dam and the laying of a power feed to enable aeration, control of valves, feedback on levels and water quality meant an overall increase in the project cost to \$1.6 million.

Given the significance of this project to ratepayers and businesses, Council resolved to bring forward this project to be completed in the 2011/12 year.

This is a significant milestone in Council's desire to support and promote local business.

- **New financial information system**

In July 2010 Council went live with the implementation of Authority, a new financial information management system from software vendor Civica Pty Limited. It has been a challenge for Council staff as they grapple with the new system and working through the issues.

Industry benchmarks are that it takes about eighteen months for such a major upgrade to be bedded in. With only six out of eighteen months now remaining, we are now planning for the final project phases to gain the full benefits of the new software.

- **Landfill closure and construction of new transfer stations**

Council has obtained extensions on the resource consents for both the Dannevirke and Pahiatua landfills so that the construction of transfer stations can be carried out. Council expects to close these in the 2012 financial year.



Introduction from the Mayor and Chief Executive

There are nine mobile recycling centres that operate across the district. Six locations (Dannevirke, Woodville, Eketahuna, Pahiatua, Norsewood and Pongaroa) have bins continuously onsite and these are monitored daily and emptied when required.

Council operated, small recycling centres have also been established at Herbertville, Akitio and Weber with great success. These have significantly reduced the number of red bins and hence reduced cost substantially.

- **Broadband and wireless hotspots**

Council continues to work with Inspire Net to improve broadband services in the Tararua. Levering off over 160km of fibre optic cabling, Inspire Net is to connect seven of the eight town schools in Tararua to Broadband providing a high level of guaranteed speeds and at very low ongoing monthly costs.

In addition, Inspire Net has set about providing limited free wireless services in our four main towns for a twelve month trial period.

Long Term Planning – Meeting with Stakeholders

Council wanted to hear what key businesses and employers thought we could jointly focus on over the next 10-20 years.

In view of this, Council held a workshop on 2 June 2011 with business leaders in Tararua to discuss ideas to create a shared vision for the next 10 years. Council wanted feedback from businesses, as to where they see their business in 10 years time, about spatial planning, employee numbers, infrastructure requirements, economic development and funding.

Council and participants found the workshop very useful. Council will continue to engage with business and community groups as it prepares its 10-year plan.

Service Performance

Overall service performance was comparable to previous years with 59 (70%) of the 84 Statement of Service Performance measures achieved. While the percentage achieved was lower than last year (77% in 2009/10), in most instances the levels of service received by the community were not adversely affected.

Of the 25 measures not achieved, 10 were customer satisfaction perception measures, 6 were for measures in key areas for which Council has already started projects to improve the service levels and the other 9 are measures that Council will address as part of the Long Term Plan.

Of interest, 86% feel the community spirit is very good or good. This is above both Peer Group and National averages. There is very little difference related to locations within the district, but Pahiatua's 94% satisfaction is simply brilliant.

Rates Review

Council received various submission requesting an analysis on whether the benefits received by each rating sector from roading expenditure matched the revenue raised in each sector by the present land value rating system.

In response, Council committed to review the rating system in order to make it more equitable.

The major issue identified in the review is that properties with high land values, particularly rural properties, may be paying too much for Council services.

This Rating Review was completed and consulted in the Annual Plan regarding different way of charging the Roding Rate. Council received 46 submissions in respect of the rating review statement of proposal. The Roding Rate is now split into 80% of the required amount by way of a Uniform Targeted Rate based on the rating unit's Land Value and the other 20% by a differential Uniform Targeted Rate.

The differential Roding Uniform Targeted Rate was divided into the three different categories Rural \$302, Industrial/Commercial \$103 and Urban \$48.

It is important to understand that the Council gets no extra revenue from this change to rates. It just shifts around 'who pays' and by "how much". As a result there are inevitably winners and losers, and the changes are not universally popular.

Financial Performance

Key financial headlines include:

- Council had a deficit of \$1.107 million compared to our budget of \$857,000 in surplus. Overall revenue was under budget by \$668,000 mainly due to grants and subsidies of about \$1 million not received. Overall expenditure was over budget by \$1.06 million mainly due to higher depreciation expense.
- Debt levels were lower than forecast because of delays on some capital expenditure projects and interest costs were manageable at an average of 6.1%
- Council continued to invest in the district, spending \$9.3 million across a wide range of capital projects.

Capital Development

A total of \$3.71 million was spent on capital developments compared to a budget of \$14.95 million.

Roding contributed \$733,000 of the total development cost. The Pahiatua Track Improvements (\$2.96 million) project was put on hold due to lack of funding from the NZ Transport Agency.

The Pahiatua effluent quality improvement budget (\$1.67 million) is to carry forward as design work needs to be done and consent for the project is still progressing.



Introduction from the Mayor and Chief Executive

The District Promotion and Development budget of \$608,000 for the broadband project was to be funded from the Ministry of Economic Development. The process for rolling out broadband in New Zealand was significantly changed and local governments possible role to receive funding was cancelled.

Capital Renewals

A total of \$6.41 million was spent on renewals compared to a budget of \$8.41 million.

Total expenditure for roading activity was \$4.91 million compared to a budget of \$5.65 million.

Due to the favourable tender rates the target rate of 90km length and 560,000m² for maintenance chipseal was extended to achieve 103 km length and 638,547m² completed at a cost of \$2,236,160.

In pavement rehabilitation, 12km (76,320m²) of work was completed at a cost of \$1.61 million compared to a budget target of 12.5km (70,000m²) at a budgeted cost of \$1.76 million.

Sewerage spent \$211,000 this year on mains replacement but remained under budget by \$462,000 (including carry forwards). The underspend relates mainly to mains replacement in Dannevirke, Pahiatua and Eketahuna which are progressing and will be completed in 2011/12.

Water supplies spent \$546,000 which was over budget by \$132,000. This was mainly due to upgrades to treatment plants and mains replacements.

The Future

Long Term Plan

Council has already started work on our 2012-22 Long Term Plan. Investment in core network infrastructure, prudent financial management supporting the community and economic development are Council's focus for the future.

Linking with stakeholder Groups

Council has been working with business stakeholders targeting areas of concern and highlighting areas for growing our economy.

Facilitate economic growth

Economic growth is needed to provide employment opportunities that will enable current businesses and residents to stay and also to attract new businesses and residents to the district.

Council aims to engage with our community and businesses more closely and regularly to understand their needs and how we can help facilitate growth and development in our district.

Our relationship with customers

Our goal is that customers see a council that is agile and responsive - able to meet changing needs, able to deliver services efficiently and well. They will see a council that engages with them and involves them and, most importantly, they will see it as "my council" rather than just "the council".

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. The 2010/11 Annual Report reflects the diversity of work carried out over those 12 months and the efforts of many people to support and improve the quality of life experienced in Tararua.

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 2010-19 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 Plans

Since July 2010 Council has undertaken the following initiatives:

- Undertaken in-house asset management training with staff and councillors

- Further restructured the Assets Group – to ensure asset management planning functions are supported by in-house resources
- Developed a standard reporting framework for all asset management plans
- Updated the water asset management plan
- Undertaken a condition assessment of all council buildings and community assets
- Combined existing Property and Parks asset management plans into one plan- community assets
- We are in the process of updating the waste water, storm water and community assets plans – including updating strategic planning assumptions, demand forecasts and level of service measures, and forecast renewal and new capital projects to inform the development of the draft 2012 Long Term Plan.

Our Asset Management Plans was subjected to Audit NZ's audit processes in the 2009/10 year. Audit NZ had 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 2010 to 30 June 2011 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, and 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:

- Highlights for the Year - highlights key achievements and challenges faced by Council for the year.
- Financial Overview - an overview of the financial performance and position, and key operational information.
- Non-financial Performance - summarises Council's achievements against performance measures in the Annual Plan.
- Council's Five-Year Summary – an overview of financial performance and position and key operational information.

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 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





Highlights of the Year

This section highlights the key achievements and challenges Council faced during the year.

Community Survey Results

Public opinion surveys have been used since 1995 as a management tool to help improve performance, as an aid in setting and measuring targets for subsequent years, and to ask for community feedback as the need arose on both specific one-off and ongoing issues.

Using this survey allows us to compare our performance with:

- Council's previous performance
- our Rural Peer Group (of 32 councils)
- the national average

A total of 451 people were interviewed in the 2011 survey. Sub-samples in terms of wards, gender and age group were proportional to the relevant populations.

The following table summarises the details of the survey for satisfaction with services and facilities:

Activity	% Satisfied 2011	Comparison with 2008 Survey	Comparison with Rural Peer Group 2011	Comparison with National Average 2011
Community Buildings	93	Improved	Favourable	Favourable
Parks and Reserves	91	Improved	Favourable	Unfavourable
Libraries	87	Improved	Favourable	Unfavourable
Dog Control	80	Improved	Favourable	Favourable
Sealed Roads	80	Improved	NA	NA
Cemeteries	77	Improved	Favourable	Favourable
Footpaths	77	Improved	Favourable	Favourable
Public Toilets	76	Improved	Favourable	Favourable
Recycling	73	Worse than	Unfavourable	Unfavourable
Community Support	67	Improved	Favourable	Favourable
Swimming Pools	66	Worse than	Favourable	Unfavourable
Sewerage System	61	Worse than	Unfavourable	Unfavourable
Stormwater Drainage	61	Improved	Unfavourable	Unfavourable
Civil Defence Emergency Management	58	NA	Unfavourable	Similar
Rubbish Collection	58	Worse than	Unfavourable	Unfavourable

Activity	% Satisfied 2011	Comparison with 2008 Survey	Comparison with Rural Peer Group 2011	Comparison with National Average 2011
Unsealed Roads	58	Improved	NA	NA
Economic Development	51	Worse than	Unfavourable	Favourable
Availability of Water	51	Improved	Unfavourable	Unfavourable
Landfill & Transfer Station Management	47	Worse than	Unfavourable	Unfavourable

Explanation

Improved 2011 percentage satisfied better than 2008 survey results.

Similar Percentage satisfied are the same.

Worse than 2011 percentage satisfied lower than 2008 survey results.

Favourable Percentage satisfied is higher.

Unfavourable Percentage satisfied is lower.

In terms of customer satisfaction, of the 19 activities measured in this part of the survey, Council had similar results to 2008 in 10 activities, did worse than in 2008 in four and better than in 2008 in four. One activity, Emergency Management, was not surveyed in 2008.

Compared with the Peer Group, Council had similar results in seven activities, did worse in six, and better in four. Compared with the National average, Council had similar results in seven activities, did worse in six, and better in three.

The community survey is not merely a reporting mechanism. It is a valuable management tool that helps Council to deliver a better, more customer-focused and cost-effective service.

Council has made encouraging incremental gains over the twelve years that the community has been surveyed.

It will possibly be hard work to improve the three-yearly "ratings" obtained by this survey, as society's expectations change and increase over time. The use of a tool such as the NRB Communitrak survey should provide transparency to councils and their residents about where they stand in relation to other like councils and to the National average.

Refer to pages 51 to 123 of the Annual Report for Council's response to the results of the community survey for each activity.



Impounded Water Supply

As part of the 2007–09 resource consent renewal for the Dannevirke water take consent, Council undertook significant investigative work into water harvesting options.

In the 2009–19 Long Term Council Community Plan (Community Plan) Council approved two funding blocks of \$500,000 to progress this in year 2011 and 2013 and the turbidity issues causing high impacts shutdowns at the Alliance Plant.

After considering the various options, in 2010/11 Council obtained approval from Horizons Regional Council for the construction of an impounded water supply for 100,000m³ of water and reached an agreement with the landowner and contractor.

However, with the Christchurch earthquake, Council had to reconsider the design and location of the impounded supply to avoid perceived risk to the landowner's house if a leak occurred after a major earthquake. A nationally respected independent peer reviewer of large earth dams was engaged to assess options for relocating and a final agreement was reached in October 2010.

With the change in location, a higher volume of cut and fill, additional piping and increased length of fencing was required. Learning from issues with the Woodville impounded supply and best practice, Council will also use an impermeable liner in the base of the dam and lay a power feed to enable aeration, control of values, feedback on levels and water quality. This ensures we have the best possible harvested water and reduce risk of failure.

All this meant an increase in project cost to \$1.6 million. If the impounded water supply was not constructed, there might be insufficient water from 2013 to supply critical users with the volume and quality of water they require. Given the significance of this project to ratepayers and businesses, Council resolved to bring forward this project to be completed in the 2011/12 year.

This is a significant milestone in Council's desire to support and promote local business.

Water Treatment Plant Upgrades/New Bore

Council during the year upgraded water treatments plants and introduced new bores in Norsewood and Pahiatua to improve water supply.

Norsewood Bore Opening Ceremony

The official opening of the water treatment plant by the Mayor, Roly Ellis, took place on Tuesday, 14 June. A number of local residents that attended were positive about the new technology and treatment process that will further enhance the water to their properties.

Pahiatua Bore Opening Ceremony

This was held on 19 July, and highlights the project management capability of the Assets Team who delivered this key project. The Assets Team will also take the Ministry of Health Officials to other water sites including Eketahuna, Dannevirke, and Norsewood to highlight progress Council is making on improving water security, and in Woodville's case, water quality.

Woodville Water Supply

The Woodville Impounded Supply had an algae bloom due to very warm conditions in January this year. The algae bloom caused a major taste/odour problem with the town water supply as the filtration plant was unable to remove the problem. Adding to this, the lower river flows in the Mangapapa Stream caused supply quantity and quality issues to the township.

By the end of January, a combination of water restrictions, higher river flows recorded in the Mangapapa Stream, cooler weather and nine days of intensive operation of the plant, the water quality returned to what is usual for Woodville.

However, there was still concern from some residents relating to taste and odour so Council purchased a 750 litre trailer-mounted tank, refilled it daily with fresh water from the Dannevirke supply and made it available to Woodville residents to fill their own drinking water containers.

In response to residents strongly supporting a major upgrade of the supply assets, Council resolved to upgrade the Woodville treatment plant to improve the quantity and quality of water supply to the township.

The upgrade is scheduled to be completed in 2011/12.

Some of these improvements are already underway as they apply to all our supplies. For example, linking electronic data from Horizons river flow stations with our intake control valves to ensure automatic compliance with consents. However, there are ripple effects. Using the example of where farmers are on these raw water lines that have no storage or backflow prevention, if the intake valve automatically shuts off in low flow conditions, what they see as their primary water source is suddenly dry. It is not as simple as supplying water back via the line to the impounded supply, as these are gravity-fed, so to supply water would require pumping.

Further work on aligning use with original easements or supply agreements is underway.

Solid Waste Management

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 and they have resource consents granted by



Horizons Regional Council for refuse to be disposed of in suitably constructed areas.

Dannevirke and Pahiatua landfills were closed this year and the construction of the transfer stations to transfer refuse to Central Hawkes Bay is progressing.

Transfer Stations

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

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.

Council operated small recycling centres have also been established at Herbertville, Akitio and Weber with great success. These have reduced the number of red bins significantly and hence the costs have reduced substantially.

Asset Management Plans

This year Council entirely reviewed its asset management plans to ensure they reflect the high level of infrastructure investment. Council engaged the services of a consultant to assist the asset managers to ensure these documents provide adequate information to support the forecast expenditure and levels of service for each activity.

We continue to update the asset database with information collected during the year, which is used to revalue our assets, allow for a review of our renewals programme and is a data quality check as well.

The improvements to our asset knowledge will assist in further improving the accuracy of our capital works and renewals programme as shown in the Community Plan. With the improved Asset Management Plans, Council is more confident of its future requirements.

Council will also be implementing a new Asset Management Data System (AIM) to record asset information, which is a module that will form part of our new financial management information system (Authority). When combined with condition assessment, we can optimise which assets are replaced, and what work can be combined to reduce the overall total costs.

New Financial Information System

In July 2010 Council went live with the implementation of Authority, a new financial information management system from software vendor Civica Pty Limited. It has been a

challenge for Council staff as they grapple with the new system, working through the issues and finding workarounds.

We continue to work closely with Civica and other users of Authority to find resolutions to our issues.

Industry benchmarks indicate that it takes about eighteen months for the software to be bedded in. We are now planning for the final project phases to gain the full benefits of the new software. These are the business information system, long-term plan, document management system, commitment system and asset information system.

We are also working on a gap analysis report on the key functionality differences between Civica and the previous ACS system. For this reason Peter Wimsett, Manager Strategy & District Development, and David Clapperton of Horowhenua District Council have been elected respectively Chair and Deputy Chair of the NZ Civica User Group. This has enabled the users to share ideas, support each other and collectively engage Civica on issues and enhancements of their systems and processes.

LAPP

Council has been a member of the Local Authority Protection Programme Disaster Fund Trust Board (LAPP) since July 2006 for underground reticulation assets. The current premium covers water, storm water, sewer and roading assets. The 2010/11 premium was set at \$34,942, being \$69,883 less a discount of 50%.

The effect of the Christchurch earthquakes resulted in the LAPP funds for reinsurance being fully depleted. Hence, we were advised in April 2011 that members were no longer covered for underground reticulation infrastructure. However, Council had in place a \$5 million line of credit facility from the Bank of New Zealand for emergency reconstruction that provided adequate cover in the event of a disaster.

The two earthquakes also caused the cost of reinsurance to increase significantly. LAPP had estimated that it would cost around \$7 million to reinsure for a cover of \$100 million (LAPP provides cover for 40% of the damage hence full cover is around \$250 million). LAPP proposed to increase member contributions fourfold, based on the current contribution. They were looking at an annual contribution of \$14 million from all its members for the next five years to meet the increased cost of reinsurance and to build up the funds to the \$40 million level they were at before the earthquakes.

We received confirmation from LAPP on 25 May 2011 that:

- contributions will be adjusted by removing the 50% discount and doubling the levy. Council was paying around \$35,000 (which is after the 50% discount) and could expect to see the premium increase to around \$140,000 from 2012 onwards;
- LAPP deductibles will increase;
- contributions will remain high for the next few years;



- LAPP will provide cover for reticulation and flood protection assets from 1 July 2011; and
- LAPP continues to cover 40% of cost and central government covers 60%.

Council was pleased to note LAPP will provide cover for reticulation and flood protection assets. The increase in insurance premium will impact the financial year 2011/12 onwards and Council resolved to fund the shortfall in budget for the financial year 2011/12 from prior year surpluses.

Long Term Planning – Meeting With Stakeholders

The next long term planning cycle is upon us and Council wanted to hear from key businesses and employers as to what they thought we could jointly focus on over the 10-20 years.

In view of this, Council held a workshop on 2 June 2011 with business leaders in Tararua to discuss ideas to create a shared vision for the next 10 years. Council wanted feedback from businesses as to where they see their business in 10 years time about spatial planning, employee numbers, infrastructure requirements, economic developments and funding.

Council and participants found the workshop very useful. Council will continue to engage with business and community groups as it prepares its 10-year plan.

Windfarm Applications

In October 2010, Contact Energy Ltd was successful in the Environment Court with its appeal against the decision of the Council Commissioners not to grant consent for the construction of the Waitahora Wind Farm. Construction of the wind farm has to start within five years of the decision, otherwise the consent will lapse. The Court acknowledged that since the Council Commissioners had heard the original application, the modifications to the application and the extensive new evidence presented to the Court had produced a proposal the effects of which are quite different to the original application. Genesis Energy has applied for resource consents for 286 wind turbines in the Castle Hill area of the District. Mighty River Power has also applied for resource consents for 53 wind turbines for the Puketoi Range, and an external 220kV transmission line to link their proposed windfarm with the Turitea Windfarm on the Tararua Range. Other energy generation companies are in contact with Council with regard to potential sites for renewable energy generation facilities.

If approved, these projects would contribute some growth to the Tararua economy, through the use of local resources and labour.

Roading

A recent procedural audit by the NZ Transport Agency of how Engineering Services manage Council's roading contracts and expenditure resulted in a clean report with a number

of positive comments. These comments included the high number of tenders received for works, the way external and internal costs are transparently managed, and the supporting documents for decisions made.

For the roading network, due to the favourable tender rates the target rate of 90km length and 560,000m² was extended and Council achieved 103km length and 638,547m² at a cost of \$2.24 million which was within the budget.

Council had budgeted 12.5km (70,000m²) of pavement rehabilitation at \$1.65 million. For the financial year Council completed 12km (76,320m²) of work at a cost of \$1.57 million. This means actual cost per m² was \$20.62 compared to a budget of \$23.57, which is a cost savings of \$225,000.

Corner widening, minor road realignment projects and miscellaneous minor improvement projects were completed at a cost of \$714,633. The budget was reduced due to the non-approval of additional NZ Transport Agency funding for the 2009-2012 programme.

A safety management system is in place. The Roothing Safety Management Supervisor reviews accident crash sites to ascertain if road conditions played a part in the cause of the accident. If a roading 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 roading conditions contributed to crashes in 2010/11.

Civil and Disaster Readiness

Council is defining the critical industries (for example; medical centre, fire station, schools, Civil Defence Emergency Management centres, Police, retirement complexes, St John Ambulance) locations in each urban area and setting a criticality to the services that they are dependent upon. Each of these has different needs and priorities that we should have as most critical for replacement/redundancy in case of a major disaster. This exercise will build both a great understanding of our networks and disaster readiness, along with a targeted funding programme for renewals, upgrades and capital expenditure.

Council achieved the following to enhance its readiness to deal with major events:

- Relocated the Emergency Operations Centre in Dannevirke from Denmark Street to the Council Chamber in Gordon Street. The Council Chamber was also equipped with improved communication and visual devices.
- Civil defence welfare centres in Eketahuna, Pahiatua, Woodville and Dannevirke were better equipped.
- Purchased a Broadband Global Area Network (BGAN) satellite communications system to enhance district data and voice communications.



Service Centres

Our friendly staff at our services centres received good feedback in the Community Survey. Results of the survey showed that 92% of customers surveyed were satisfied with front line customer service, with 62% very satisfied and 88% of customers were satisfied with the overall service received when contacting Council offices by phone, in person, in writing or by email.

Rural Broadband

The Government had determined its Rural Broadband Initiative partners as Telecom and Vodafone. The contracts were for a total of \$285 million to connect over 500 schools and the health sector. However, it excludes areas already covered by the Telecom cabinetisation programme.

For our district this means Pahiatua, Woodville and Dannevirke are excluded. We can expect that the upgrade of cabinets will improve the speeds of services sold over the copper network by three to four times currently provided. However, this is still one-fifth of the standard entry for fibre speeds that larger towns and cities are to get within the next eight years.

Approximately 400 schools are being considered for fibre connection using the unallocated \$15 million, but timing remains uncertain. In the meantime, Inspire Net, who already has over 400 schools as customers, has offered to connect seven of the eight town schools in Tararua with capital contribution from Council. This will be achieved within four months, providing a high level of guaranteed speeds and at very low ongoing monthly costs.

This is exactly the type of competitive response Council set out to achieve when we completed our investment in broadband. We have also reached the first date that our old wireless connections would have been upgraded. With our fibre in place, we have now avoided the need for a \$250,000 project. Council's net investment cost is now valued at just over \$500,000.

Free Wireless Hotspots in the Tararua

We have negotiated a brilliant deal with Inspire Net to provide limited free wireless services in our four main towns for a twelve-month trial period.

It means that we remain at the front of the pack for providing innovative services and will see the coverage increase in size and make it easy for locals and tourists to enjoy our town centres.

Council will join Palmerston North, Wellington, Christchurch and other locations, as providers of this service. The inclusion of hotspots in the Tararua was a condition of the contract Council had with the Inspire Net inter-town fibre project so it is great to make this relevant to more people.

People can download or send up to 100 megabytes of data per month free of charge. Those requiring more can still pay to get more bandwidth, and Inspire is expecting that this will be a popular option in time with the proliferation of handheld palm devices such as the iPad.

Qualmark Assessment

The i-SITE has successfully completed another Qualmark Assessment. Qualmark licenses professional and trustworthy New Zealand tourism businesses to use the Qualmark "tourism's official quality mark" to help international and domestic travellers select places to stay, things to do and ways to get around.

Significance has been placed on "sustainable tourism" in the previous assessments. i-SITEs with new or recently renovated buildings tend to rate highly as their buildings have been built with sustainability in mind, including the use of the latest products. Our current building is limited in some capacity and, as such, this is an area in which we did not rate highly. However, the i-SITE meets the required overall standards.



Financial Overview

This section of the report provides an overview of our financial performance for the year ended 30 June 2011. This overview provides an explanation to our financial statements and notes on pages 130 to 202.

Overall Results

For this financial year Council had a deficit of \$1.107 million compared to our budget of \$857,000 in surplus. Overall revenue was under budget by \$668,000 with overall expenditure being over budget by \$1.06 million.

The results were expected and were due to the following:

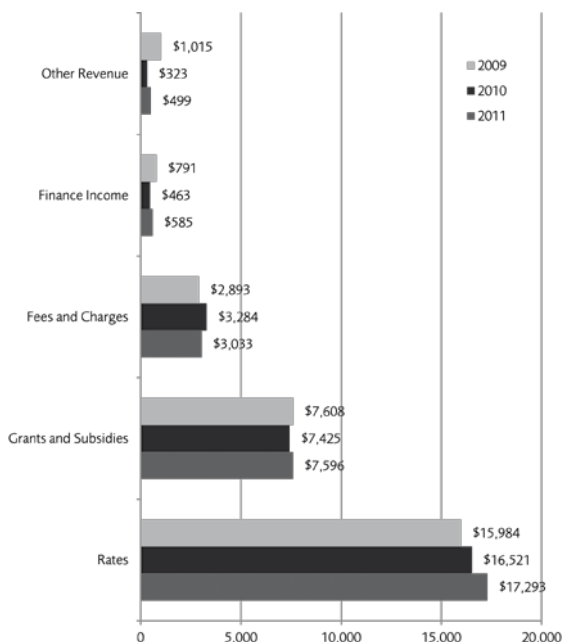
- Grants and subsidies lower than budget by \$1 million. We are yet to receive the Water Supplies development subsidy of \$191,000. The application for subsidy of \$191,000 for Water Supplies is being considered by the Ministry of Health. Roading subsidies received were down against budget by \$278,000 (with Pahiatua Track not proceeding) and the subsidy for the District Promotions & Development Broadband project of \$608,000 also not proceeding.
- Depreciation and amortisation was over budget by \$779,000 mainly due to an increase in roading depreciation of \$6.6 million against budget of \$6.2 million.
- This increase in depreciation cost was off set by lower finance costs of \$471,000 due to uncompleted capital works (meant to be funded from debt), low interest rates and Council implementing new interest rate strategies.
- There were expenditures that we did not budget for namely Riskpool call of \$41,000, revaluation loss of \$31,000 for investment properties and \$60,000 for an unrealised loss for interest rates swaps.

Council's primary revenue source is rates which accounts for approximately 60% of total revenue. Other revenue sources include user charges and fees, government transport subsidies, interest and dividends, and rendering of services and other income.

Over the last few years Council has tried to keep rates increases affordable and in line with inflation rates. Council has also used revenue from other sources in an attempt to reduce the proportion of revenue sourced from rates.

However, given the current economic climate Council's proportion of rates to total revenue has increased from 53% in 2007/08 to 60% in 2010/11. This is mainly due to lower grants and subsidies, and reduced revenue from interest, fees, and charges.

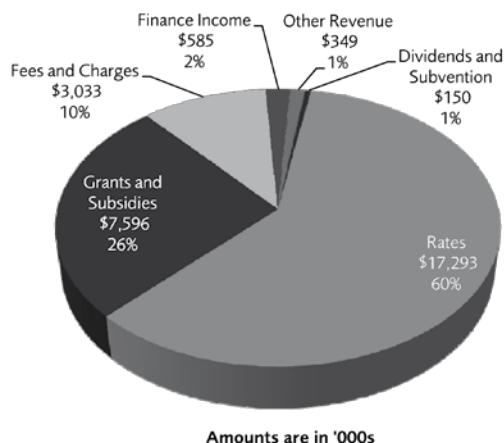
Revenue source over the last three years



Revenue Sources

Council received \$29 million from a variety of sources. The following charts highlight some of the key financial areas where Council received revenue from and how it was spent.

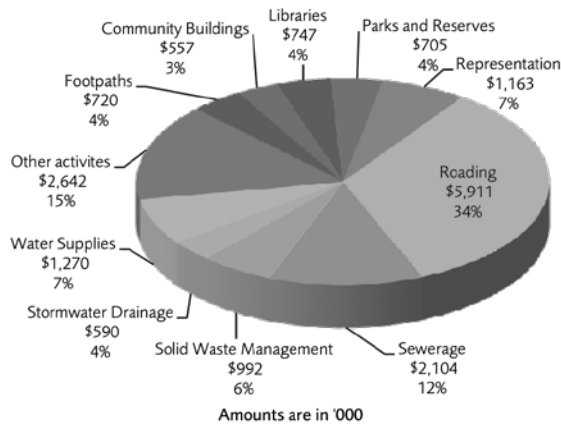
Where Council got its revenue





The following graph shows Council's sources of rates revenue from operating activities:

Rates revenue from operating activities



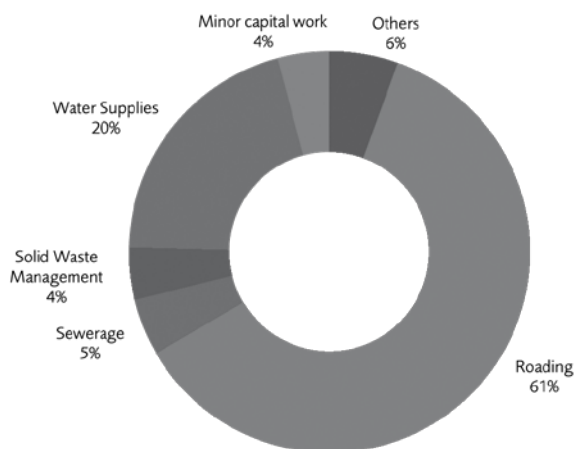
Investing in the Assets

Council continued to invest in the district, spending \$9.3 million across a wide range of capital projects. Highlights are below with more detail in the Reports and Policies section.

The total book value of all Council's operational and infrastructure is \$838 million (including intangible assets) compared to \$795.8 million last year.

The total amount of depreciation and amortisation charged on these assets for the year was \$10.99 million (2010: \$10.25 million).

Capital expenditure by activities



Capital Development

A total of \$3.71 million was spent on capital developments compared to a budget of \$5.39 million (\$14.95 million including 2010 carry forwards).

The main expenditure items and variances to budget include:

- Roding contributed \$733,000 of the total development cost compared to a budget of \$4 million.
- The Pahiatua Track Improvements (\$2.96 million) project was put on hold due to lack of funding from the NZ Transport Agency.
- The Pahiatua effluent quality improvement budget (\$1.67 million) is to be carried forward, as design work needs to be done and consent for the project is still progressing.
- The Eketahuna effluent quality project (\$931,000) is in progress with the first stage (\$172,000) completed. Stage 2 work will continue in 2011/12.
- The District Promotion and Development budget of \$608,000 for the Broadband project was to be funded from the Ministry of Economic Development. The funding has not become available and therefore project is unlikely to proceed.
- Upgrading of the Woodville town centre budgeted at \$474,000 is carried forward to 2011/12 as we are waiting the design approval and decision to proceed.
- Minor roading improvement projects totalling a value of \$859,000 were targeted for completion this year. Corner widening, minor road realignment projects and miscellaneous minor improvement projects have been completed at a cost of \$714,633. The budget was reduced due to the non-approval of additional NZ Transport Agency funding for the 2009-2012 programme.
- Water development projects for Pahiatua's new well (\$2.73 million) and Dannevirke's filtration and impounded water supply (\$1.6 million) is progressing well. The remaining budget of \$3.18 million is carried forward to 2011/12.

Capital Renewal

A total of \$6.41 million was spent on renewals compared to a budget of \$8.41 million. The main expenditure items and variances to budget include:

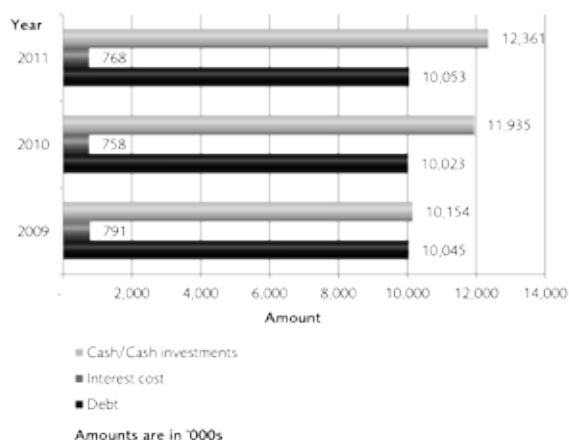
- Total expenditure for roading activity was \$4.91 million compared to a budget of \$5.65 million.



Financial Overview

- Due to the favourable tender rates the target rate of 90km length and 560,000m² for maintenance chipseal was extended to achieve 103km length and 638,547m² completed at a cost of \$2,236,160.
- In pavement rehabilitation, 12km (76,320m²) of work was completed at a cost of \$1.61 million compared to a budget target of 12.5km (70,000m²) at a budgeted cost of \$1.76 million.
- For the Parks & Reserves activity the caretaker's house at the Pahiatua camping ground is near completion with \$130,000 out of a budget of \$142,000 already spent.
- Sewerage has spent \$211,000 this year and is under budget by \$462,000 (including carry forwards). The underspent relates mainly to mains replacement in Dannevirke, Pahiatua and Eketahuna.
- Water supplies spent \$546,000 which was over budget by \$132,000. This was mainly due to upgrades to treatment plants and mains replacement.
- Work on upgrading and renovation for the administration building, and purchase of plant, equipment and furniture is ongoing with priority on other key projects.

The following chart shows Council's cash/cash investments, debt levels and finance cost for the last three years.



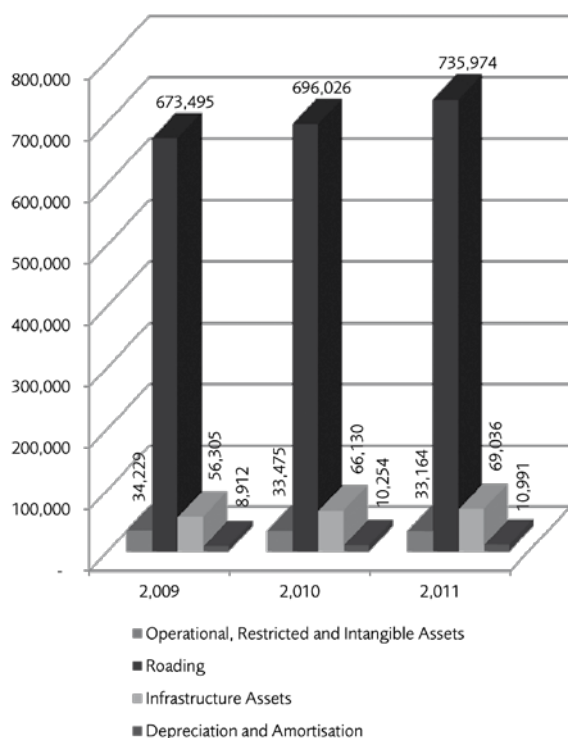
Due to low interest rates, Council has implemented a strategy to only place short term deposits of three months as longer terms do not provide favourable rates. This also helped Council better manage its cash flow requirements. Debt levels have remained constant over the years and Council, where possible, has borrowed internally to fund capital projects. This has significantly reduced Council exposure to interest rate risk.

The weighted average return Council received for the year from cash investments was 3.62% on \$12.46 million.

Council also achieved an overall improvement in cash position at year-end mainly due to delay in capital expenditure. The main movements in the Statement of Financial Position that resulted in a net increase include:

Reconciliation of Net Surplus to Operating Cash Movements		000's
Net Surplus/(deficit)		(1,107)
Add/(deduct) non cash items:		
• Bad debts provision		(21)
• Depreciation and amortisation		10,991
• Changes in fair value		53
• Other gains/losses		236
Add back:		
• Decrease/increase in debtors		(785)
• Increase/decrease in other financial assets		307
• Other cash movements		(147)
• Decrease/increase in creditors		205
Net Movement in Cash		9,732

Financial Position



Compliance with Policies

Investment Policy

Throughout the year management monitored and reported on compliance with Council's policy.

The investment policy provides guidance on how Council manages its investments. The policy details liquidity and investment spread limits. Council for the year has complied with all the requirements of the policy.

Liquidity

The policy states that Council's portfolio will be arranged to provide sufficient funds for planned expenditure and to allow for the payment of obligations as they fall due:

	Limit	Actual
Minimum level of available liquidity (committed bank facilities and/or liquid target assets) will be not less than \$1.32 million in addition to the amount required to be held against special funds.	\$1.32 million	\$10.31 million

Counterparty and Investment Spread

Council had cash invested in the following institutions as at 30 June 2011.

	Tier 1	Limit	Actual
Bank of New Zealand	1	< 40%	20%
Westpac New Zealand Ltd	1	< 40%	23%
ANZ National Bank Ltd	1	< 40%	27%
CitiBank New Zealand	1	< 20%	0%
Kiwibank Limited	1	<40%	27%

Liability Management Policy

Council utilises the services of Asia Pacific Risk Management (APRM) to provide advice on structuring and managing Council liabilities and investments. As part of this advice,

Council has put in place strategies to manage risk in relation to interest rates and cash flow by spreading the maturity of loans and putting in place fixed rate swaps.

As at 30 June, Council had two swaps in place to manage future interest rate risk out to 2019 and 2020 on \$1.5 million of term loan. Putting in place fixed interest rate swaps for a long term allows Council to hedge the rise of the interest rates in the future. Council continues to monitor and report on the effectiveness of using swaps to manage interest rate risk.

The weighted average cost of debt for Council was 6.1% on \$10 million as at 30 June 2011.

The liability management policy provides guidance on how Council manages external borrowings. The policy aims to manage Council risk related to interest rates, liquidity and credit exposure.

Debt is 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:

	Limit	Actual
Gross cost of debt (interest and principal payments) in any financial year must not exceed as a percentage of Council is operating revenue.	12%	2.19%
Gross cost of debt (interest and principal payments) in any financial year must not exceed as a percentage of rate revenue.	20%	3.16%
Debt must not exceed as a percentage of total public equity and accumulated funds.	5%	1.25%
Total debt per head of population will not exceed.	\$1,356	\$567
Overdraft facilities with Council's bank to a maximum of \$1,324,575.	\$1.325m	Nil
Committed bank facility up to a maximum of \$6,622,877 that may only be used for disaster recovery purposes.	\$6.623m	\$5m



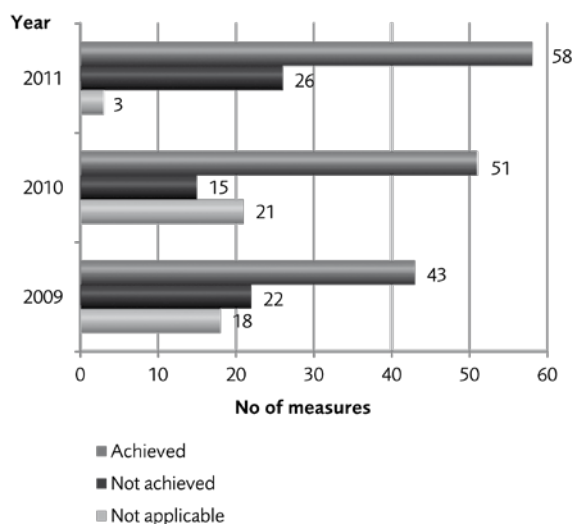
Non-Financial Performance

This section of the report summarises achievements in our non-financial performance for the year ended 30 June 2011.

This year Council achieved 70% of non-financial performance measures compared to 77% in the prior year.

It should be noted that 21 measures were not applicable in the prior year as most of these measures related to the community survey, which is undertaken every three years.

Council in February 2011 carried out the Communitrak survey (community survey). The summary of the results are shown below.



Council has, over the years, improved in achieving the non-financial measures. The highlights for the year are:

Animal Control

- All measures for animal control were achieved except for conducting education programmes at schools. This year only one school took up the opportunity to have an Animal Control Officer visit and talk to the children about dog control and behaviour around dogs.
- Community survey results show an increase in public satisfaction for the activity from 76% in 2008 to 80% in 2011.

Commercial Properties

- All our commercial properties were fully rented and the rental income was used to offset the general rate requirement. Operating surplus before offsetting rate requirement was \$29,000.

Community Buildings

- Occupancy rates in community buildings continue to increase with a 16% increase compared to last year and 43% increase compared to 2008/09 year.

District Promotion

- There was a 0.5% increase in bed nights for accommodation compared to a target of 5%. Though the target was not achieved it should be noted that the bed nights across New Zealand have decreased (down 1.6%) while Tararua had an overall increase.

Emergency Management

- All performance measures were met.
- A Ministry of Civil Defence and Emergency Management survey sample carried out between 16 May 2011–12 June 2011 on Civil Defence preparedness confirms that within the Manawatu Wanganui Civil Defence Group area, which includes Tararua District, 36% of homes are fully prepared with 82% having some survival items.

Footpaths

- Council manages 115.9km of footpaths of which 95% were maintained in good condition with no faults compared to a target of 90%.
- Resident satisfaction increased to 77% compared to 64% in the 2008 survey.

Health and Safety

- During the year only one substandard food premise was closed. This premise reopened only after the operators thoroughly cleaned the premise and carried out overdue maintenance.
- A total of 404 building consents were received with 30 applications not processed within the statutory timeframe achieving a result of 92.3% compared to a target of 100%.
- 95% of registered premises complied within 3 months compared to a target of 100%. 6 premises out of a total of 123 registrations did not comply with Food Hygiene Regulations within three months of annual inspection.
- Libraries**
 - The community's satisfaction with library services was 87% compared to a target of 90%. The library organised 61 programmes, which were attended by 1,521 children.
 - The removal of the Annual Card Fee from 1 July 2010 saw a 35% increase in the number of new borrowers.

Parks and Reserves

- Achieved all performance measures.
- All sports fields met standards set by the New Zealand Sports Turf Institute. Monthly safety inspections were



Non-Financial Performance

undertaken, and contractors performed well with no complaints.

- Residents' satisfaction also increased from 86% in 2008 to 91% in the 2011 survey.

Resource Management

- Out of 38 resource consent applications received, three exceeded the processing statutory timeframe – one by one day, one by four days and one by 13 days, achieving a result of 92% compared to a target of 100%.

Roading

- Two fatal accidents occurred on local roads but neither was linked to road factors.
- A 57% reduction in customer complaints was achieved. A total of 63 service requests were received compared to 148 received last year.
- Due to the favourable tender rates the target rate of 90km length and 560,000m² was extended to achieve 103km length and 638,547m² for chipseal maintenance.

Service Centres

- The community survey showed that 92% of customers were satisfied with front line customer service and 88% of customers were satisfied with the overall service received when contacting Council offices by phone, in person, in writing or by email.

Sewerage

- One non-compliance with resource consent was noted. This related to elevated levels of chemicals in the river water due to seepage from the Dannevirke sewage pond.
- Compared to a target of 70%, 61% of residents were satisfied in the community survey. Looking at the results by town location the following results were noted: Dannevirke 87%, Woodville 83%, Eketahuna 71%, Pahiatua 73%.

The average for these towns was 78%, which is higher than the target of 70%. The other location was "elsewhere in the district" where 22% were not satisfied and 75% don't know. These are rural residents who have septic tanks and are not connected to our sewerage network. In addition, 82% of urban ratepayers were satisfied and 75% of rural ratepayers surveyed responded "don't know".

Solid Waste

- The community survey included results for satisfaction as follows:
 - Landfill: Target was 60% and 47% was achieved.
 - Refuse collection: Target was 60% and 58% was achieved.
 - Recycling services: Target was 70% and 73% was achieved.

The results are reflective of the transition period between closures of landfills and operation of transfer stations.

Stormwater

- No non-compliance with resource consents was noted.
- The target of 80% to meet response time for calls was not met. Out of a total of 29 calls only 69% met service levels. Seven requests had not been updated as completed in the system within the one-day timeframe. However most, if not all, of the requests were actioned within the required timeframe. Council will review the process for updating the system.

Water Supplies

- 51% of customers were satisfied with availability of water compared to a target of 70%. The main reasons residents were not satisfied with the availability of water is due to water restrictions (10%), water shortage (5%) and poor water quality (6%).



Council Five-Year Summary

Council Five-Year Summary

	Unit	2006/07	2007/08	2008/09	2009/10	2010/11
Operating surplus/(deficit)*	\$000's	642	2,126	856	117	(871)
Equity	\$000's	714,469	753,452	768,164	801,883	844,848
Working capital	\$000's	7,460	6,308	5,672	8,582	7,530
Operating cash	\$000's	2,525	1,838	2,067	2,233	8,236
Borrowing	\$000's	10,088	10,066	10,045	10,023	10,053
Roading dig-outs & stabilisation	m ² 000's	7	2	7	6	5
Resealing	km	99	88	77	101	103
Maintenance aggregate	m ³ 000's	36	47	40	32	28
Water tabling	km	148	259	313	204	170
Building consents issued		718	679	611	505	404
Registered dogs		6,892	6,749	6,713	6,698	6,729
Library usage	Issues	167,417	160,626	159,551	154,206	158,484

* Operating surplus/(deficit) before comprehensive income.

† Adjusted for NZIFRS.



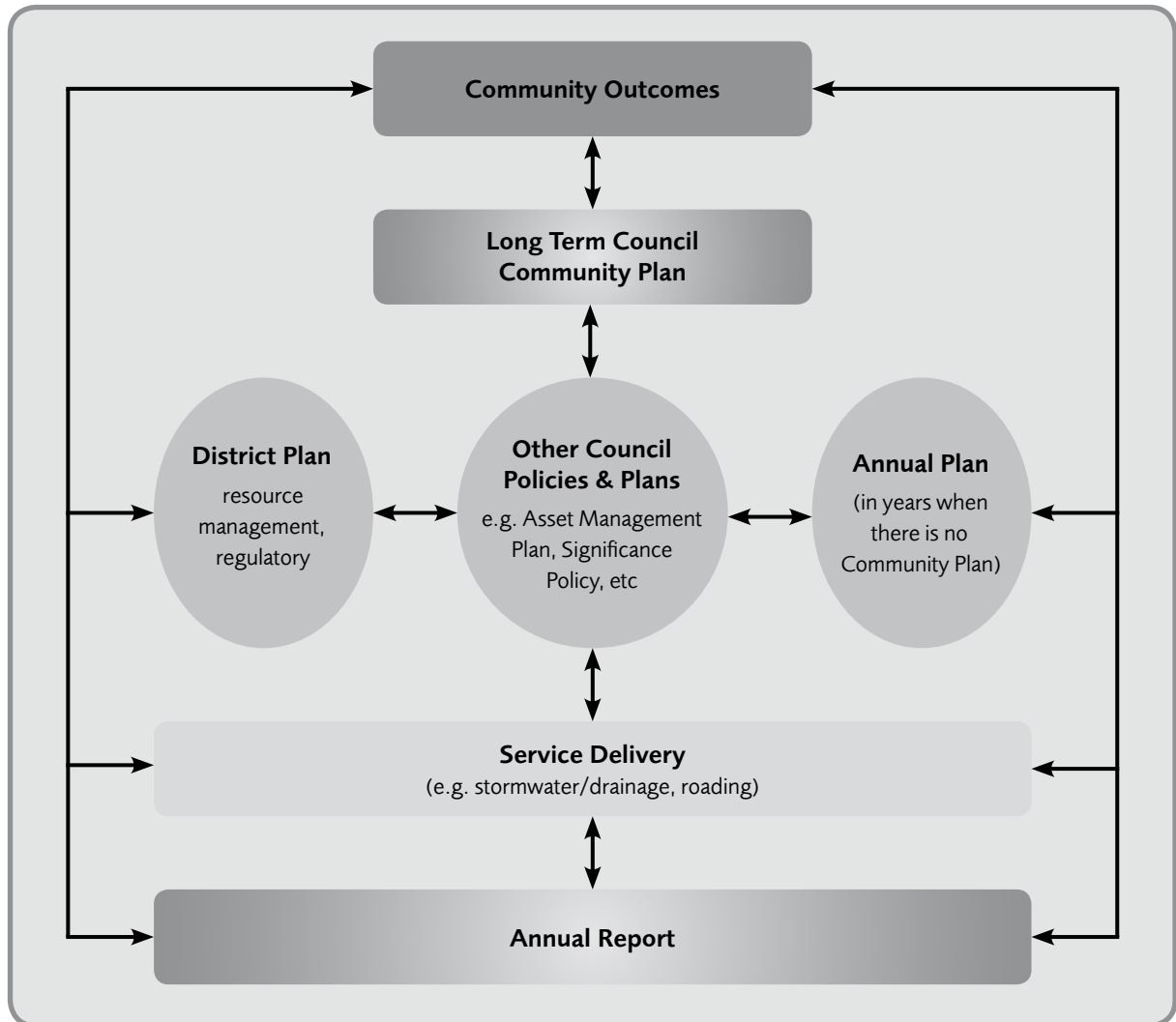
Reports and Policies





Linkage Between Council Policies & Plans

This Annual Report gives outcomes for the 2010/2011 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 2010/11 financial year was year two 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.



Capital Expenditure Report for the Year Ended 30 June 2011

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 2010	Budget 2010/11	Authorised Revision	Total Budget	Actual to June 2010	Year to June 2011
Capital Developments						
Animal Control						
Pahiatua pound	19,745	62,000	-	81,745	-	-
Dannevirke pound	15,000	-	-	15,000	-	-
	34,745	62,000	-	96,745	-	-
Cemeteries						
Alfredton - columbarium wall	5,000	-	-	5,000	-	6,362
Memorial restoration	2,921	-	-	2,921	7,079	-
Eketahuna new berm	2,569	3,084	-	5,653	1,742	-
Woodville new berm area	-	-	-	-	17,146	-
Pahiatua new berm area	-	-	-	-	4,684	-
Pahiatua	8,000	30,840	-	38,840	-	-
Dannevirke	2,430	3,084	-	5,514	570	7,558
	20,920	37,008	-	57,928	31,221	13,920
Commercial Property						
Thyra Street sale	-	-	-	-	-	-
Carnegie Centre	7,650	-	-	7,650	-	-
	7,650	-	-	7,650	-	-
Economic Development or district promotion						
Broadband	-	607,990	-	607,990	-	-
	-	607,990	-	607,990	-	-
Emergency Management						
Civil Defense: Civil Defense Development	-	-	-	-	-	-
Rural Fire: FA: Weather Station	-	-	-	-	4,514	-
Rural Fire: Fire Equipment	-	-	-	-	-	-
	-	-	-	-	4,514	-
Footpaths						
New footpaths	58,842	-	-	58,842	11,668	-
Dannevirke High Street refurbishment	-	-	-	-	2,128,996	-
Woodville business centre	14,732	400,000	-	414,732	47,268	23,349
	73,574	400,000	-	473,574	2,187,932	23,349



Total Remaining Budget Under/ (Over)	Remaining Carry Forward	Funding Source	Explanation/Status/Significant Variances to Community Plan
81,745	81,745	Loan	On hold. Site of new pound uncertain. Pending development of Dannevirke transfer station.
15,000	15,000	Rates	
96,745	96,745		
(1,362)	-	Rates	Completed. Extra seating was put in.
2,921	2,921	Loan	Work in progress (Weber to complete).
5,653	5,653	Eke Cemetery Reserve	Work in progress. Costs were lumped in with Alfredton.
-	-	Rates	
-	-	Pah Cemetery Reserve	
38,840	38,840	Pah Cemetery Reserve	Work in progress. Cemetery development waiting on contractors. Work has now commenced.
(2,044)	-	Rates	Work in progress. Had to put in extra berm to correct levelling of the ground.
44,008	47,414		
-	-	Rates	
7,650	7,650	Rates	On going.
7,650	7,650		
607,990	607,990	Subsidy/Rates	Not proceeding. Government changed process.
607,990	607,990		
-	-	Rates	
-	-	Rates	
-	-	Rates	
-	-		
58,842	58,842	Rates	Underspent in 2011, to be carried forward to 2011/12.
-	-	Rates	
385,383	389,820	Loan	Design underway. Awaiting external advice.
444,225	448,662		



Capital Expenditure Report

Activity & Capital Works Project	Carry forward Budget to June 2010	Budget 2010/11	Authorised Revision	Total Budget	Actual to June 2010	Year to June 2011
Libraries						
Microform reader	-	-	-	-	12,990	-
	-	-	-	-	12,990	-
Parks and Reserves						
Develop reserve management plan	9,535	20,560	-	30,095	10,465	6,963
Accessible toilet - Eketehuna camping ground	15,000	-	-	15,000	-	-
Land sales	-	-	-	-	-	-
Akitio foreshore erosion	1,466	-	-	1,466	962	-
	26,001	20,560	-	46,561	11,427	6,963
Roading						
Bridge structures	-	-	-	-	104,197	362
Associated improvements	52,604	130,000	-	182,604	87,396	57,329
Minor safety improvements	53,910	814,903	-	868,813	804,890	710,735
Pahiatua Track improvements	2,957,924	-	-	2,957,924	42,076	4,973
Seal extension Coast Road	-	-	-	-	214,148	-
	3,064,438	944,903	-	4,009,341	1,252,707	773,399
Sewerage						
Aerator	-	-	-	-	12,034	8,138
Dissolved phosphorous removal investigation	-	-	-	-	-	-
Telemetry	-	-	-	-	36,115	2,065
Eketahuna effluent quality improve	931,010	-	-	931,010	55,828	176,977
Dannevirke sewage treatment plant pressure socket	-	-	-	-	-	205
Woodville effluent quality improve	13,971	-	-	13,971	47,029	28,971
Norsewood resource consent	-	-	-	-	19,342	-
Pahiatua effluent quality improve	1,668,050	-	-	1,668,050	123,625	-
Pongaroa treatment plant upgrade	95,002	-	-	95,002	38,677	-
Ormondville resource consent	-	-	-	-	14,050	-
	2,708,033	-	-	2,708,033	346,700	216,356
Solid Waste Management						
District recycling base at Herbertville, Akitio, Weber and trailer	-	38,000	-	38,000	-	27,879
Dannevirke transfer station (& closure costs \$50,000)	-	370,000	-	370,000	-	289,767
Pahiatua transfer station (& closure costs \$50,000)	314,198	315,000	-	629,198	331,177	628,354
Waste Disposal Investigations	5,860	-	-	5,860	8,500	-
	320,058	723,000	-	1,043,058	339,677	946,000
Stormwater Drainage						
Dannevirke Mangapurupuru stream diversion	200,000	20,000	-	220,000	-	-
Pahiatua	-	-	-	-	95,143	-
Woodville Atkinson Street/McLean Street	90,000	-	-	90,000	-	-
	290,000	20,000	-	310,000	95,143	-



Total Remaining Budget Under/ (Over)	Remaining Carry Forward	Funding Source	Explanation/Status/Significant Variances to Community Plan
-	-	Donation	
-	-		
23,132	23,132	Rates	Work in progress.
15,000	15,000	Rates	Pending. Waiting for community funding to proceed.
-	-	General Purposes Reserve	
1,466	1,466	Rates	Ongoing every year.
39,598	39,598		
(362)	-	Subsidy/Rates	Underspent in 2011. To be carried forward to 2011/12.
125,275	125,275	Subsidy/Rates	Underspent in 2011. To be carried forward to 2011/12.
158,078	158,078	Subsidy/Rates	Underspent in 2011. To be carried forward to 2011/12.
2,952,951	-	Loan	Project on hold. Funding not approved by NZTA.
-	-	Subsidy/Rates	
3,235,942	283,353		
(8,138)	-	Rates	Completed.
-	-	Rates	
(2,065)	-	Loan	Completed.
754,033	754,033	Loan	Work in progress. First stage completed, pump station to eliminate Imof tank. Stage 2 work to continue in 2011/12.
(205)	-	Rates	Completed.
(15,000)	-	Loan	Completed stage 2.
-	-	Loan	
1,668,050	1,668,050	Loan	Design work to be done.
95,002	95,002	Loan	Design work to be done.
-	-	Loan	
2,491,677	2,517,085		
10,121	10,121	Loan	Work in progress.
80,233	80,233	Loan	Work in progress.
844	844	Loan	Work in progress.
5,860	5,860	Solid Waste Reserve	Work in progress.
97,058	97,058		
220,000	220,000	Loan	Capital developments pushed out until budget has reached required level. Will do design work in interim.
-	-	Loan	
90,000	90,000	Loan	To be done with Main Street Development work in 2011/12.
310,000	310,000		



Capital Expenditure Report

Activity & Capital Works Project	Carry forward Budget to June 2010	Budget 2010/11	Authorised Revision	Total Budget	Actual to June 2010	Year to June 2011
Water Supplies						
Telemetry	20,000	-	-	20,000	-	10,044
Groundwater investigation	93,234	-	-	93,234	21,766	4,387
Akito	-	-	-	-	-	6,489
Eketahuna treatment upgrade	-	-	-	-	72,251	21,631
Pahiatua new well	2,729,848	-	-	2,729,848	343,156	240,165
Dannevirke - infiltration & water storage	40,240	511,500	1,048,260	1,600,000	71,712	966,246
Norsewood treatment upgrade	-	-	55,000	55,000	-	41,997
Water & Sanitary Services Team	-	194,370	-	194,370	-	-
Treatment plant upgrades - Pah, Wdv, Aki, Eke	23,881	201,531	287,588	513,000	82,276	70,774
	2,907,204	907,401	1,390,848	5,205,452	591,160	1,361,733
Other						
Administration building	25,000	-	-	25,000	-	30,954
Computer software - Authority	52,357	227,510	-	279,867	109,643	222,018
Computer hardware	-	-	-	-	914	46,985
Land sales	-	-	-	-	(7,373)	-
Mountain bike track	-	-	-	-	19,323	-
Motor vehicle	-	45,000	-	45,000	-	49,686
Plant & machinery	-	-	-	-	-	12,542
Woodville Library/i-SITE doors	30,000	-	-	30,000	-	-
	107,357	272,510	-	379,867	122,507	362,185
Total Developments	9,559,980	3,995,372	1,390,848	14,946,199	4,995,978	3,709,904
Capital Renewals						
Animal Control						
Motor vehicle replacement	34,000	-	-	34,000	-	-
Dannevirke pound	-	-	-	-	-	953
	34,000	-	-	34,000	-	953
Cemeteries						
General	-	-	-	-	5,000	4,445
	-	-	-	-	5,000	4,445
Community Buildings						
Dannevirke Sports Centre	20,000	-	-	20,000	-	-
Eketahuna Sports Centre	-	5,140	-	5,140	-	2,050
Pahiatua Town Hall	-	-	-	-	30,036	-
	20,000	5,140	-	25,140	30,036	2,050



Total Remaining Budget Under/ (Over)	Remaining Carry Forward	Funding Source	Explanation/Status/Significant Variances to Community Plan
9,956	9,956	Rates	Work in progress. Will spend the balance in 2011/12.
88,847	88,847	Loan	Work in progress. Further investigation to occur in 2011/12.
(6,489)	-	Rates	Budget included in district wide treatment plant upgrades.
(21,631)	-	Loan	Treatment plant upgrade budget included in district wide budget (\$17,000 for treatment plant upgrade and \$4,000 for intake meter).
2,489,684	2,489,684	Loan	Work in progress. Cost relates to Treatment plant upgrade and new bore.
633,754	633,754	Loan	Work in progress.
13,003	13,003	Rates	Work in progress. Treatment plant upgrade budget included in district wide budget.
194,370	194,370	Loan	Work in progress. Water treatment operator employed and sewer treatment person starts in September 2011.
442,226	442,226	Loan	Work in progress.
3,843,719	3,871,839		
(5,954)	-	Depreciation Reserve	On hold. Waiting for a decision on building in Pahiatua.
57,849	57,849	Depreciation Reserve	Some Authority expenditure deferred; i.e. TRIM.
(46,985)	-	Depreciation Reserve	
-	-	General Purposes Reserve	
-	-	Rates	
(4,686)	-	Depreciation Reserve	
(12,542)	-	Depreciation Reserve	
30,000	30,000	Rates	On hold, waiting on a decision on building
17,862	87,849		
11,236,295	7,802,817		
34,000	34,000	Depreciation Reserve	Type of vehicle to purchase under review. To occur in 2011/12.
(953)	-	Depreciation Reserve	
33,047	34,000		
(4,445)	-	Depreciation Reserve	Completed.
(4,445)	-		
20,000	20,000	Depreciation Reserve	Waiting on contractors. Clubs had a change of specifications.
3,090	3,090	Depreciation Reserve	Completed. Vinyl was replaced.
-	-	Depreciation Reserve	
23,090	23,090		



Capital Expenditure Report

Activity & Capital Works Project	Carry forward Budget to June 2010	Budget 2010/11	Authorised Revision	Total Budget	Actual to June 2010	Year to June 2011
Emergency Management						
Civil Defence: satellite phones	4,276	-	-	4,276	8,724	-
Civil Defence: communication equipment	-	25,700	-	25,700	-	37,527
Civil Defence: portable radio repeater	4,192	-	-	4,192	6,808	-
Civil Defence: extra pager receiver	3,390	-	-	3,390	910	-
Rural Fire: replacement subsidised fire equipment	-	42,000	-	42,000	60,609	41,334
Rural Fire: new Herbertville fire station, plans/consents	-	82,000	-	82,000	6,600	-
Rural Fire: upgrade of buildings in Akitio	-	3,000	-	3,000	159,295	-
Rural Fire: new Te Uri fire appliance	-	-	-	-	-	-
	11,858	152,700	-	164,558	242,946	78,861
Footpaths						
Resealing of urban footpaths	9,714	60,534	-	70,248	49,286	25,282
	9,714	60,534	-	70,248	49,286	25,282
Health and Safety						
Motor vehicle replacement – Building Control	16,000	24,000	-	40,000	-	-
	16,000	24,000	-	40,000	-	-
Housing						
Tenancy Contribution - Dannevirke	1,195	6,168	-	7,363	3,805	-
Dannevirke Urban	10,880	8,224	-	19,104	7,120	26,290
Ormondville	-	-	-	-	-	5,773
Noreswood	-	-	-	-	-	4,868
Woodville	6,046	5,140	-	11,186	8,954	-
Eketahuna	-	9,252	-	9,252	-	5,955
Pahiatua	-	3,084	-	3,084	-	-
	18,120	31,868	-	49,988	19,880	42,885
Library						
Library books	9,531	100,000	-	109,531	105,469	98,444
Building and Furniture	22,834	11,271	-	34,105	6,355	11,692
	32,365	111,271	-	143,636	111,824	110,135
Parks and Reserves						
Camping ground house Pahiatua	139,034	3,084	-	142,118	20,966	129,716
Camping ground - water line Dannevirke	7,766	-	-	7,766	9,234	-
Dannevirke Domain	3,250	4,112	-	7,362	-	-
Camping ground - Woodville	2,000	-	-	2,000	-	-
	152,050	7,196	-	159,246	30,200	129,716



Total Remaining Budget Under/ (Over)	Remaining Carry Forward	Funding Source	Explanation/Status/Significant Variances to Community Plan
4,276	4,276	Depreciation Reserve	Work in progress.
(11,827)	-	Depreciation Reserve	Completed. Extra expenditure due to CEO vehicle lights and sirens fitout, Council Chamber Emergency Operations Centre fitout, and rural weather station installed at Pahiatua.
4,192	4,192	Depreciation Reserve	Work in progress.
3,390	3,390	Depreciation Reserve	Work in progress.
666	666	Depreciation Reserve	Completed.
82,000	82,000	Depreciation Reserve	Underway. To carry forward.
3,000	3,000	Depreciation Reserve	Underway. To carry forward.
-	-	Depreciation Reserve	
85,696	97,523		
44,966	44,966	Depreciation Reserve	Completed.
44,966	44,966		
40,000	40,000	Depreciation Reserve	Pending. Reviewing vehicle needs at the activity level.
40,000	40,000		
7,363	7,363	Depreciation Reserve Housing	Waiting on contractor.
(7,186)	-	Depreciation Reserve Housing	Waiting on contractor.
(5,773)	-	Depreciation Reserve Housing	Completed. Sales costs.
(4,868)	-	Depreciation Reserve Housing	Completed. Sales costs.
11,186	11,186	Depreciation Reserve Housing	Waiting on contractor.
3,297	3,297	Depreciation Reserve Housing	Completed.
3,084	3,084	Depreciation Reserve Housing	Waiting on contractor.
7,103	24,930		
11,087	11,087	Depreciation Reserve	Completed. Some books due for release in July were released early.
22,413	22,413	Depreciation Reserve	Work in progress.
33,500	33,500		
12,402	12,402	Depreciation Reserve	Work in progress. Waiting for painting to finish.
7,766	7,766	Depreciation Reserve	Completed. Budget left over to carry forward and use for other projects.
7,362	7,362	Depreciation Reserve	Waiting for pre-school play equipment.
2,000	2,000	Depreciation Reserve	Completed. Budget left over to carry forward and use for other projects.
29,529	29,529		



Capital Expenditure Report

Activity & Capital Works Project	Carry forward Budget to June 2010	Budget 2010/11	Authorised Revision	Total Budget	Actual to June 2010	Year to June 2011
Public conveniences						
Pahiatua	-	5,000	-	5,000	-	5,890
Resurface three toilet floors	6,500	6,168	-	12,668	-	5,890
	6,500	6,168	12,668	5,890	-	11,780
Roading						
Pavement rehabilitation	64,033	1,700,000	-	1,764,033	1,585,967	1,611,336
Sealed road resurfacing	21,715	2,250,000	-	2,271,715	2,278,285	2,195,671
Traffic services	67,209	125,000	-	192,209	52,791	74,592
Drainage renewals & structures maintenance	-	470,000	-	470,000	549,410	303,749
Bridge renewals	3,300	-	-	3,300	46,700	5,679
Structure component replacements	-	70,000	-	70,000	95,094	-
Unsealed road metalling	189,044	690,000	-	879,044	560,956	723,281
	345,301	5,305,000	-	5,650,301	5,169,203	4,914,308
Sewerage						
Dannevirke mains replacement	49,702	-	-	49,702	43,922	-
Pahiatua mains replacement	24,835	-	-	24,835	165,641	-
Infiltration	55,000	-	-	55,000	-	-
Woodville	-	154,800	-	154,800	11,391	13,741
Eketahuna mains replacement	86,904	-	-	86,904	13,568	-
District expense - mains replacement	67,558	234,264	-	301,822	102,442	210,944
	283,999	389,064	-	673,063	336,964	224,685
Solid Waste Management						
Pahiatua	-	-	-	-	18,441	-
Dannevirke	-	-	-	-	-	4,877
	-	-	-	-	18,441	4,877
Stormwater Drainage						
District expense	35,000	-	-	35,000	-	-
Dannevirke	4,129	35,087	-	39,216	29,871	-
Dannevirke High Street refurbishment	-	-	-	-	-	-
	39,129	35,087	-	74,216	29,871	-
Swimming Pools						
Pahiatua	-	23,130	-	23,130	14,959	10,582
Eketahuna	-	2,570	-	2,570	-	9,150
Woodville	-	2,570	-	2,570	3,443	2,046
	-	28,270	-	28,270	18,402	21,778



Total Remaining Budget Under/ (Over)	Remaining Carry Forward	Funding Source	Explanation/Status/Significant Variances to Community Plan
(890)	-	Depreciation Reserve	Work in progress. One floor has been done, one more to resurface.
6,778	6,778	Depreciation Reserve	Work in progress. One floor has been done, one more to resurface.
6,778	6,778		
152,697	152,697	Depreciation Reserve	Underspent in 2011. To be carried forward to 2011/12.
76,044	76,044	Depreciation Reserve	Underspent in 2011. To be carried forward to 2011/12.
117,617	117,617	Depreciation Reserve	Underspent in 2011. To be carried forward to 2011/12.
166,251	166,251	Depreciation Reserve	Underspent in 2011. To be carried forward to 2011/12.
(2,378)	-	Depreciation Reserve	Underspent in 2011. To be carried forward to 2011/12.
70,000	70,000	Depreciation Reserve	Underspent in 2011. To be carried forward to 2011/12.
155,763	155,763	Depreciation Reserve	Underspent in 2011. To be carried forward to 2011/12.
735,993	738,372		
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 to occur in 2011/12.
141,059	141,059	Depreciation Reserve	Work in progress. Budget is for resource consent costs. Actual cost was for mains replacement.
86,904	86,904	Depreciation Reserve	Work to occur in 2011/12.
90,878	90,878	Depreciation Reserve	Work in progress. District mains replacement, includes Dannevirke, Pahiatua, Eketahuna, Woodville.
448,378	448,378		
		Depreciation Reserve	
(4,877)	-	Depreciation Reserve	Completed.
(4,877)	-		
35,000	35,000	Depreciation Reserve	Work to occur in 2011/12.
39,216	39,216	Depreciation Reserve	Work to occur in 2011/12.
-	-	Depreciation Reserve	
74,216	74,216		
12,548	12,548	Depreciation Reserve	Completed. But still leaks and some work is required.
(6,580)	-	Depreciation Reserve	Completed. Extra work was required.
524	524	Depreciation Reserve	Completed.
6,492	13,072		



Capital Expenditure Report

Activity & Capital Works Project	Carry forward Budget to June 2010	Budget 2010/11	Authorised Revision	Total Budget	Actual to June 2010	Year to June 2011
Water Supplies						
Woodville	46,854	-		46,854	6,395	
Mains replacement	29,901	260,353		290,254	224,599	33,945
Norsewood	25,000	-		25,000	-	28,952
Pahiatua	-	-		-	31,254	298,894
Dannevirke	-	-		-	-	180,572
Eketahuna	-	-		-	-	2,815
District expense	-	52,173		52,173	-	449
	101,755	312,526		414,281	262,248	545,807
Other – Support						
Computer hardware/software replacement	80,204	194,080		274,284	420,800	120,870
Administration buildings	268,103	1,234	-	269,337	30,419	16,222
Plant, equipment & furniture	141,217	16,027	-	157,244	32,902	28,252
Motor vehicle replacement (inc \$6,000 for Roading)	106,781	36,204	-	142,985	48,588	99,965
	596,305	247,545	-	843,850	532,709	265,309
Minor Renewals						
Note: These items are also shown in operating expenditure but will be funded from depreciation reserve						
Administration Buildings	5,810	-	-	5,810	2,490	11,481
Camping Grounds	883	-	-	883	2,117	876
Parks and Reserves	759	-	-	759	741	851
Commuinty Buildings	11,332	-	-	11,332	10,768	8,010
Public Conveniences	5,554	-	-	5,554	946	110
Housing	351	-	-	351	2,849	9,035
Commercial Buildings	1,000	-	-	1,000	-	-
	25,689	-	-	25,689	19,911	30,463
Total Renewals	1,692,783	6,721,369	-	8,414,152	6,876,922	6,407,445
Total Capital	11,252,763	10,716,741	-	23,360,351	11,897,943	10,117,349

* 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
46,854	46,854	Depreciation Reserve	Work in progress.
256,308	256,308	Depreciation Reserve	Work in progress.
(3,952)	-	Depreciation Reserve	Completed.
(298,894)	-	Depreciation Reserve	Work in progress. Budget is included in district wide mains replacement. September flood damage repairs – \$258,000 flood damage and \$47 of mains replacement.
(180,572)	-	Depreciation Reserve	Work in progress. Budget in district wide mains replacements.
(2,815)	-	Depreciation Reserve	Work in progress. Budget in district wide mains replacements.
51,724	51,724	Depreciation Reserve	In progress. Spent on pumps.
(131,527)	354,887		
153,414	153,414	Depreciation Reserve	Work in progress.
253,115	253,115	Depreciation Reserve	Ongoing.
128,992	128,992	Depreciation Reserve	Work in progress.
43,019	43,019	Depreciation Reserve	Ongoing.
578,541	578,541		
(5,671)	-	Depreciation Reserve	To be carried forward for future programming of work.
7	7	Depreciation Reserve	To be carried forward for future programming of work.
(192)	-	Depreciation Reserve	To be carried forward for future programming of work.
3,322	3,322	Depreciation Reserve	To be carried forward for future programming of work.
5,444	5,444	Depreciation Reserve	To be carried forward for future programming of work.
(8,684)	-	Depreciation Reserve Housing	To be carried forward for future programming of work.
1,000	1,000	Depreciation Reserve	To be carried forward for future programming of work.
(4,774)	9,727		
2,001,707	2,551,555		
13,238,002	10,354,372		



Revenue & Financing Policy Report

Function	Note	Subsidy Actual	Subsidy Policy	User Charges & Other Sources Actual	User Charges Policy
Animal Control	1			95.2%	93.0%
Cemeteries	1			27.5%	25.0%
Commercial Property	2			131.2%	105.0%
Community Buildings	1			5.8%	10.0%
Community Support	1			1.0%	0.0%
District Promotion & Development	1				
Emergency Management					
Civil Defense	3	5.1%	11.0%		
Rural Fire	4	12.3%	0.0%		
Footpaths	1			0.4%	0.0%
Health & Safety					
Building Control	5			61.7%	90.0%
Health Control	1			44.6%	46.0%
Inspection & Licensing	1			31.4%	30.0%
Housing	1			100.0%	100.0%
Library	6			6.0%	15.0%
Parks & Reserves					
Parks & Recreation Grounds (excluding Domain Boards)	1			1.6%	5.0%
Camping Grounds	7			8.5%	0.0%
Public Conveniences	1			0.8%	0.0%
Representation	1			100.0%	0.0%
Resource Management	8			12.7%	25.0%
Roading	9	55.4%	67.0%		
Service Centres	1			0.9%	0.0%
Sewerage	1			4.7%	6.0%
Solid Waste Management					
Refuse Collection	10			22.7%	70.0%
Waste Disposal	1			51.0%	50.0%
Stormwater/Drainage	1			0.3%	0.0%
Swimming Pools	1			1.4%	
Tararua i-SITE	1			9.3%	10.0%
Water Supplies					
Urban	11			27.0%	35.0%
Pongaroa	1				

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



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
4.8%	7.0%						
72.5%	75.0%						
94.2%	90.0%						
99.0%	100.0%						
99.4%	100.0%						
94.9%	89.0%						
		87.7%	100.0%				
14.9%	15.0%	84.8%	85.0%				
38.3%	10.0%						
55.4%	54.0%						
68.6%	70.0%						
94.0%	85.0%						
98.4%	95.0%						
91.5%	100.0%						
99.4%	100.0%						
0.0%	100.0%						
87.3%	75.0%						
				44.6%	33.0%		
99.1%	100.0%						
8.6%	9.0%			86.7%	85.0%		
77.3%	30.0%						
		49.0%	50.0%				
						99.7%	100.0%
98.6%	100.0%						
90.7%	90.0%						
						73.0%	65.0%
				100.0%	100.0%		

See over page for explanation of variances



Explanation for Variance

1. Within 5% of budget is considered to be materially within the policy
2. Commercial properties were fully rented and rent review in prior years flowing through in current year.
3. Civil defence subsidy for some equipment was not available
4. Rural fire received more subsidy from government
5. Building consents were down from last year and hence revenue was down against budget
6. Usage of library services was down from budget
7. Usage of camping grounds was down from budget
8. Resource consents applications were down against budget and District Plan costs continue to be higher than planned.
9. The planned subsidy for roading expenditure was not received as some work was diverted to repairing the damage of the September 2010 flood event.
10. Transfer stations were not operational through the year.
11. Metered water charges were lower than budgeted.



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.



Report of the Auditor-General

Independent Auditor's Report

To the readers of Tararua District Council and group's Annual report For the year ended 30 June 2011

We have audited:

- the financial statements of the District Council and group on pages 49 to 202, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include statement of accounting policies and other explanatory information;
- the statement of service performance of the District Council and group on pages 49 to 202; and
- the District Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (other Schedule 10 information).

Opinion on the financial statements, statement of service performance and other Schedule 10 information

In our opinion:

- The financial statements of the District Council and group on pages 49 to 202:
 - comply with generally accepted accounting practice in New Zealand; and

– fairly reflect:

- the District Council and group's financial position as at 30 June 2011; and
- the financial performance and cash flows for the year ended on that date.
- The statement of service performance of the District Council and group on pages 49 to 128:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council and group's levels of service for the year ended 30 June 2011, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term council community plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- The District Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.



Emphasis of matter – information to support forecast expenditure and levels of service for water and waste infrastructure

Without modifying our opinion, we draw attention to the District Council's disclosures on page 10 about the 2009-19 Long-Term Council Community Plan (LTCCP) not having adequate information to support the forecast expenditure and levels of service for water and waste infrastructure, at the time it was prepared. Accordingly, our audit report on the LTCCP, dated 24 June 2009, contained a qualified opinion.

The subsequent initiatives, outlined on page 10, have shown that the forecasts in the LTCCP were reasonable. Therefore the forecasts and the performance framework contained in the LTCCP provide an appropriate basis for a meaningful assessment of the Council's performance in the areas of water and waste.

Our audit was completed on 30 May 2012. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and explain our independence.

Basis of Opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements, statement of service performance and other Schedule 10 information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, statement of service performance and other Schedule 10 information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements, statement of service performance and other Schedule 10 information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, statement of service performance and other Schedule 10 information whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the District Council and group's financial statements, statement of service performance and other Schedule 10 information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are

appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the financial statements and statement of service performance;
- determining the appropriateness of the reported statement of service performance within the Council's framework for reporting performance; and
- the overall presentation of the financial statements, statement of service performance and other Schedule 10 information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, statement of service performance and other Schedule 10 information. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and statement of service performance that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council and group's financial position, financial performance and cash flows;
 - fairly reflect its service performance, including achievements compared to its forecast; and
- other information required by Schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements, statement of service performance and other Schedule 10 information that are free from material misstatement, whether due to fraud or error.

The Council's responsibilities arise from the Local Government Act 2002.



Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements, statement of service performance and compliance with the other Schedule 10 information and reporting that opinion to you based on our audit. Our 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.

Other than the audit, we have no relationship with or interests in the District Council or any of its subsidiaries.

Clint Ramoo
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 2011 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 30 May 2012 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 the Local Government Act 2002, except that Council did not complete and adopt its Annual Report by 31 October 2011 as required by Section 98(3) 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 2011 fairly reflect the financial position and operations of Tararua District Council and Group.

Mayor

Chief Executive

Chief Financial Officer



Statements of Service Performance





Animal Control

Aim To prevent nuisance and threats to community safety from dogs and wandering stock

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.

Level of Service *WHAT WE DO*

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

The Council maintains a register of dogs within the District. There are approximately 6,700 dogs that must be registered each year and staff investigate any that are unregistered.

Complaints are recorded, investigated and appropriate action is 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 may be released on the payment of fees or may be sold, rehomed or otherwise disposed of, depending on circumstances. The dog and stock pounds are managed under this activity.

Dog awareness and education programmes are offered to local schools and other appropriate organisations.

What We Achieved

By the end of the financial year 6,701 of the 6,729 known dogs were registered, achieving 99.6%, which exceeded our target of 98%.

At the beginning of the year the Council updated its database software to a new supplier (Civica), who has been unable to provide a link to the National Dog Database managed by Department of Internal Affairs (DIA). This has resulted in a reduction of service to our dog owners, as we have been unable to manage any Tararua dog records on the database. We are working closely with Civica and DIA for a resolution by the end of the year.

Plans to develop a new dog pound for the southern part of the district, or to redevelop the Dannevirke dog pound have been put on hold until the availability of sites is clarified. This will be clarified on the completion of the Dannevirke Waste Transfer Station in 2010/11.

While the number of complaints received during the year dropped by 4%, there was a 39% increase in complaints of barking dogs. However, there was a 28% decrease in complaints about aggressive dogs and dog attacks and a 22% decrease in complaints about roaming dogs, which are issues relating to public safety. This is reflected in the Communitrak Survey results which shows an increase in public satisfaction for the activity from 76% in 2008 to 80% in 2011.



Major 2009-2019 Community Plan Projects

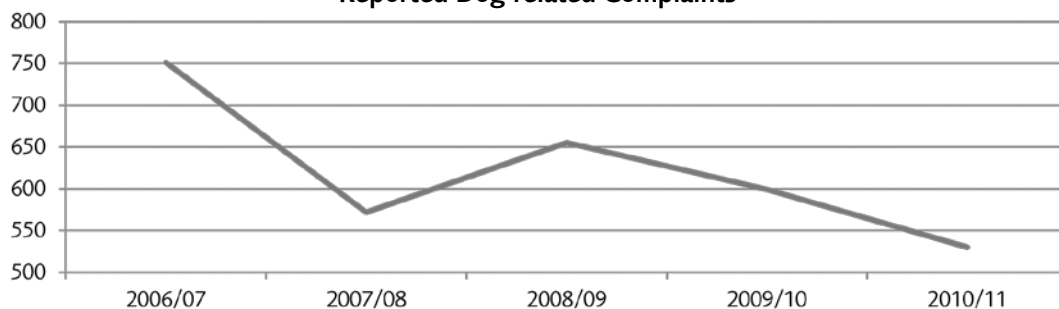
Project Description	Year	Status
Construct a new dog pound	2010/11	On hold

Performance Against Objectives

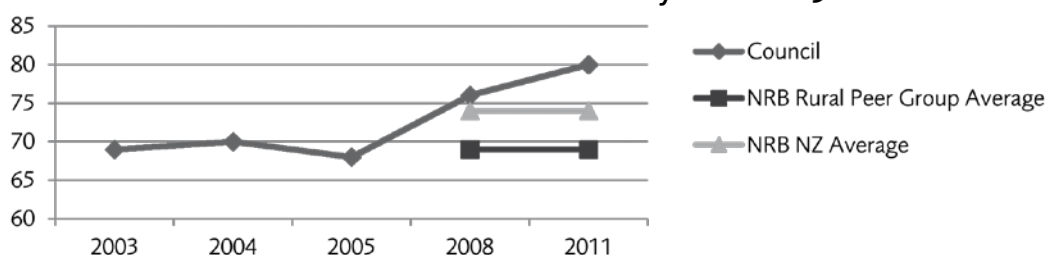
Performance Measure and Target	Achievement	Target Achieved	
		2011	2010
• 97% of known dogs registered every year.	ACHIEVED: 99.6% of known dogs registered.	✓	✓
• Maintain a response time of less than 2 hours for serious dog attacks.*	ACHIEVED: 24 requests were received and responded to within 2 hours.	✓	✓
• At least six education programmes at schools completed.	NOT ACHIEVED: Only 1 education programme was completed, as this year only one school took up the opportunity to have an Animal Control Officer visit and talk to the children about dog control and behaviour around dogs.	✗	✓
• At least three media items on dog ownership published.	ACHIEVED: 3 media items on dog ownership was published in the Bush Telegraph.	✓	✓
• Reducing number of dog-related complaints each year compared to previous year.	ACHIEVED: The number of complaints received were 530 compared to 559 last year and 661 the previous year.	✓	✓
• 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.	ACHIEVED: 80% satisfaction in February 2011 community survey.	✓	N/A

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

Reported Dog-related Complaints



Animal Control – Public Satisfaction Survey Trends 2003 to 2011





Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Animal Control			
Revenue			
Rates	15	10	10
Fees & Charges	176	193	193
Miscellaneous Revenue	2	2	3
Total Revenue	193	205	206
Expenses			
Afterhours dog control	11	7	11
Maintain database	9	18	10
Monitor and enforce	133	137	149
Education	6	-	6
After hours stock control	11	16	12
Depreciation	18	18	18
Interest	-	-	-
Total Expenses	188	196	206
Operating Surplus/(Deficit)	5	9	-

Comment: Animal control costs have been reasonable in comparison to budget and last year with no major variances.



Cemeteries

Aim To provide burial facilities that are safe and attractive memorial areas

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

Cemeteries are categorised as:

- Current: Cemeteries presently in use (11).
- Maori: There are five urupa within the district (5).
- Historic: Cemeteries no longer in use but still maintained by the Council (4).
- Pioneer: Cemeteries no longer in use and not maintained by the Council (5).

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
- Mangatainoka, Pahiatua
- 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

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

Recognition of the Maori custom of washing hands before and after a visit to the cemetery led to the installation of a tap outside the main gate at the Mangatera Cemetery.

The creation of the new stillborn area makes it a more special place for those who lost their babies. The consequential blessing of the new area meant, for some parents, that this was the first time their babies had ever been blessed, and this helped with healing and closure for many of those who attended the ceremony.

Major 2009-2019 Community Plan Projects

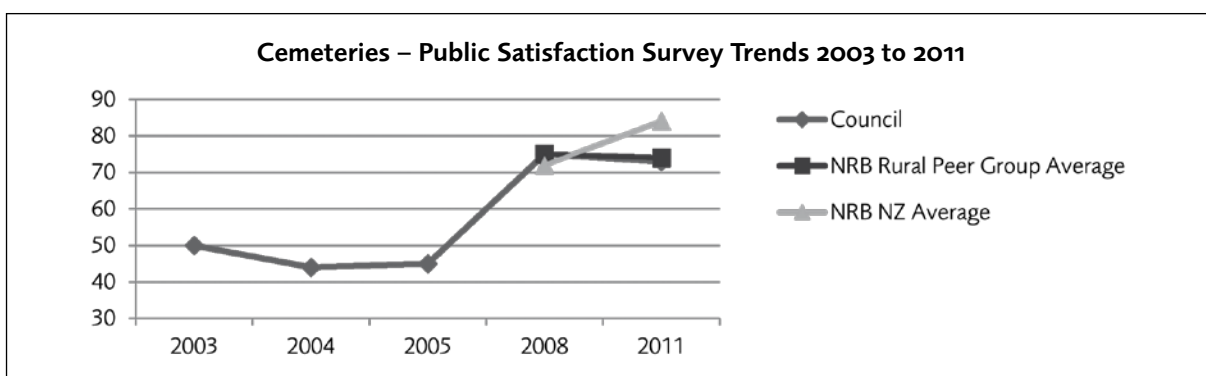
Project Description	Year	Status
Alfredton ashes area	2009/10	Completed
Pahiatua – develop new areas	2010/11	Work in progress
Dannevirke – develop new areas	2012–15	Programmed
Berms district wide	\$38,000 to be spent over the next 9 years	Programmed



Cemeteries

Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved	
		2011	2010
<ul style="list-style-type: none"> 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. 	ACHIEVED: 77% satisfaction in February 2011 community survey.	✓	N/A
<ul style="list-style-type: none"> Plots are available for the next 12 months based on historical (previous two years) user data. 	ACHIEVED: For Dannevirke, Eketahuna and Woodville plots are available. Pahiatua is being redeveloped in August 2011 to meet demands.	✓	✓
<ul style="list-style-type: none"> 100% accuracy of burial records. This is assessed on the number of complaints received each year. 	ACHIEVED: No complaints received.	✓	✓





Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Cemeteries			
Revenue			
Rates	198	208	208
Subsidies	5	6	5
Fees & Charges	60	73	67
Interest Revenue	3	3	-
Miscellaneous Revenue	-	-	1
Total Revenue	266	290	281
Expenses			
Dannevirke Rural	30	33	37
Dannevirke Urban	80	102	96
Eketahuna	34	42	42
Pahiatua	43	47	51
Woodville	33	31	39
Depreciation	27	28	26
Interest	2	2	2
Total Expenses	249	285	293
Operating Surplus/(Deficit)	17	5	(12)

Comment: Cost savings were made by reducing the frequency of maintenance and at the same time ensuring the ground were well kept.



Commercial Property

Aim Manage property assets to obtain the best return for ratepayers. To divest properties as the opportunities arise.

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.

Level of Service *WHAT WE DO*

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

What We Achieved

Council's properties 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 for Council.

The Council continues to own the rural bus depot to ensure the rural mail service delivery is retained, and owns the depots in Dannevirke, Tahoraiti and Woodville to support Infracon Limited (Council Controlled Trading Organisation - CCTO).

The aerodrome is maintained for use by commercial and private operators to ensure a lower cost to patrons compared to flying from Fielding aerodrome or similar.

Major 2009-2019 Community Plan Projects

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



Commercial Property

Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved	
		2011	2010
• Achieving 95% occupancy of commercial buildings each year.	ACHIEVED: 100%. This is consistent with the prior year's results.	✓	✓
• Achieving a 5% nett operating surplus each year.	ACHIEVED: 14.4%. Operating surplus before offsetting contribution to rates was \$29,000.	✓	✓

Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Commercial Property			
Revenue			
Contribution to Reduce Rates	(67)	(30)	(30)
Fees & Charges	134	125	122
Interest Revenue	-	-	-
Misc Revenue	-	-	-
Total Revenue	67	95	92
Expenses			
Building Maintenance	79	66	75
Depreciation	39	38	39
Interest	-	-	-
Total Expenses	118	104	114
Operating Surplus/(Deficit)	(51)	(9)	(22)

Comment: The frequency of building maintenance work was reduced, achieving a \$9,000 cost savings. The reduction in the frequency of maintenance work did not significantly impact the appearance and cleanliness of the premises.



Community Buildings

Aim To provide facilities for social, cultural, recreational and educational activities

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.

Level of Service *WHAT WE DO*

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

What We Achieved

There have been no fee increases for any of the facilities to encourage more community use of the facilities.

Facilities were well maintained and new fittings and kitchen appliances were installed.

Major 2009-2019 Community Plan Projects

Project Description	Year	Status
Dannevirke Town Hall – install lift to concert chamber	2014/15	Programmed
Install accessible toilet in Pongaroa Community Hall	2012/13	Programmed
Renewals – Dannevirke Sports Centre (floor refurbishment)	2011/12	Programmed
Renewals on all halls	Over the 10 year period	Programmed



Community Buildings

Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved	
		2011	2010
<ul style="list-style-type: none"> Occupancy rates are monitored to ensure maximum use of facilities is maintained. Aim to encourage usage of facilities. 	ACHIEVED: Facilities booked for 3,029 hours, 16% in excess of the 2,618 hour target. This is a 43% increase from 2008/09 where facilities were booked for 2122 hours.	✓	✓
<ul style="list-style-type: none"> 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. 	ACHIEVED: 93% satisfied in February 2011 community survey.	✓	N/A

Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Community Buildings			
Revenue			
Rates	482	557	557
Fees & Charges	49	34	37
Miscellaneous Revenue	-	1	1
Total Revenue	531	592	595
Expenses			
Facility Management- upkeep of grounds & buildings to encourage use	305	257	316
Facility repainting	-	49	60
Depreciation	331	325	328
Interest	20	18	25
Total Expenses	656	649	729
Operating Surplus/(Deficit)	(125)	(57)	(134)

Comment: Revenue is under budget by \$3,000 due to lower hireage than expected. Expenses are under budget by \$80,000 mainly due to reducing the frequency of maintenance work and still ensuring that the buildings were maintained to an acceptable level.



Community Support

Aim Supporting communities to support themselves

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 Sportsperson 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.

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, on an ongoing basis for each organisation that is supported.

What We Achieved

The Council continued to invest in the Pukaha Mount Bruce new facilities as a major centre for the protection of our unique NZ biodiversity and the premier tourist destination in the south of the Tararua.

Sport Tararua had a number of projects designed to encourage the young and old to participate in recreational activities within the Tararua and completed the year with a celebration of the talent we have in the Tararua Sports Person of the Year Awards.

Council continued to support the community through grants for a number of artistic and sporting events including the stage show, Fiddler on the Roof and the preparation for the September 2011 Ross Shield.

The Eketahuna Money Exchange is in its third year of operation and continues to be well used by the community with transactional turnover exceeding \$170,000 for the year.

Major 2009-2019 Community Plan Projects

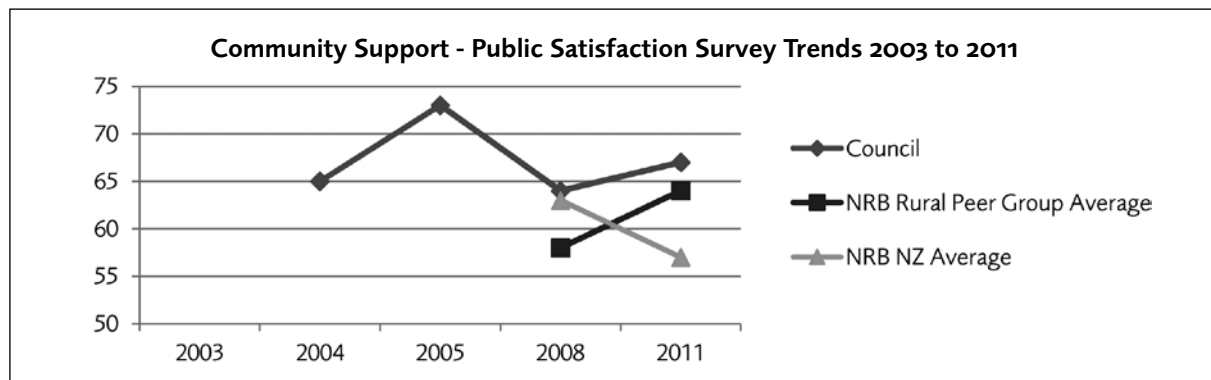
Project Description	Year	Status
Stage 2 of the development of Pukaha Mount Bruce will be assisted with a \$50,000 grant over two years.	2009/10	Completed



Community Support

Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved	
		2011	2010
<ul style="list-style-type: none"> 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 and 2017. 	<p>NOT ACHIEVED: 67% of residents were satisfied in February 2011 community survey, which is an improvement from 64% in the 2008 survey. Only 4% had responded "not satisfied" with the remaining 29% not responding to the survey. If including those who did not respond, Council achieved a satisfaction rating of 94%.</p>	x	N/A





Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Community Support			
Revenue			
Rates	314	354	354
Fees & Charges	3	4	2
Interest Revenue	9	5	-
Miscellaneous Revenue	11	2	1
Total Revenue	337	365	357
Expenses			
Sports & recreation	88	53	96
Eketahuna Money Exchange	5	3	6
Main street amenity lighting non-subsidised	21	32	23
Rapid numbering project	4	-	4
Community grants	14	65	14
Information centres (5)	96	117	106
Community board & committees discretionary	68	117	75
Main street committees (4)	20	3	22
Interest	-	11	-
Depreciation	11	-	10
Total Expenses	327	401	356
Operating Surplus/(Deficit)	10	(36)	1

Comment: Expeniture is higher due to grants of \$25,000 to Pukaha Mount Bruce.



District Promotion and Development

Aim Promoting the district as a great place to live, visit, work, play and invest.

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 facilitating 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 district 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.

There are four other District Information centres located in Norsewood, Dannevirke, Pahiatua and Eketahuna. With the exception of Norsewood, all centres receive funding from Council to assist with the operation of their centres.

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.

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 and throughout New Zealand.

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

During the first part of the year, the focus had been on improving the Council web presence, with the first beta site being significantly revised after feedback. Council now has the basis for efficiently developing all forms of web sites (internal intranets, extranets and multiple web sites) in a combined effort with Manawatu District Council.

Council was able to leverage off the fibre optic network with the expansion of the network into a new block within Dannevirke, funded by the businesses. In addition, the wireless services into the rural sector by Inspire Net, also leveraging of the fibre optic network Council itself established a back-up system for its data needs using the same network. Finally, plans were initiated to expand the fibre optic network to a number of schools, missing from the initial broadband rollout, years in advance of the expected rollout in the Tararua.



District Promotion and Development

Plans are also well advanced to use the network to relay town CCTV security camera data.

The Tararua i-SITE continued to operate well with steady tourism numbers and assisted Woodville District Vision with the operation of a new electronic sign. Plans were underway to also revamp the set-out of the office to make it more welcoming to customers. The i-SITE assisted 15,078 visitors from around the world, NZ and locally.

We also achieved the following:

- Obtained the bi-annual Qualmark Assessment. Qualmark licenses professional and trustworthy New Zealand tourism businesses to use the Qualmark "tourism's official quality mark" to help international and domestic travellers select places to stay, things to do and ways to get around.
- The 2011 Successful mystery shop. Deliver i-SITE 100% Pure NZ Welcome; connecting people one visitor at a time with our landscape, people and stories.
- Assisted local tourism operators to build and develop websites to showcase their business to a wider market, with a view to build sales and promote Tararua.
- Designed "rack cards" promotional sales tool.
- The i-SITE manager is also the secretary for Tourism Tararua.
- Delivered 212 welcome packs to new residents or visitors considering Tararua as a place to live.
- Top seller of tickets for Manawatu Track & Tunnel Walk 2010.

Major 2009-2019 Community Plan Projects

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

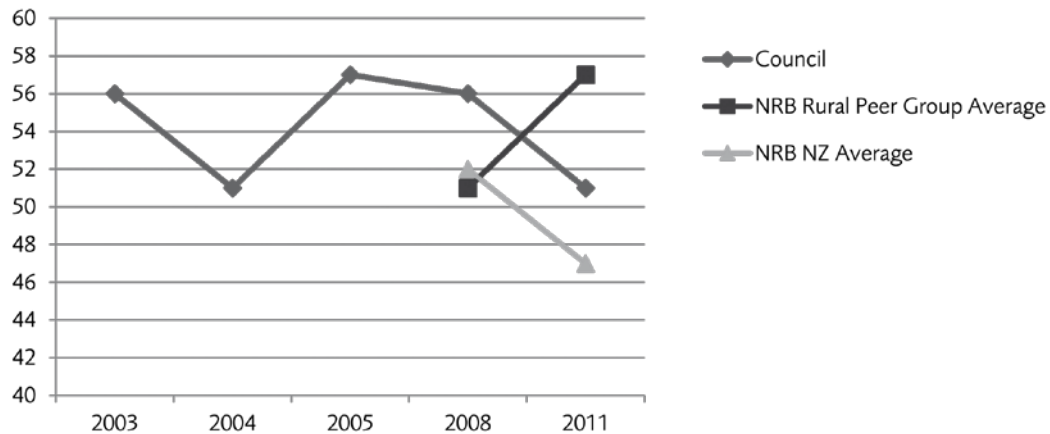


District Promotion and Development

Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved	
		2011	2010
<ul style="list-style-type: none"> Increasing bed nights at accommodation venues by 5%, including bed and breakfast. 	NOT ACHIEVED: 0.5% increase was achieved. Bed nights have decreased across New Zealand (down 1.6%). However, Tararua has slightly improved.	✗	✗
<ul style="list-style-type: none"> At least 3 items of positive feedback received from potential businesses, in writing, on advice received from Council. 	ACHIEVED: Six businesses have written to Council expressing their appreciation for the assistance given by Council staff to expand help their business.	✓	✓
<ul style="list-style-type: none"> 32 customised visitor information packs sent out or uplifted per month. 	NOT ACHIEVED: 212 welcome packs delivered to new residents or visitors considering Tararua as a place to live, which was 17.67 packs per month.	✗	✗
<ul style="list-style-type: none"> "Tararua" directly involved with at least 4 major community events, that involve significant out-of-district visitors. 	ACHIEVED: Participated in 4 major community events – Sports Tararua Awards, Auckland Home Show, Woodville Motorcross, and Trustpower Community Awards.	✓	✓

Economic Development – Public Satisfaction Survey Trends 2003 to 2011





District Promotion and Development

Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
District Promotion & Development			
Revenue			
Rates	224	260	260
Fees & Charges	12	15	12
Subsidies	-	-	608
Miscellaneous Revenue	15	2	4
Total Revenue	251	277	884
Expenses			
Business development	35	17	34
District Marketing	95	91	91
Tararua i-SITE	144	126	137
Depreciation	12	10	12
Interest	-	-	-
Total Expenses	286	244	274
Operating Surplus/(Deficit)	(35)	33	610

Comment: This year we budgeted for a broadband project to go ahead and that this would lead to subsidies of \$608,000 being received. This project did not go ahead and therefore the subsidies were not received. More effort is planned for business development in 2011/12 as the focus for 2010/11 had been to increase Tararua Country brand recognition.



Emergency Management

Aim Promoting individual and community resilience in emergencies to enhance the community's capability to respond and recover from rural fire events or natural disasters

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.

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.

Major 2009-2019 Community Plan Projects

Project Description	Year	Status
Equipping 10 Council vehicles with radios compatible with other civil defence and rural fire crews to enable coordination of large scale incidents.	2009/10	Completed
Install remote automatic weather station to provide robust and timely weather information, part of this may attract subsidy.	2009/10	Completed
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	Programmed



Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved	
		2011	2010
<ul style="list-style-type: none"> 35% of households that have a maintained "preparedness" kit per community survey. 	<p>ACHIEVED: A Ministry of Civil Defence and Emergency Management survey sample carried out between 16 May 2011 to 12 June 2011 on Civil Defence preparedness confirms that within the Manawatu Wanganui Civil Defence Group area, which includes Tararua District, 36% of homes are fully prepared with 82% having some survival items. A comprehensive District survey is to be carried out in the 2011/12 financial year.</p>	✓	✓
<ul style="list-style-type: none"> Education programmes offered to six local schools annually. 	<p>ACHIEVED: 11 schools participated in the School CD Radio Project on a weekly basis and received ongoing radio training and support. Civil Defence training was provided to 5 pre-school organisations and 1 training course provided to Rangitane youth.</p>	✓	✓
<ul style="list-style-type: none"> Staff internally assessed as having appropriate training and skills to perform Incident Management Team Role – annually per training records. 	<p>ACHIEVED: 10 staff participated in the Group Civil Defence training programme. Staff participated in various courses relating to role; i.e. local Public Information Officer attended the Public Information Managers course run by MCDEM in Wellington. A new staff training database for Civil Defence and Rural fire training has been produced.</p>	✓	x
<ul style="list-style-type: none"> All volunteer rural fire forces meet required competency standards assessed annually as part of their agreement with Council, per training records. 	<p>ACHIEVED: 6 monthly inspections have been carried out. All hoses tested with 35% written off and replaced. Equipment asset data base commenced with regular equipment inspections scheduled as per National Rural Fire Authority requirements.</p>	✓	x
<ul style="list-style-type: none"> 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. 	<p>ACHIEVED: 112 fire permits issued during the 2010/11 fire season with 3 being for land clearing operations. Approximately 34 ha of land cleared. Most permits were for small slash pile burns. 6 fire plans were provided by Rural Fire Officers to assist farmers with controlled burns during the season.</p>	✓	✓
<ul style="list-style-type: none"> 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. 	<p>ACHIEVED: 98% of fire calls were acknowledged by duty Rural Fire Officers within 10 minutes with approximately 47% attended by the Rural Fire Officer. Those not attended related to false alarms, minor structure fires and motor vehicle accidents.</p>	✓	✓



Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Emergency Management			
Revenue			
Rates	271	309	309
Fees & Charges	4	123	6
Subsidies	144	34	51
Miscellaneous Revenue	1	10	1
Total Revenue	420	476	367
Expenses			
Civil Defence	73	137	77
Rural Fire	200	293	189
Depreciation	57	74	45
Interest	10	10	10
Total Expenses	340	514	321
Operating Surplus/(Deficit)	80	(38)	46

Comment: Revenue was higher due to an additional \$114,000 received for rural fire recovery fees for the Warawhiti fire earlier in the year. Correspondingly, expenditure was higher by \$192,000 due to the expenses for the Warawhiti fire and minor capital expenditure. Depreciation was higher than budgeted due to purchase of new equipment and vehicles.



Footpaths

Aim To provide safe access for pedestrians

Description of Activity *WHY WE DO IT*

The Council manages approximately 115.9km 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

Level of Service *WHAT WE DO*

- Maintain existing footpaths in an effective and efficient manner, appropriate to community needs, in accordance with funds available.
- Continue with planned footpath renewals and developments as funding is determined.
- 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 continued with \$69,679 expended to date. Design plans are being drawn and reviewed to ensure the scope of the project is within the project budget of \$750,000.

The renewal of existing footpaths has continued in the urban area however, the budgets have been reduced to allow for the construction of the CBD projects.

New footpaths within urban areas have been constructed at a cost of \$63,186, achieving a completed length of 670m (830m²).

Major 2009-2019 Community Plan Projects

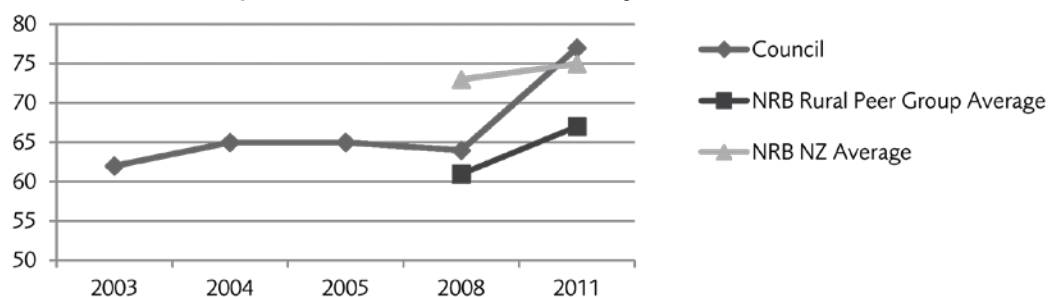
Project Description	Year	Status
Upgrade the central business district of Woodville	2009-12	Pending
Upgrade the central business district of Eketahuna	2014-17	Programmed
Upgrade the central business district of Pahiatua	2018/19	Programmed
To continue footpath renewals of existing footpaths within the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



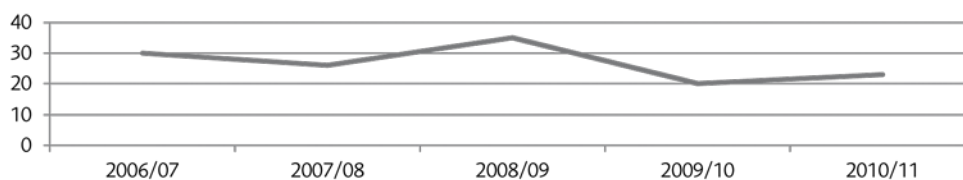
Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved	
		2011	2010
<ul style="list-style-type: none"> At least 75% of residents rate footpaths as "fairly satisfactory" or "very satisfactory" in the community surveys in 2011, 2014 and 2017. 	ACHIEVED: 77% of residents were satisfied in the February 2011 community survey.	✓	N/A
<ul style="list-style-type: none"> Complaints regarding unsafe footpaths are actioned and rectified where appropriate within seven days. 	<p>NOT ACHIEVED: 23 service requests relating to trip hazards were received. Some were surface defects and others were for broken glass or chip on the path. All but one was completed within the specified time frame.</p> <p>In all cases, response was made to the customer within the required time.</p>	✗	✗
<ul style="list-style-type: none"> 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. 	<p>ACHIEVED: Council manages 115.9km of footpaths of which 95% are in good condition with no faults.</p> <p>Urban Contract Supervisor liaises directly with Community Boards to update footpath priorities.</p>	✓	✓
<ul style="list-style-type: none"> 80% of resident and non-resident ratepayers are satisfied with the closest town, in the community surveys in 2011, 2014 and 2017. 	Town centre upgrades for Woodville, Pahiatua and Eketahuna not complete yet.	N/A	N/A

Footpaths – Public Satisfaction Survey Trends 2003 to 2011



Footpath Complaints





Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Footpaths			
Revenue			
Rates	679	720	720
Fees & Charges	2	2	2
Miscellaneous Revenue	15	1	1
Total Revenue	696	723	723
Expenses			
Footpath Maintenance Rural	2	2	3
Footpath Maintenance Urban	54	44	78
Non Sub Professional Services	34	-	46
Non Sub Admin Rural/Urban	20	27	26
Depreciation	378	375	395
Interest	106	100	155
Total Expenses	594	548	703
Operating Surplus/(Deficit)	102	175	20

Comment: Expenditure is \$155,000 under budget mainly due to using staff and not an external consultant for conceptual design work and draft construction drawings for the Woodville town centre upgrade thereby saving \$46,000. Depreciation charge was lower than budget due to the delay in the Woodville town centre upgrade project.



Health and Safety

Aim To help provide a safe and healthy community, buildings and avoid behaviour causing a nuisance in the community

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.

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 the 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.

What We Achieved

Due to the economic climate, building consent numbers were down on the previous year. Uncertainty surrounds this activity due to the Government's stated intentions of regionalising or centralising consent processing.

During the year, one substandard food premise was closed until the operators thoroughly cleaned the premise and carried out overdue maintenance. The premise has since been inspected and reopened for business.

The Food Bill, which proposes to allow food premises to self certify safety standards, is still awaiting Parliamentary consideration. It is anticipated that Council will continue to inspect and licence food premises for at least another year.

The target of inspecting every licensed premise during the year wasn't achieved, due to staff having to spend time developing processes for the new software introduced at the beginning of the year. Inspections were carried out on every premise that applied for a new or renewed liquor licence.



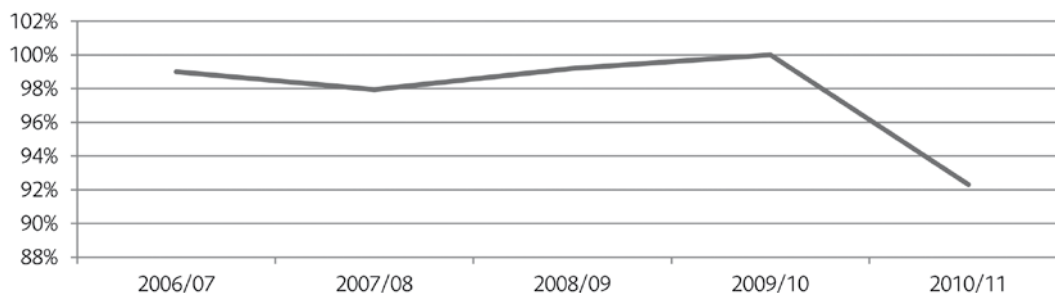
Major 2009-2019 Community Plan Projects

Project Description	Year	Status
Maintaining registration as a Building Consent Authority.	Annually	Ongoing

Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved	
		2011	2010
<ul style="list-style-type: none"> 100% of building consents issued within the statutory timeframe (20 working days). 	NOT ACHIEVED: 92.3% of building consents issued within statutory deadline. A total of 404 building consents were received with 30 applications not processed within the statutory timeframe.	✗	✓
<ul style="list-style-type: none"> 100% of registered premises comply with Food Hygiene Regulations within three months of annual inspection. 	NOT ACHIEVED: 95% of registered premises complied within 3 months. 6 premises out of a total of 123 registrations did not comply with Food Hygiene Regulations within three months of annual inspection.	✗	✗
<ul style="list-style-type: none"> 100% of licensed premises visited during the year. 	NOT ACHIEVED: 74% of premises were visited. The majority of premises not visited were clubs that operate only at weekends or at seasonal times. These clubs have a good record of sound management practices.	✗	✗
<ul style="list-style-type: none"> 100% of noise callouts responded to within 30 minutes. 	ACHIEVED: Council has contract in place to ensure noise callouts are responded to within targets.	✓	✗

Building Consents Approved within Statutory Limits





Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Health & Safety			
Revenue			
Rates	265	314	314
Fees & Charges	392	380	468
Miscellaneous Revenue	5	5	4
Total Revenue	662	699	786
Expenses			
Building consent processing	517	443	488
Environmental health	97	87	91
Liquor licensing	70	72	61
Noise callouts & other nuisances	135	111	117
Depreciation	34	25	25
Interest	1	-	1
Total Expenses	854	738	783
Operating Surplus/(Deficit)	(192)	(39)	3

Comment: Fee revenue is below budget this year by \$88,000. We continue to experience the affects of the recession in the building industry with consent numbers still below budget. This had an impact on consent processing cost and expenses were \$45,000 under budget.



Housing

Aim To provide low cost housing to superannuitants who may not be able to obtain affordable accommodation within the private sector

Description of Activity *WHY WE DO IT*

The pensioner housing units are all single bedroom rental units built in their own complexes located in 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
Pensioner Units		
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
		80
Tenant Contribution Units		
Dannevirke	Gordon Street	4
	Burns Street	4
	Tennyson Street	4
		12
Total Units		95

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.

Level of Service *WHAT WE DO*

Council provides low cost housing to superannuitants and people on low incomes.

Council acts as a good landlord by helping tenants with tasks such as 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

Halford Court, Norsewood and Newling Court, Ormondville have been sold.

Elsinore Court's driveway and parking area has been completed. The installation of the driveway and parking areas has created a much cleaner and safer environment for the residents and attending care givers.

New security fences have been erected at Elsinore Court and Tennyson Street flats in Dannevirke. A new rear fence has been erected in Eketahuna.

Regular contact with the pensioners have ensured their maintenance requirements and social needs were met.

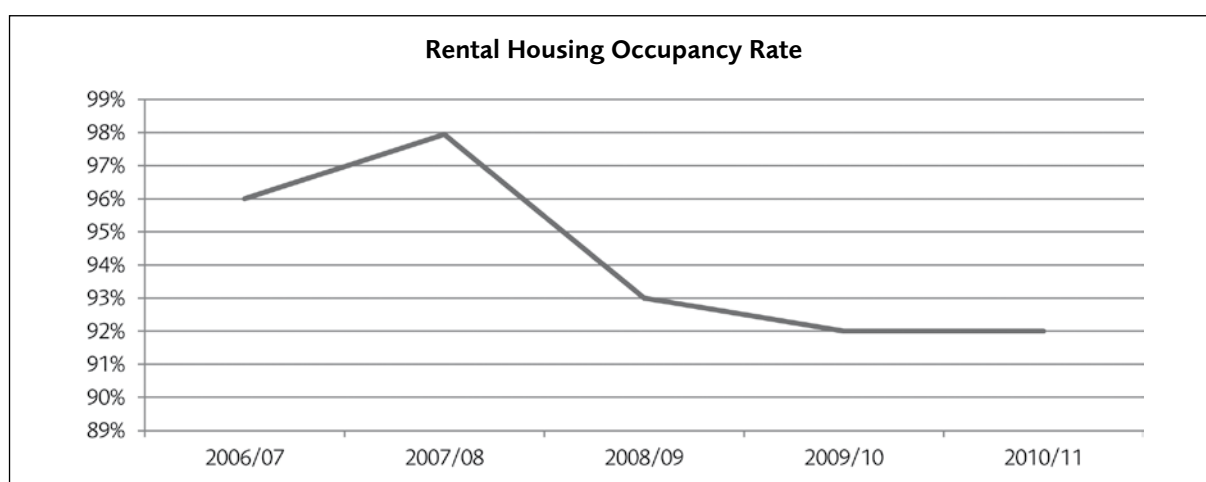


Major 2009-2019 Community Plan Projects

Project Description	Year	Status
Kowhai Flats, Pahiatua – resealing of common areas	2011/12	Programmed
Hovding Court, Dannevirke – possible replacement of 10 units subject to funding from central government		Ongoing
Ruahine Flats, Woodville – possible replacement of 6 units subject to funding from central government		Ongoing
Security doors for Woodville flats		To be programmed
Future developments will need to include more car ports and mobility scooter sheds		To be programmed

Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved	
		2011	2010
• A minimum of 90% of tenants will be superannuitants, and well looked after in their opinion.	NOT ACHIEVED: Overall total 89% (urban 97%, rural 45%). Superannuitant occupants in Norsewood and Ormondville is low due to accessibility to facilities. With the sale of these flats, the result is expected to improve in 2011/12.	✗	✗
• Achieve a 95% occupancy rate for rental housing each year.	NOT ACHIEVED: 92% (urban 92%, rural 83%). Low occupancy rates were achieved for Norsewood and Ormondville flats, which Council sold this year.	✗	✗
• 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: Services provided within budget.	✓	✓





Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Housing			
Revenue			
Rates	-	-	-
Fees & Charges	342	349	348
Interest Revenue	34	33	-
Miscellaneous Revenue	-	1	1
Total Revenue	376	383	349
Expenses			
Maintenance- to appropriate standard	299	291	299
Depreciation	366	322	365
Interest	-	-	-
Total Expenses	665	613	664
Operating Surplus/(Deficit)	(289)	(230)	(315)

Comment: Depreciation cost is lower than budget due to sale of the Norsewood and Ormondville flats.



Libraries

Aim Providing reading and related resources to meet the communities' recreational and informational need

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

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 use of 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 Aotearoa People's Network Kaharoa (APNK).



- Photocopiers, printers, and equipment 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 summer and winter reading programme funded by the Eastern and Central Community Trust.
- Ran successful Math is Fun programme at Eketahuna and Pahiatua branches, funded by Wairarapa REAP.
- Populated the digital repository (kete) with the collection of historical photographs held at Dannevirke Library.
- Ran a successful district-wide quiz for Library Week. The winner was MCI & Associates from Dannevirke.
- Ran a successful district-wide quiz for children in years seven and eight as part of the New Zealand Post Children's Book Awards. Involved seventeen teams across the District. The winner was Eketahuna School.
- Removed the Annual Card Fee from 1 July. Over the year there was a 35% increase in the number of new borrowers who joined the Library.
- Held a book sale at Eketahuna branch which was very popular (the greater percentage of withdrawn stock is usually sold from Dannevirke).
- Ran a successful programme in conjunction with Duffy Books to encourage children at Duffy Schools to use their local library.
- Reintroduced community loans to the Norsewood area, along the same lines as the loans to Pongaroa and Akitio.

Major 2009-2019 Community Plan Projects

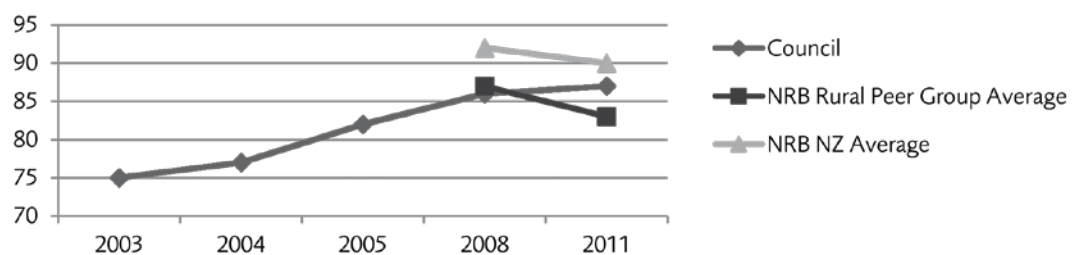
Project Description	Year	Status
Continued purchase of new books for Tararua libraries.		Ongoing
Investigate opportunities for providing a mobile library service.	2011/12	Programmed



Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved	
		2011	2010
<ul style="list-style-type: none"> 92% of library collection meeting three items per local resident – Tararua. 	ACHIEVED: Resident population is 17,634 and library collection is 53,350. There is 3.03 items per local resident achieving a target of 103%.	✓	✓
<ul style="list-style-type: none"> 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. 	NOT ACHIEVED: 87% satisfied in the February 2011 community survey. 61% responded that they were very satisfied, with only 1% not satisfied. 12% had indicated that they are unable to comment.	x	N/A
<ul style="list-style-type: none"> Each library runs at least one holiday programme per term each year. 	ACHIEVED: Dannevirke ran 20 programmes and 602 children attended. Pahiatua ran 15 programmes and 451 children attended. Eketuhuna ran 12 programmes and 184 children attended. Woodville ran 14 programmes and 284 children attended.	✓	✓
<ul style="list-style-type: none"> Surplus books to schools/remote areas. 	ACHIEVED: 15 loans to Akitio and Pongaroa.	✓	✓

Public Libraries – Public Satisfaction Survey Trends 2003 to 2011





Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Library			
Revenue			
Rates	694	747	747
Fees & Charges	53	47	33
Interest Revenue	-	-	-
Miscellaneous Revenue	20	4	6
Total Revenue	767	798	786
Expenses			
Dannevirke Library	299	343	306
Woodville Library	85	78	87
Pahiatua Library	171	117	175
Eketahuna Library/ service centre	85	83	87
Depreciation	88	108	107
Interest	3	1	2
Total Expenses	731	730	764
Operating Surplus/(Deficit)	36	68	22

Comment: Expenditure was \$34,000 under budget due to not employing an additional librarian and using existing staff to provide the same level of service.



Parks & Reserves

Aim To provide a mix of parks and reserves facilities in keeping with the natural character of the district

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:	Fountain 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

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, and wildlife areas 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

A new entrance gate has been installed at the main entrance and the fence towards the rear of the playing area has been extended at the Eketahuna Domain.

The Dannevirke Domain Reserve Management Plan has been completed.

Parks were well maintained with planting programmes completed at Eketahuna and Dannevirke Domains, and Makirikiri Reserve.

Manawatu Gorge

Continued involvement in the Manawatu Gorge biodiversity project.

Carnival Park

Near completion of the new house at Carnival Park, Pahiatua.

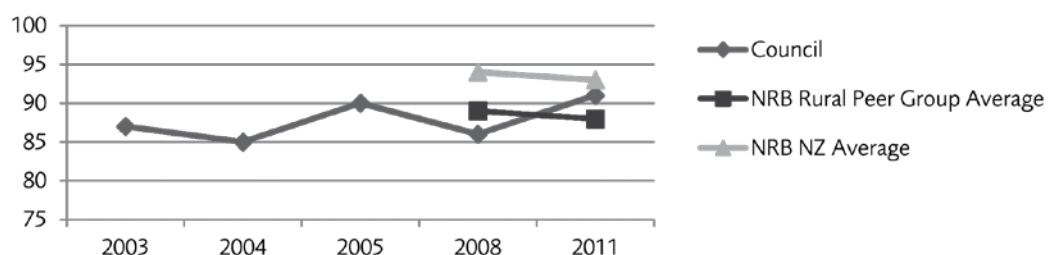
Major 2009-2019 Community Plan Projects

Project Description	Year	Status
Pahiatua camping ground house	2009/10	Work in progress
Dannevirke Domain play equipment	2014/15	Programmed
Pahiatua play equipment	2012/13	Programmed
Eketahuna camping ground accessible toilet	2009/10	Ongoing
Develop reserve management plans	2009/12	Ongoing
Pahiatua playground – upgrade toilets	2011/12	Programmed
Eketahuna Domain – install new carpark	2011/12	Programmed
Dannevirke Camping Ground – replace shower linings	2011/12	Programmed

Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved	
		2011	2010
<ul style="list-style-type: none"> 95% of sports fields meet the standards set by the New Zealand Sports Turf Institute. 	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"> 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. 	ACHIEVED: 91% were satisfied in February 2011 survey as a result on improved playground areas and better garden maintenance.	✓	N/A
<ul style="list-style-type: none"> Conduct weekly safety inspections of playground equipment, measured annually. 	ACHIEVED: Weekly inspections are done by contractors.	✓	✓
<ul style="list-style-type: none"> At least 85% of sports fields monthly audits by Council show contractor is meeting agreed performance. 	ACHIEVED: Audits conducted show that contractor met agreed performance standards.	✓	✓
<ul style="list-style-type: none"> Services provided within budget each year. 	ACHIEVED: Refer to operating statement.	✓	✓

Parks and Reserves – Public Satisfaction Survey Trends 2003 to 2011





Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Parks & Reserves			
Revenue			
Rates	663	705	705
Fees & Charges	23	16	14
Miscellaneous Revenue	147	156	161
Total Revenue	833	877	880
Expenses			
Coronation Park	27	30	31
Dannevirke Domain	94	112	111
Dannevirke Rural	34	48	40
Dannevirke Urban	49	61	55
Dannevirke Wildlife	29	64	34
Eketahuna Rural	25	48	30
Eketahuna Urban	19	21	21
Pahiatua Recreation	65	71	76
Pahiatua Rural	2	3	2
Pahiatua Town Square	63	65	74
Pahiatua Urban	19	11	21
Woodville Rural	2	5	2
Woodville Urban	40	44	46
Domain Boards	212	139	212
Camping Ground Dannevirke	33	42	39
Camping Ground Eketahuna	13	16	14
Camping Ground Pahiatua	18	8	19
Camping Ground Woodville	2	6	2
Depreciation	228	218	221
Interest	12	11	15
Total Expenses	986	1,023	1,065
Operating Surplus/(Deficit)	(153)	(146)	(185)

Comment: Expenses are under budget by \$42,000 mainly due to reducing the frequency of maintenance work and still ensuring that facilities are maintained to an acceptable level.



Public Conveniences

Aim To provide clean, safe and convenient public conveniences in areas of frequent community activity

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
Dannevirke	
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
Woodville	
Fountain Square	6am-6pm; 1 x 24 hour toilet
Pahiatua	
Playground, Main Street	24 hour
Main Street	6am-6pm; 1 x 24 hour toilet
Eketahuna	
Eketahuna SH2 (centre of town)	24 hour
Pongaroa	
Pongaroa, Route 52	24 hour
Akitio	
Akitio Esplanade	24 hour

Location	Hours of Opening
Norsewood	
Anzac Park (off SH2)	24 hour
Waterwheel Park, lower Norsewood	24 hour
Waihi Falls	
Waihi Falls Road	24 hour
Herbertville	
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.

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.

What We Achieved

Installed power for hot water for cleaning at the Eketahuna toilets.

Major 2009-2019 Community Plan Projects

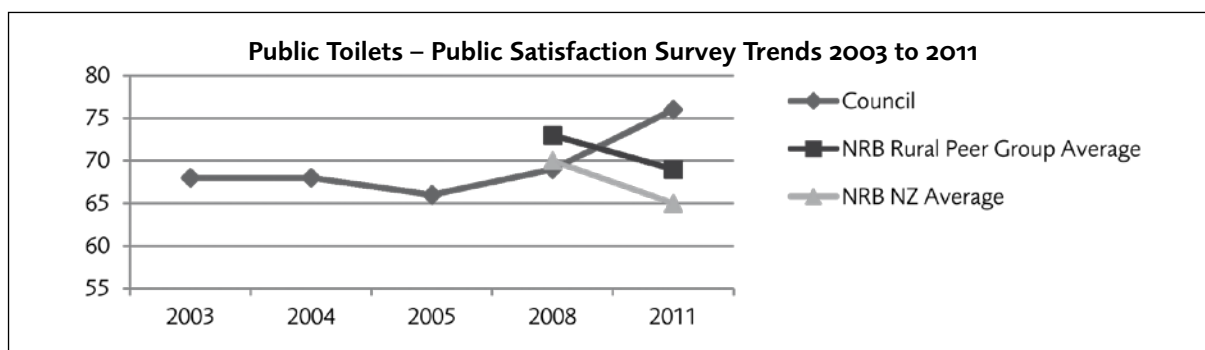
Project Description	Year	Status
Resurfacing three toilet floors	2009/12 to 2012/13	Programmed
Akitio beach toilet block	2012/13	Programmed
Other renewals	2011/12, 2014/15	Programmed



Public Conveniences

Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved 2011	2010
<ul style="list-style-type: none"> 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. 	NOT ACHIEVED: 76% were satisfied in the February 2011 community survey. This is a significant increase from the 2008 survey of 69%. Only 6% responded that they were not satisfied, with 18% unable to comment.	x	N/A
<ul style="list-style-type: none"> Services provided within budget each year. 	ACHIEVED: Refer to operating statement.	✓	✓
<ul style="list-style-type: none"> At least 70% of the public conveniences will be inspected weekly. 	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 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Public Conveniences			
Revenue			
Rates	163	176	176
Fees & Charges	1	1	1
Miscellaneous Revenue	-	1	-
Total Revenue	164	178	177
Expenses			
Provision of clean safe facilities cleaning	93	89	105
Building Maintenance	39	44	44
Depreciation	34	34	34
Interest	8	7	10
Total Expenses	174	174	193
Operating Surplus/(Deficit)	(10)	4	(16)

Comment: No material variances between actual and budgets occurred during the year.



Representation

Aim To enable democratic local decision making on behalf of the community to promote the wellbeing of the Tararua district in the present and for the future

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.

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

The Mayor, Councillors and Community Board Members collectively committed their energies to working in the best interests of promoting the wellbeing of the district and the respective communities.

This was facilitated through monthly meetings being held, and the work undertaken by the elected representatives through their appointments to various portfolios and community organisations, and following up issues and concerns raised by residents.

The following was completed and achieved:

- Review of the Liquor Control Bylaw 2005 and extension to include the vicinity of the Dannevirke Domain and the addition of the Pahiatua Central Business District.
- Council is now party to the Manawatu River Leaders' Accord.
- Advocacy, including submissions to the Draft Regional Land Transport Strategy 2010–2040, Government Policy Statement on Land Transport



Representation

Funding 2012/13–2021/22 and Marine and Coastal Area (Takutai Moana) Bill 2010.

- Adoption of the Dannevirke Domain Reserve Management Plan.
- Adoption of a Procurement Strategy.
- 2010 Local Body Election.
- Annual Report 2009/2010.
- Annual Plan 2011/2012.
- Review of the Dannevirke alternative heavy traffic route trial proposal and agreement to remove this project from the Long Term Council Community Plan.
- Review of TDC Holdings draft Statement of Intent.
- Adoption of the Rating Review Statement of Proposal and community consultation undertaken.

The significant effects and measures that contribute to the wellbeing's from this activity include:

- Advocacy with relevant agencies for the social wellbeing of the district, e.g. Work and Income New Zealand, Tararua Community Youth Service, Tararua Safer Community Council, Police, Public Health Organisation, and MidCentral Health.

- Collaborate with the New Zealand Transport Agency on funding for the district's roads and working with the Council's contractor on delivering a high standard of infrastructure, e.g. formation of the Road Maintenance Contract Board.
- Implementing through community consultation a progressive programme of town centre upgrades.
- The development of a District Plan to provide for the environmental wellbeing of the district.
- Establishing a Memorandum of Understanding with the Horizons Regional Council to work collaboratively on protecting the environmental wellbeing of the district.
- Working constructively with Iwi through regular meetings with their representatives and consultation on significant issues as provided in the Memorandum of Understanding with Rangitane.
- Participating in the SPARC rural travel assistance fund and the Creative New Zealand fund for arts and culture.
- Supporting the Community Development Recreation Reserve, the Heritage Protection Reserve and the Biodiversity Reserve.

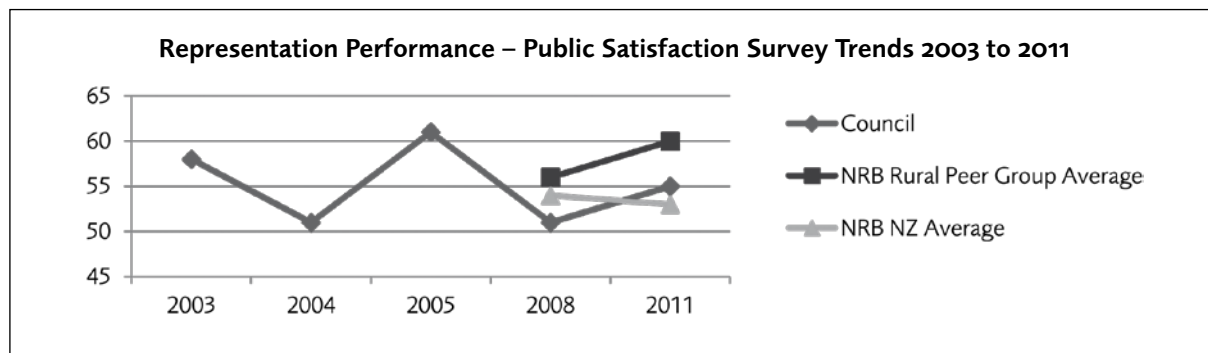
Major 2009-2019 Community Plan Projects

Project Description	Year	Status
Long Term Plan	2012–2022	Commenced
Annual Plan	2011/2012	Completed
Annual Report	2009/2010	Completed
Community Outcomes	2011/12	Commenced
Local Body Election	2010/11	Completed
Rating Review	2010/11	Completed



Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved	
		2011	2010
<ul style="list-style-type: none"> 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. 	<p>NOT ACHIEVED: In the 2011 community survey the result was 55%, being an improvement from the previous survey of 2008 that reflected a result of 51%.</p> <p>Through the development of the ten year Long Term Plan the Council will be reviewing its activities and services, along with working with key stakeholders to determine the future vision for the district. This will involve a review of its approach to community consultation and the distribution of information to the community concerning its proposals.</p>	x	x





Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Representation			
Revenue			
Rates	1,103	1,163	1,163
Fees & Charges	20	43	19
Miscellaneous Revenue	-	54	23
Total Revenue	1,123	1,260	1,205
Expenses			
Council	874	1,224	998
Community Boards/Local Committees	124	90	141
Depreciation	66	88	67
Interest	1	2	3
Total Expenses	1,065	1,404	1,209
Operating Surplus/(Deficit)	58	(144)	(4)

Comment: With the Council election in October 2010 revenue and expenditure was \$17,000 higher than budget. Expenditure was higher due to higher support allocation of \$160,000 due to increase in operating expenses and increase in depreciation of \$22,000 due to increase of assets value at year end and \$47,500 of grants to Pahiatua On Track and Woodville Districts' Vision.



Resource Management

Aim To help achieve a sustainable natural and built environment and a strong prosperous economy

Description of Activity *WHY WE DO IT*

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

- Achieving the integrated management of the effects of land use and the associated natural and physical resources of the district;
- Controlling any actual or potential effects of land use, for the purpose of:
 - i. Avoiding or mitigating natural hazards.
 - ii. Preventing or mitigating any adverse effects of the storage, use, disposal or transportation of hazardous substances.
 - iii. Preventing or mitigating any adverse effects of the development, subdivision or use of contaminated land.
- Controlling noise
- Controlling actual or potential effects of activities on the surface of water in rivers or lakes.

District Plan

The Council must prepare and maintain a district plan, which must recognise national policy statements and national environmental standards issued by the Minister for the Environment. The plan must also not be inconsistent with any regional plan.

The district plan must state:

- the objectives for the district,
- the policies to implement the objectives, and
- the rules to implement the policies.

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.
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.

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 Resource Management Act 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

There has only been a small number of resource consent applications received during the year, none of which required the engagement of a hearings commissioner. Consequently, there has not been a survey of hearings commissioners.

During the year, the Environment Court allowed the appeal of Contact Energy Ltd and granted resource consent for the proposed Waitahora Wind Farm. The Board of Inquiry hearing Mighty River Power's application for consent for the proposed Turitea Wind Farm also released its draft report and decision during the year. This application is yet to be finalised. NZ Windfarms Ltd commenced building the eastern extension to the Te Rere Hau Wind Farm and is yet to receive a performance certificate from the Council.

In the community survey, 74% were satisfied or very satisfied that the natural environment is being preserved and sustained for future generations. This satisfaction level has been constant over the past five years.

The district plan review, which started in 2008, was nearing finality at the end of this year. A number of appeals to the Environment Court on matters relating to renewable energy and landscapes, amongst other things, has lengthened the review timeline. As a consequence, a monitoring programme on the effectiveness of the district plan has not been put in place as the plan is not yet finalised.

In conjunction with Horizons Regional Council (Horizons), a coastal hazards assessment has been completed for Akitio and Herbertville. Council will be working closely with Horizons on how to address the identified hazards in the next financial year.

Three resource consents exceeded the processing statutory timeframe, one by one day, one by four days and one by 13 days.

Major 2009-2019 Community Plan Projects

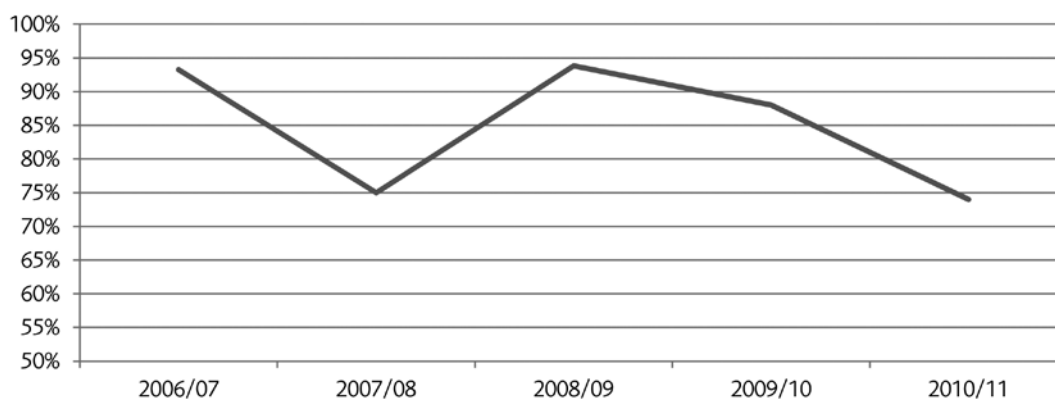
Project Description	Year	Status
Reviewing the district plan	2018	Programmed
Coastal Hazard Assessment Plan (based on equal share with Horizons Regional Council)	2009-11	Work in progress



Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved	
		2011	2010
<ul style="list-style-type: none"> 85% of Hearings Commissioners surveyed will be satisfied with the effectiveness of the 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	N/A
<ul style="list-style-type: none"> District Plan monitoring report is published annually. 	The district plan is still being finalised. A number of appeals to the Environment Court on matters relating to renewable energy and landscapes, amongst other things, has lengthened the review timeline.	N/A	N/A
<ul style="list-style-type: none"> 95% of all resource consent applications will be processed within the statutory time limits each year. 	NOT ACHIEVED: 92% processed within timeframe. Out of 38 resource consents applications received, three exceeded the processing statutory timeframe - one by one day, one by four days and one by 13 days.	x	x
<ul style="list-style-type: none"> 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. 	NOT ACHIEVED: 74% satisfied in February 2011 community survey.	x	N/A

Resource Consent Applications Processed within Statutory Limits





Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Resource Management			
Revenue			
Rates	255	243	243
Fees & Charges	43	35	49
Miscellaneous Revenue	-	9	1
Total Revenue	298	287	293
Expenses			
Resource consent processing	92	123	81
General activities	66	117	68
Environmental monitoring report	17	1	14
District plan review	63	98	29
Legal costs associated with hearings	115	60	94
Coastal Hazardous Assessment	32	23	-
Depreciation	9	9	6
Interest	-	-	-
Total Expenses	394	431	292
Operating Surplus/(Deficit)	(96)	(144)	1

Comment: Revenue received is comparable to budget. Expenses are higher than budget by \$139,000 due to additional spending on district plan. Additional cost was also incurred relating to Windfarm applications of \$65,000 for consultancy expenses.



Roding

Aim To provide an effective and efficient roading network ensuring the safety of all road users

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)
North					
Local	39.1	294.6	0.3	363.5	697.5
Collector	0.6	63.1	-	-	63.7
Secondary	3.2	212.5	-	10.7	226.4
Total North	42.9	570.2	0.3	374.2	987.6
South					
Local	38.6	333.7	0.3	394.0	766.5
Collector	0.9	55.0	-	5.9	61.8
Secondary	1.9	138.9	-	-	140.8
Cycleway	-	1.1	-	-	1.1
Total South	41.3	528.6	0.3	399.9	970.1
TOTAL	84.3	1,098.9	0.5	774.1	1,957.8

These statistics show that:

- 58.67% 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 2010/11 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)

Roding 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: 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)
Rural Sealed Roads		
Local	628.29	1-915
Collector	118.04	29-707
Secondary	351.42	11-2470
Subtotal	1097.75	
Rural Unsealed Roads		
Local	757.57	1-334
Collector	5.9	52-73
Secondary	10.65	56-92
Subtotal	774.12	
Urban Sealed Roads		
Local	77.67	3-4322
Collector	1.49	182-927
Secondary	5.09	117-3153
Subtotal	84.3	



Road Hierarchy	Length (km)	Traffic Volume Range (vpd)
Urban Unsealed Roads		
Local	0.54	1-37
Collector		
Secondary		
Subtotal	0.54	

The table shows modest volumes on the majority of collector and secondary 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 Roading 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

Level of Service *WHAT WE DO*

- Maintain the roading network in an effective and efficient manner, appropriate to community needs, in accordance with funds available.
- Continue with planned roading renewals as funding is determined.
- Ensure 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

- **Pahiatua to Boundary Route Upgrade (R Funded)**
Due to this project not being funded by NZ Transport Agency, Council has decided to place this project on hold.
- **Maintenance Chipseal**
Due to the favourable tender rates the target rate of 90km length and 560,000m² was extended to achieve 103km length and 638,547m² completed at a cost of \$2,236,160.
- **Pavement Rehabilitation**
The target of 12.5km (70,000m²) at a budgeted cost of \$1.65 million was achieved with 12km (76,320m²) of work completed at a cost of \$1.57 million.
- **Minor Improvements**
Minor improvement projects totalling a value of \$859,000 were targeted for completion this year. Corner widening, minor road realignment projects and miscellaneous minor improvement projects have been completed at a cost of \$714,633. The budget was reduced due to the non-approval of additional NZ Transport Agency funding for the 2009-2012 programme.
- **Seal Extensions**
No seal extension was completed this financial year due to no funding being available from NZ Transport Agency.
- **Road Safety**
A safety management system is in place. The Roading Safety Management Supervisor reviews accident crash sites to ascertain if road conditions played a part in the cause of the accident. If a roading 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 roading conditions contributed to crashes in 2010/11.



Roading

• Road Maintenance

Items of significant interest for Road Maintenance are as follows:

- **Maintenance Metal:** A total of 27,995m³ of maintenance metal has been placed with 13,735m³ placed for heavy metal overlays and 14,260m³ 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 4,213km 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 170km 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 4,782m² of digout repairs have been completed on both sealed and unsealed roads.

Major 2009-2019 Community Plan Projects

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

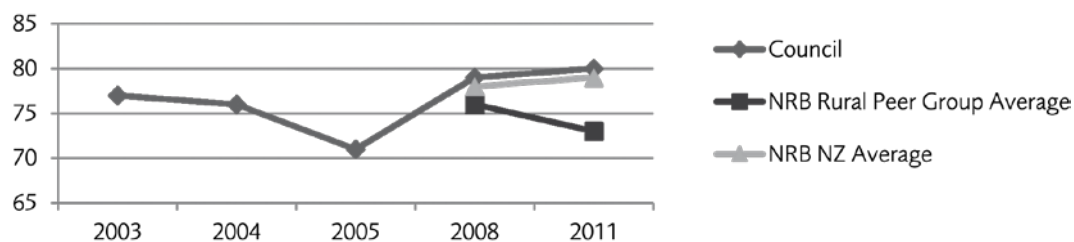


Performance Against Objectives

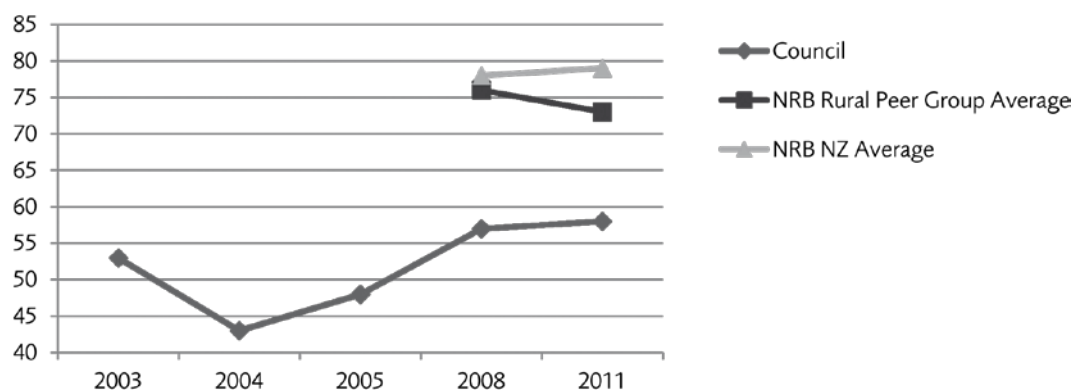
Performance Measure and Target	Achievement	Target Achieved?	
		2011	2010
<ul style="list-style-type: none"> To maintain the roading network in an effective and efficient manner, appropriate to community needs, in accordance with funds available: <ul style="list-style-type: none"> Target of 0 fatal accidents due to road factors. 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. 	ACHIEVED: 2 fatal accidents occurred on local roads but neither have been linked to road factors.	✓	✓
	A total of 63 service requests were received – 21 urban defect, 21 rural surface defect, and 21 service requests were received in the category of "Rural Potholes". Compared to previous year of 148, this indicates a 57% reduction in customer request relating to road surface defects.	✓	✓
	NOT ACHIEVED: Of the 63 service requests received, 5 urban requests have not been updated in the Customer Request Module as completed within the 5-day time frame. 9 rural service requests are still open (including pothole requests), and 11 others have been closed off outside the 5-day response timeframe. Further analysis may show that some or all of these were followed up with the customer and/or actioned within the required time, but the Customer Request Module was not updated promptly.	x	x
<ul style="list-style-type: none"> 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. 	NOT ACHIEVED: 69% of residents were satisfied in the February 2011 community survey. This related to 58% unsealed and 80% sealed roads.	x	N/A
<ul style="list-style-type: none"> 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. 	ACHIEVED: Individual road assessment reports indicate that 2,392 road sections out of a total 2,438 sections scored a rating greater than 70% in relation to the road rating. This achieved a total score rating of 95% or greater for all district roads. Overall an increase of 0.27% over the previous 2009/10 rating was achieved.	✓	✓
<ul style="list-style-type: none"> 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. 	ACHIEVED: 39.5 access days out of a possible 131,949 involved restrictions, which resulted in greater than 99.99% availability. Major events: Rally Wairarapa, which affected 26 separate roads for 0.5–1 day in May, and the 1-week closure of Makuri Domain Road in March for ford repairs.	✓	✓



Sealed Roads – Public Satisfaction Survey Trends 2003 to 2011



Unsealed Roads – Public Satisfaction Survey Trends 2003 to 2011





Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Roading			
Revenue			
Rates	5,998	5,911	5,911
Fees & Charges	210	131	190
Interest Revenue	83	72	-
Subsidies	7,251	7,503	7,627
Trees	62	12	-
Miscellaneous Revenue	5	3	19
Total Revenue	13,609	13,632	13,747
Expenses			
Sealed Pavement Maintenance	851	927	1,212
Unsealed Pavement Maintenance	682	622	633
Routine Drainage Maintenance	1,021	942	720
Structures Maintenance	681	640	844
Environmental Maintenance	696	507	526
Traffic Services Maintenance	627	466	507
Level Crossings	36	15	43
Unsealed Road Metalling - Maintenance Metal	622	339	578
TA and Admin Support	191	184	187
Network Asset Management Subsidised	560	597	541
Emergency Reinstatement	667	2,149	1,267
Non Sub Verge Rural Maintenance	54	127	81
Non Sub Verge Urban Maintenance	4	7	44
Non Sub Tree Removal	1	1	6
Depreciation	6,559	6,850	6,437
Interest	45	38	56
Total Expenses	13,297	14,409	13,682
Operating Surplus/(Deficit)	312	(777)	65

Comment: Roothing subsidies is below budget by \$279,000 as some work budgeted for this year has been carried out forward for completion in 2011/12.

Expenses are higher than budgeted by \$729,000 mainly due to emergency reinstatement work being higher by \$982,000 and higher depreciation charge of \$361,000. Lower subsidies from NZ Transport Agency meant Council incurred lower expenses.



Service Centres

Aim Provide friendly and accurate advice/guidance to all across the range of Council services

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.

- Access to Tararua District Council information and documents from Council agendas to funding applications;
- Photocopy and fax service available;
- Log customer requests for notification of complaints and faults across the district e.g. barking dogs, pot holes, slips, flooding etc. This can be done in person or via the telephone;
- Assistance with rates rebates applications; and
- Payment facilities for all Council related transactions.

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.

Contribution to Community Outcomes

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

Level of Service *WHAT WE DO*

Service Centres exist in the four main townships to provide a social and community role for residents. They also provide the following services:

- Advice/guidance across all Council services, refuse and recycling, animal and stock control, roading matters, water and wastewater services, building, rating information and Council facilities;
- Booking service for use of Council facilities from town halls to sports grounds;

What We Achieved

- Community survey results show that 92% of customers were satisfied with front line customer service, with 62% very satisfied.
- The survey also showed that 88% of customers were satisfied with the overall service received when contacting Council offices by phone, in person, in writing or by email.
- Of the customers personally contacted in relation to the service they received when logging their "customer request", through to the issue being resolved, 97% told us they were satisfied or very satisfied.

Major 2009-2019 Community Plan Projects

Project Description	Status
Successful implementation of the Civica Customer Request Module.	Achieved with continuous improvements



Service Centres

Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved?	
		2011	2010
<ul style="list-style-type: none"> At least 60% of resident population are within 25km of Council service centres. 	ACHIEVED: 94% of residents are within 25km.	✓	✓
<ul style="list-style-type: none"> 10 contract action service requests per month meeting customer satisfaction standards. 	ACHIEVED: 135 service request calls received of which 97% of customers were satisfied with service rendered.	✓	✓

Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Service Centres			
Revenue			
Rates	375	411	411
Fees & Charges	3	4	3
Miscellaneous Revenue	-	7	1
Total Revenue	378	422	415
Expenses			
Dannevirke service centre	154	132	171
Woodville service centre	61	62	68
Pahiatua service centre	94	100	104
Eketahuna service centre	52	66	57
Depreciation	8	7	7
Interest	1	-	1
Total Expenses	370	367	408
Operating Surplus/(Deficit)	8	55	7

Comment: There are no material variances to budget for revenue in this activity. Operating cost is lower than budgeted by \$41,000 mainly due to reduction in staff hours, not employing additional staff and, instead, using existing staff to provide the same level of service.



Sewerage

Aim Providing the collection, treatment and disposal of wastewater to protect public and environmental health

Description of Activity *WHY WE DO IT*

Providing the collection, treatment and disposal of wastewater to protect the public and environmental health.

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.

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

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 Canterbury 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 are met.

On-site Disposal Versus 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 has a compliance monitoring programme in accordance with the requirements of each resource consent. There was one breach that related to a chemical non-compliance for elevated levels of ammoniacal nitrogen and DRP (dissolved reactive phosphorus) due to potential seepage from the Dannevirke sewage pond.

This is an ongoing issue where Council continues to work closely with Horizons Regional Council.



Sewerage

Council is exploring landbased discharge and lining the oxidation ponds over the next few years.

What We Achieved

Eketahuna

The imhoft tank in Newman Road has been abandoned and a new pump station and rising main has now replaced the system meaning the 30 houses now discharge to the oxidation ponds, utilising one treatment operation instead of two separate ones. This resulted in Council requiring one resource consent for sewerage disposal in Eketahuna.

Dannevirke

Queen Street – sewer main renewal.

High Street – replaced nine manhole lids with heavy duty adjustable lids.

Ormondville

New sewer pump installed.

Environmental Effects

The most significant effects on environmental wellbeing from this group of activities relate to:

- Environmental effects from the discharge of sewerage to the river in low flows.
- The amount of phosphates in the wastewater received at the treatment plant.
- Developing a sustainable solution for sludge disposal.

Negative Effects

The Council controls the risk of negative effects through a programme of environmental monitoring.

- Improved treatment of effluent discharge will be achieved under new Resource Consent conditions.
- Infiltration minimisation to reduce total flow and improve water quality.
- Ensuring integrity of oxidation pond walls.
- Properties on the western side of Dannevirke outside the town boundary on septic tank. Council may need to look at sewer reticulation in these areas to prevent environmental effect in the future years.

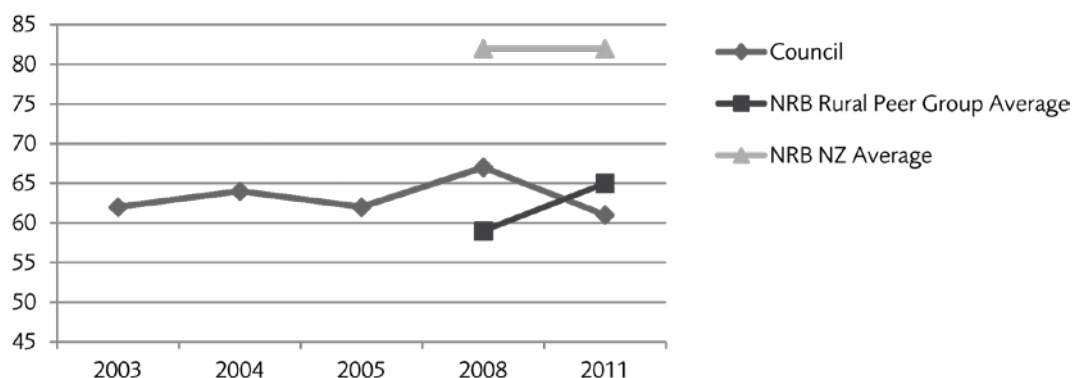
Major 2009-2019 Community Plan Projects

Project Description	Year	Status
Dannevirke		
Queen Street sewer main replacement	2010/11	Work in progress
Victoria Avenue sewer main renewal	2011/12	Work in progress
Empire Street sewer main renewal	2011/12	Work in progress
Pahiatua		
Oxidation – replace pump	2010/11	Work in progress
Sedcole Street sewer main renewal.	2011/12	Work in progress
Eketahuna		
Rising main and pump station	2010/11	Work in progress
Oxidation pond plant upgrade	2011/12	Work in progress
District		
Infiltration	2011/12	Work in progress
Pipe conditioning	2011/12	Work in progress

Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved	
		2011	2010
<ul style="list-style-type: none"> The sewerage schemes will comply with the 95% of environmental effects monitoring conditions as defined in the resource consents. 	NOT ACHIEVED: 1 non-compliance noted due to elevated levels of DRP (dissolved reactive phosphorus) and ammoniacal nitrogen in the downstream river water samples.	x	✓
<ul style="list-style-type: none"> Less than 20 blockages annually in the sewer mains. 	ACHIEVED: 17 blockages district-wide occurred this year.	✓	✓
<ul style="list-style-type: none"> No more than 10% of properties will be affected by overflowing sewer mains more than twice in 5 years. 	ACHIEVED: There were 10 sewerage spills in the district – 4 on properties and 6 on road/kerb/channels, which is less than 0.001% of properties.	✓	✓
<ul style="list-style-type: none"> 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. 	<p>NOT ACHIEVED: 61% of residents were satisfied in the February 2011 community survey.</p> <p>Looking at the results by town location the following scores were noted: Dannevirke – 87%, Woodville – 83%, Eketuhuna – 71%. The average score is 78% which is higher than the target of 70%. The other location was "Elsewhere in the district" where 22% were not satisfied and 75% don't know. Also to note is that 82% of urban ratepayers were satisfied and 75% of rural ratepayers surveyed responded "don't know". This is because the respondents for "Elsewhere in the district" are not connected to our sewerage network, and have their own septic tank.</p>	x	N/A
<ul style="list-style-type: none"> Wastewater treatment upgrades will lead to achievement of 95% compliance with our resource consents. 	ACHIEVED: All treatment plants complied with the resource consents conditions.	✓	✓
<ul style="list-style-type: none"> Septic tank emptying service for Pongaroa, Ormondville and Norsewood. 	ACHIEVED: Emptying of septic tanks is done on request and recorded. No complaints have been recorded.	✓	✓
<ul style="list-style-type: none"> Public Health Risk Management Plans will be implemented and monitored for each sewerage supply. 	This is applicable only to drinking water. Council is required to complete an Assessment of Water and Sanitary Services. This assessment was completed and included in the 2009-19 Community Plan. Council will reassess this assessment as part of the 2012-22 Long Term Plan.	N/A	N/A

Sewerage System – Public Satisfaction Survey Trends 2003 to 2011





Sewerage

Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Sewerage			
Revenue			
Rates	2,312	2,104	2,104
Fees & Charges	122	105	82
Subsidies	-	-	-
Miscellaneous Revenue	-	4	3
Total Revenue	2,434	2,213	2,189
Expenses			
Treatment to provide effective treatment of wastewater	303	366	363
Reticulation sewage disposal for all connected properties	37	114	43
Maintenance to minimise failures & blockages, infiltration of stormwater into sewerage system	101	56	121
Planning & development renewals to ensure future capacity	305	82	436
Telemetry system monitoring to prevent system failures	9	17	10
Depreciation	739	762	764
Interest	289	255	368
Total Expenses	1,783	1,652	2,105
Operating Surplus/(Deficit)	651	561	84

Comment: Income from fees was \$23,000 higher than budgeted from an increase in fees from trade waste. Operating expenditure incurred was \$453,000 lower than budgeted because Council spent \$80,000 less on external contractors and renegotiated the Infracon contract for the sewerage treatment plant at Dannevirke and Woodville which saved in total \$260,000.



Solid Waste Management

Aim To provide refuse disposal facilities throughout the district to ensure that residents are easily able to dispose of waste material

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 – closed
Eketahuna	28 February 2018
Pahiatua	30 November 2010 – closed
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.

Transfer Stations

Transfer stations are operated in Woodville and Ormondville to take solid waste from local areas, which is then transferred to Central Hawkes Bay. 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 Central Hawkes Bay.

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. Akitio, Herbertville and Weber have satellite recycling centres with Council owned wheelie bins secured in a designated place. These are emptied fortnightly by the Solid Waste Manager.

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.



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

* These landfills were closed in this financial year.

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

Installed satellite recycling centres at Akitio and Herbertville.

Construction of Dannevirke transfer station is in progress and expected to be complete in 2011/12.

No non-compliance was issued to Council for leachate discharges.

Environmental Effects

The disposal of solid waste impacts negatively on the environment, including direct disposal and the cost and consequences of transporting solid waste and recyclables for disposal. Measures are in place to encourage minimisation of waste in district communities e.g. through recycling.

The cost of solid waste may be too expensive for some people. This may lead to stockpiling, fly tipping and associated health issues.

Ongoing education programmes will provide information to the public about waste disposal.

Negative Effects

Possible negative effects are:

- odour and emissions.
- obstruction of footpaths due to recycling bins and rubbish bags.
- rubbish blown onto private properties and rubbish entering drains and waterways.

CONTINUED OVER PAGE...



Positive Effects

Recycling provides significant public benefits through:

- preserving the environment
- saving landfill space
- meeting community expectations for waste minimisation
- Recycling supplies some private benefit by way of reducing personal cost of solid waste disposal and private assistance to protection of the environment

Major 2009-2019 Community Plan Projects

Project Description	Year	Status
Pahiatua transfer station	2010-12	Programmed
Dannevirke transfer station	2010-12	Work in progress
Education project		Ongoing

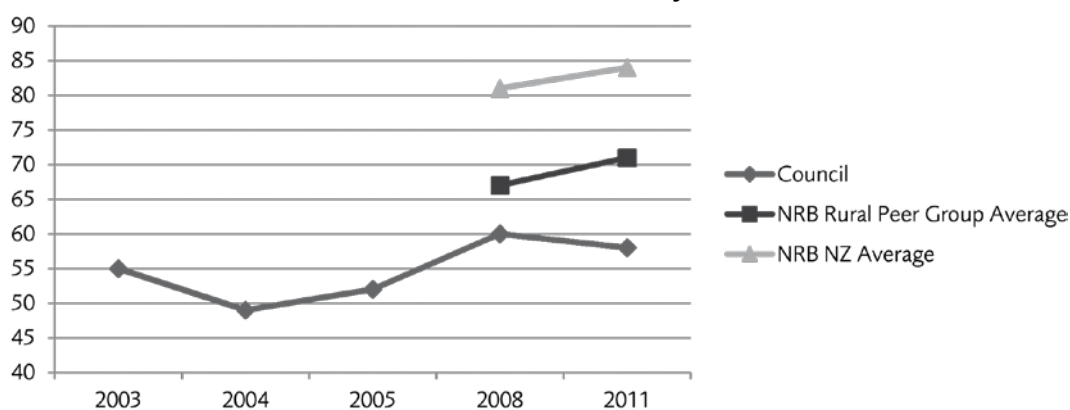


Solid Waste Management

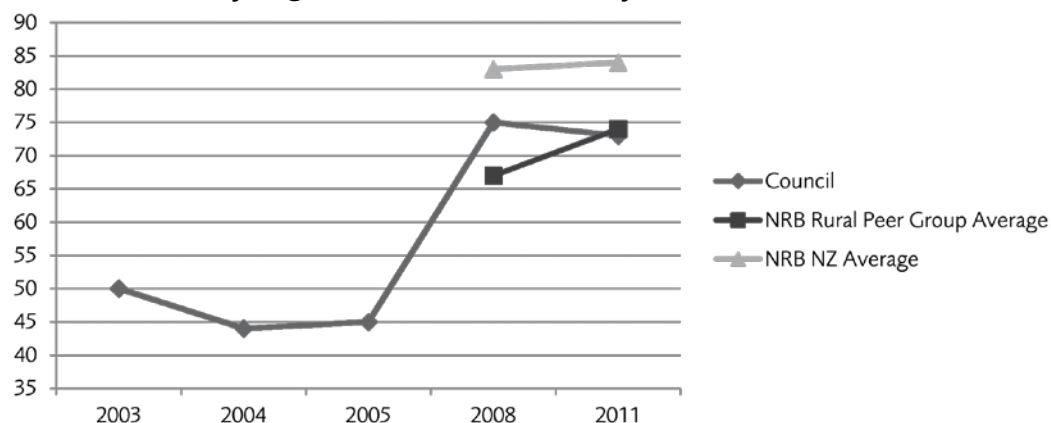
Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved	
		2011	2010
<ul style="list-style-type: none"> 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. 	NOT ACHIEVED: 47% satisfied in February 2011 community survey. We are in a period of transition – Dannevirke and Pahiatua landfills are closed and building and operating the transfer stations are in progress.	x	N/A
<ul style="list-style-type: none"> 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. 	NOT ACHIEVED: 58% satisfied in February 2011 community survey. The result is reflective of the transition period between closure of the landfills and operation of transfer stations.	x	N/A
<ul style="list-style-type: none"> 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. 	ACHIEVED: 73% satisfied in February 2011 community survey.	✓	N/A
<ul style="list-style-type: none"> Aftercare plans for Dannevirke and Pahiatua landfills completed by June 2010. 	ACHIEVED: Both landfills are now closed and aftercare plans in place. Council is working closely with Horizons to ensure compliance with consents.	✓	x
<ul style="list-style-type: none"> Transfer stations constructed and landfills closed. 	ACHIEVED: Dannevirke and Pahiatua landfills closed and construction of transfer stations in progress.	✓	N/A

Refuse Collection – Public Satisfaction Survey Trends 2003 to 2011



Recycling – Public Satisfaction Survey Trends 2003 to 2011





Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Solid Waste Management			
Revenue			
Rates	601	992	992
Fees & Charges	1,131	703	801
Subsidies	25	54	53
Miscellaneous Revenue	42	16	2
Total Revenue	1,799	1,765	1,848
Expenses			
Landfills/transfer Stations- Normal Operation	534	702	862
Landfills/transfer Stations- Claims Operation	319	378	107
Refuse collection	149	238	117
Recycling collection	83	75	66
Recycling Bins	308	474	241
Street Bins	49	1	38
Waste levy	239	82	120
Other costs (District, Support costs)	63	-	29
Depreciation	71	334	73
Interest	57	128	90
Total Expenses	1,872	2,412	1,743
Operating Surplus/(Deficit)	(73)	(647)	105

Comments: Revenue and expenditure for the operation of the transfer stations is lower than budgeted due to the transfer stations not fully operating throughout the year.

Recycling cost has increased due to Council operating recycling centres in Herbertville, Akitio, and Weber.



Stormwater Drainage

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

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.

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

Community Survey – Urban 66% very/fairly satisfied

27% Not very satisfied

7% don't know

Environmental Effects

The most significant effects on environmental wellbeing from the group of activities relate to:

- Roadside kerb and channels, sumps are maintained and cleaned regularly.
- Any hazardous spills are contained and cleared up appropriately

Negative Effects

- Storm events of a severity which exceeds design standards may result in short term localised flooding.
- Potential danger posed by open drains.
- Environmentally maintain and clean all watercourses, keep them free from debris, plastics, rubbish and weed growth etc.

The Council controls the risk of negative effects through a programme of maintenance and monitoring.

- The effects of the discharge of storm water, which show that the environmental effects are minimal in comparison to other sources of surface run off.

Legislative

The legislative rational for the Councils involvement in the storm water activity is contained in:

- The Local Government Act 2002 (Section 130) which required Council to maintain the water services that it has developed.
- The Health Act 1956, which required the Council to provide 'sanitary works', the definition of which includes storm water drainage works.

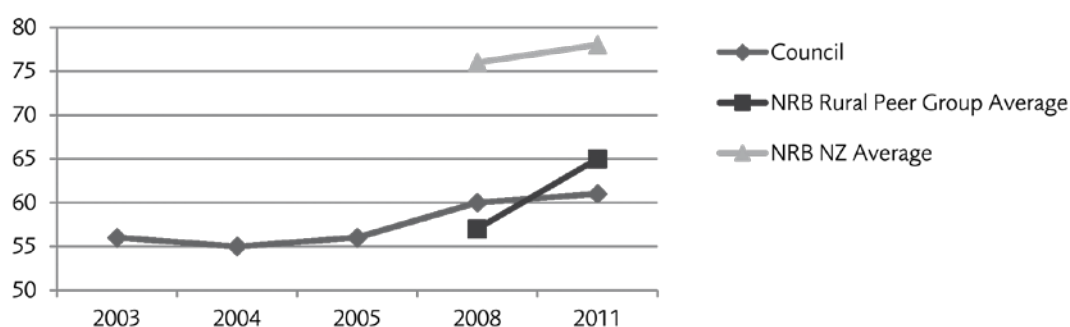
Major 2009-2019 Community Plan Projects

Project Description	Year	Status
Dannevirke – stormwater upgrade for High/Cole Streets	2009-11	Programmed
Woodville – Atkinson Street storm water	2011/12	Not underway yet
Woodville – Ormond Street – extension to storm water system – CBD	2011/12	Not underway yet
Dannevirke Mangapurupuru Stream	2018/19	Programmed

Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved?	
		2011	2010
<ul style="list-style-type: none"> 100% compliance with Horizons Regional Council's resource consent requirements. 	ACHIEVED: No consents required currently. Consents will be introduced over the next two years.	✓	✓
<ul style="list-style-type: none"> Response times meet Service Levels system 80% of the time. 	NOT ACHIEVED: 69%. A total of 29 requests for service were received. 7 requests had not been updated as completed in the systems within the 1 day timeframe. However most, if not all, of the request was actioned within the required timeframe. The process for updating the system will be reviewed.	✗	✓
<ul style="list-style-type: none"> Timeliness of response to system failure measured annually: <ul style="list-style-type: none"> Breakages/blockages. Effecting continuity of disposal (immediate anytime 24 hours / 7 days). 	ACHIEVED: Monthly inspection sheets are filled by contractors. A total of 29 faults were noted compared to 32 faults last year.	✓	✓
<ul style="list-style-type: none"> 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. 	NOT ACHIEVED: 61% satisfied in February 2011 community survey. The main reason for the satisfaction rating was due to the significant flooding in September 2010 due to weather conditions. Areas most affected were Woodville and Pahiatua.	✗	N/A

Stormwater Drainage – Public Satisfaction Survey Trends 2003 to 2011





Stormwater Drainage

Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Stormwater/Drainage			
Revenue			
Rates	499	590	590
Fees & Charges	2	2	1
Miscellaneous Revenue	-	1	1
Total Revenue	501	593	592
Expenses			
Reticulation - for the transportation of stormwater	32	39	38
Maintenance - to minimise blockages or surface flooding	46	42	57
Drain Maintenance – maintain clear open waterways	34	16	40
Depreciation	194	208	195
Interest	122	107	159
Total Expenses	428	412	489
Operating Surplus/(Deficit)	73	181	103

Comment: Income received is comparable to budget and expenses are \$77,000 below budget mainly due to lower interest charge by \$52,000.



Swimming Pools

Aim Funding support for community pools to promote community wellbeing

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. 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

Key Community Outcomes	How the activity contributes
A connected community	Swimming pools provide an important facility for sport (competitive or fun) and recreation.

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

Provided a safe and clean facility meeting the pool standards.

Provided facilities that were well maintained for recreation and learn-to-swim needs.

Major 2009-2019 Community Plan Projects

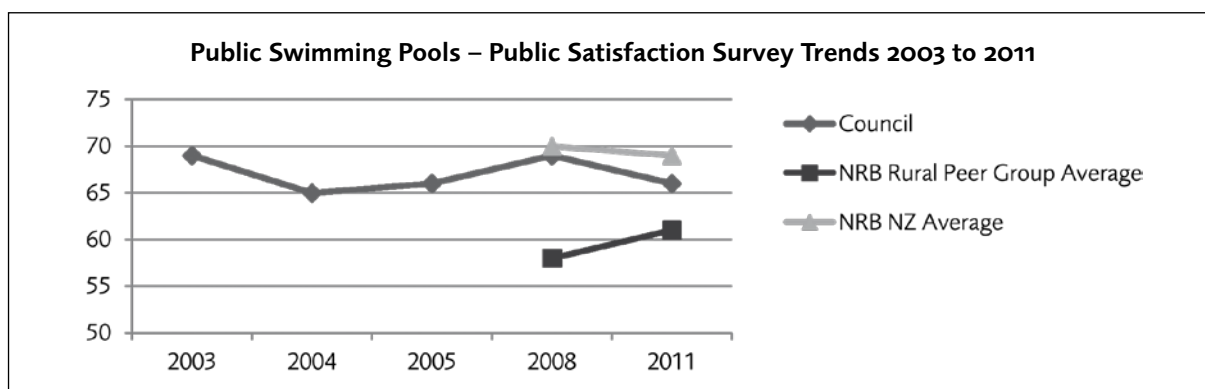
Project Description	Year	Status
Eketahuna – new sand filter	2011/12	Programmed
Eketahuna, Pahiatua, Woodville pools to be painted	2011/12	Programmed
Replace Eketahuna pool	2012/13	Programmed
Replace Pahiatua pool	2013/14	Programmed
Feasibility study – Bush Multisport	2011/12	Programmed



Swimming Pools

Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved?	
		2011	2010
<ul style="list-style-type: none"> Community pools comply with New Zealand Swimming Pool Water Standards, as measured weekly, while operational. 	ACHIEVED: Results from the three outdoor pools indicate compliance with standards and no non compliance was received in respect to water quality.	✓	✓
<ul style="list-style-type: none"> No reported health and safety incidents per year at community pools. 	ACHIEVED: No reported health and safety incidents.	✓	✓





Swimming Pools

Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Swimming Pools			
Revenue			
Rates	409	357	357
Fees & Charges	3	5	2
Interest Revenue*	2	3	-
Miscellaneous Revenue	-	2	1
Total Revenue	414	367	360
Expenses			
Dannevirke Indoor Pool	208	212	194
Woodville Pool	37	43	28
Pahiatua Pool	68	32	43
Eketahuna Pool	49	30	35
Depreciation	37	36	36
Interest	3	2	3
Total Expenses	402	355	339
Operating Surplus/(Deficit)	12	12	21

Comment: No material variances between actual and budgets occurred during the year.



Water Supplies

Aim To provide a reliable and cost-effective supply of safe, potable water in reticulated communities

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.

- 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 is 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 has a Water Conservation Strategy for Pahiatua as a condition of the water take consent.

Water Metering and Pricing: Commercial and industrial sites have meters installed. All extraordinary connections (i.e. lifestyle blocks) are metered. Four urban households in Dannevirke are to have meters installed and usage monitored (a couple on their own, two adults with two children, and two adults, four children) to give us some variance in water use.

Council will be installing meters in Eketahuna, Woodville and Pahiatua to record district variances.

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 times of reduced demand thus restricting loss of income.

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.

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 because most of the district's water comes from a surface water source that may not have adequate protection from contamination.

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



Zone meters have been installed in Dannevirke so we can organise a night study of water usage in any one area to detect high usage/leakage.

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

Norsewood – Water Treatment 2010/11

The official opening of the new water treatment plant at Norsewood has been completed. A new treatment building, 30,000 litre storage tank, water softener, scada system, and water pump have been installed and a large security fence erected around the building and tank area.

Pahiatua

The new bore pump and pipe installation is nearing completion. The new system will be officially opened and commissioned on 19 July 2011. The Control Building on Boundary Road houses the new chlorinator and analyser, PH dosing and all the Scada technology.

Dannevirke Impounded Supply

The excavation work is well underway at the site of the new Dannevirke impounded supply on Laws Road. The site was closed at the end of June with the weather making it impossible to carry on excavating and also allow for uninterrupted lambing on the neighbouring property.

Woodville Impounded Water Supply

The Woodville Impounded Supply had an algae bloom due to very warm conditions. The algae bloom caused a major taste/ odour problem with the town water supply. The filtration plant was unable to remove the significant problem. Simultaneously with the lower river flows in the Mangapapa Stream this was a huge issue in supply quantity and quality to the township.

A total hosing ban was imposed because of low stream flows and Resource Consent requirements at low flows.

The water direct from the stream was treated through the plant as normal at a lower quantity for the town use.

There was still concern from some residents relating to taste and odour so Council supplied water from Dannevirke in water tanks on a trailer for residents to fill containers for household use. This was over a two week period.

The new Woodville Treatment Plant is being upgraded in 2011/12.

Legislative Control

Legislative rationale for continued Council involvement in the water activity and ownership of assets is contained in:

- The Local Government Act 2002 (Section 120) which required the Council to continue to provide water services and maintain its capacity to do so.
- The Health Act (Drinking Water) Amendment Act 2007 sets out the legal requirements for water supplies.

Environmental Impact

The most significant effects on environmental wellbeing from this group of activities relate to:

- Water take at low flows in relation to Resource Consent conditions.
- Reducing the amount people use (e.g. limiting demand for garden watering in the summer months) and by reducing the amount of water lost by leaks in the system.
- Demand management.
- Water conservation/education plan.

This helps preserve more water in the rivers for recreational purposes, fishing, kayaking, swimming retaining environmental and cultural wellbeing.

Negative Effects

- The effects of the extraction of water on the Mangapapa Stream and Makakahi Stream. This is regulated by conditions of Resource Consents which ensure that potential adverse effects are managed to acceptable levels.
- Potential depletion of the natural water resource by over abstraction of water.
- Communities are required to manage water through restrictions that cause some inconvenience.

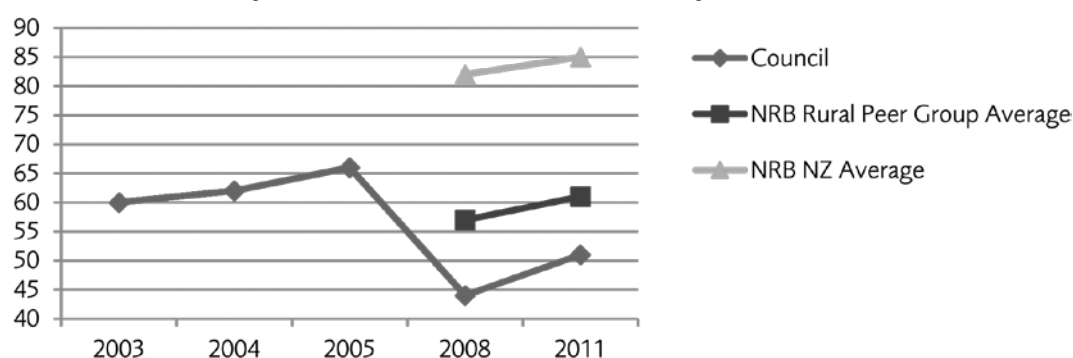
Major 2009-2019 Community Plan Projects

Project Description	Year	Status
Dannevirke Princess Street water main renewal	2011/12	Work in progress
Dannevirke Impounded supply continuation	2011/12	Work in progress
Woodville treatment plant upgrade	2011/12	Finalising contract
Eketahuna treatment plant upgrade		Awaiting govt funding round
District leak detection		Ongoing
Pahiatua Sedcole Street water main renewal	2011/12	Work in progress
Norsewood Ericksen Street water main renewal	2011/12	Work in progress
Akitio water treatment upgrade	2012/13	Programmed

Performance Against Objectives

Performance Measure and Target	Achievement	Target Achieved?	
		2011	2010
<ul style="list-style-type: none"> Hydrants tested meet 85% Code of Practice requirements. 	ACHIEVED	✓	✓
<ul style="list-style-type: none"> Response times meet service levels: <ul style="list-style-type: none"> Emergencies: 1 hour 95% of time. 	NOT ACHIEVED: 78% of emergencies were attended within 1 hour. A total of 49 requests for service were received and 11 had not been updated in the system as completed within the required timeframe. However most, if not all, of the requests were actioned within the required timeframe. We will review the process for updating the system promptly.	✗	✓
<ul style="list-style-type: none"> Non-urgent faults: 24 hours 90% of time. 	ACHIEVED	✓	✓
<ul style="list-style-type: none"> Leaking tobies: 3 days 80% of time. 	ACHIEVED	✓	✓
<ul style="list-style-type: none"> New connections: 10 days 90% of time. 	ACHIEVED	✓	✓
<ul style="list-style-type: none"> At least 70% of residents rate water supplies as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2011, 2014, and 2017. 	NOT ACHIEVED: 51% satisfied in February 2011 community survey. The main reasons residents were not satisfied with the availability of water were due water restrictions (10%), water shortage (5%) and poor water quality (6%). While being asked about availability some water residents' reasons for dissatisfaction related to water supply in general.	✗	N/A
<ul style="list-style-type: none"> Public Health Risk Management Plans will be implemented for each water supply. 	ACHIEVED: Plans for Pahiatua and Eketahuna are in place. Dannevirke plan is in progress and Woodville plan will be developed once the upgrade of the water treatment plant is completed.	✓	✓
<ul style="list-style-type: none"> Improve the current gradings of public supplies until funding is secured for upgrades to the New Zealand Drinking Water Standards. 	NOT ACHIEVED: Pahiatua bore has been commissioned. Woodville treatment plant will be graded in 2011/12. Funding for Eketuhuna is not yet approved.	✗	✗
<ul style="list-style-type: none"> 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. 	NOT ACHIEVED: Funding not yet approved.	✗	✗

Availability of Water – Public Satisfaction Survey Trends 2003 to 2011



Statement of Cost of Services

For the Year Ended 30 June 2011

	Last Year Actual \$000's	Actual \$000's	Annual Plan \$000's
Water Supplies			
Revenue			
Rates	1,200	1,270	1,270
Fees & Charges	493	448	473
Subsidies	-	-	191
Interest Revenue	5	6	-
Miscellaneous Revenue	-	111	3
Total Revenue	1,698	1,835	1,937
Expenses			
Treatment to provide safe, potable water	275	378	320
Reticulation water to all connected properties	99	152	117
Maintenance to minimise failures in quality and supply	232	216	275
Planning and development to ensure future capacity	144	1	168
Telemetry system monitoring to prevent system failures	30	22	35
Depreciation	948	1,057	1,016
Interest	78	101	251
Total Expenses	1,806	1,927	2,182
Operating Surplus/(Deficit)	(108)	(92)	(245)

Comment: Miscellaneous revenue is higher as this relates to the insurance claim for the Pahiatua intake. Depreciation expense is higher due to increased asset value. Treatment and treatment expenses were higher due to additional expenses incurred for resolving water quality issues in the Woodville impounded water supply.



Financial Statements





Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2011

	Note	2009/10 Council Actual \$000's	2010/11 Council Actual \$000's	Council Full Year Plan \$000's	2009/10 Consolidated Actual \$000's	2010/11 Consolidated Actual \$000's
Income						
Rates	2	16,521	17,293	17,263	16,514	17,277
Grants and Subsidies		7,425	7,596	8,535	7,451	7,596
Fees and Charges		3,284	3,033	2,924	32,663	34,838
Finance Income	3	463	585	457	483	596
Dividends and Subvention		3	150	258	3	-
Other Revenue	4	258	337	238	295	259
Forestry Sales		62	12	-	162	36
Total operating revenue		28,016	29,006	29,675	57,571	60,602
Expenditure						
Other Operating Expenses	8	12,771	14,110	13,251	26,416	28,560
Depreciation and amortisation	16 & 17	10,254	10,991	10,226	12,450	13,083
Personnel Costs	6	4,116	4,008	4,190	18,928	18,873
Finance Costs	3	758	768	1,151	990	909
Total operating expenditure before asset gains/losses		27,899	29,877	28,818	58,784	61,425
Operating surplus/(deficit) before asset gains/losses		117	(871)	857	(1,213)	(823)
Other asset gains/(losses)	5	(155)	(236)	-	100	(164)
Operating surplus/(deficit) before tax		(38)	(1,107)	857	(1,113)	(987)
Less Taxation Expense/Plus Refund	9	-	-	-	(98)	87
Surplus/(deficit) after tax		(38)	(1,107)	857	(1,015)	(1,073)
Surplus/(deficit) attributable to:						
Parent Interest (Taranua District Council)	22	(38)	(1,107)	857	(609)	(1,037)
Non-controlling Interest		-	-	-	(406)	(36)
Surplus/(deficit) for the period		(38)	(1,107)	857	(1,015)	(1,073)
Other Comprehensive Income						
Gains/(losses) on Infrastructure assets revaluation	23	33,757	44,073	21,174	33,844	45,970
Tax on equity items		-	-	-	-	(583)
Other Comprehensive Income Sub-total		33,757	44,073	21,174	33,844	45,387
Total Comprehensive Income		33,719	42,966	22,031	32,829	44,314

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 2011

		2009/10 Council Actual \$000's	2010/11 Council Actual \$000's	Council Full Year Plan \$000's	2009/10 Consolidated Actual \$000's	2010/11 Consolidated Actual \$000's
	Note					
Balance at 1 July		768,164	801,883	826,242	783,807	816,636
Total comprehensive income previously reported		33,719	42,966	22,031	32,829	44,314
Dividends to non-controlling interest		-	-	-	-	-
Total Balance at 30 June	22	801,883	844,848	848,273	816,636	860,950
Total comprehensive income attributable to:						
Tararua District Council		33,719	42,966	22,031	33,235	44,350
Non-controlling interests		-	-	-	(406)	(36)
Total comprehensive income		33,719	42,966	22,031	32,829	44,314

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



Consolidated Statement of Financial Position as at 30 June 2011

	Note	Council Actual 2009/10 \$000's	Council Actual 2010/11 \$000's	Council Plan 2010/11 \$000's	Consolidated 2009/10 \$000's	Consolidated 2010/11 \$000's
Assets						
Current Assets						
Cash and cash equivalent	1	2,233	8,236	3,710	2,951	8,544
Debtors and other receivables	10	2,485	2,883	2,853	6,789	10,868
Other financial assets	13	8,701	4,513	11,339	8,808	4,563
Inventories	12	26	34	22	2,111	2,091
Refund of taxation due		-	-	-	89	1
Total Current Assets		13,445	15,666	17,924	20,748	26,067
Non-Current Assets						
Other financial assets	13	6,154	5,209	5,148	1,137	193
Debtors and other receivables	10	-	14	41	-	14
Investment Property	14	430	399	416	-	-
Forestry Assets	11	-	-	-	1,008	1,230
Intangible Assets	17	278	466	29	904	1,092
Property, Plant & Equipment – Operational	16	27,943	27,521	24,180	47,390	46,829
Property, Plant & Equipment – Infrastructure	16	762,156	805,010	817,999	762,156	805,010
Property, Plant & Equipment – Restricted	16	5,254	5,177	3,274	5,254	5,177
Total Non-Current Assets		802,215	843,796	851,087	817,849	859,545
Total Assets		815,660	859,462	869,011	838,597	885,612
Liabilities						
Current Liabilities						
Creditors and other payables	18	2,448	2,652	3,212	4,728	7,005
Cash and cash equivalent (overdraft)		-	-	-	-	43
Borrowings – current	21	2,023	5,000	2,000	4,042	6,012
Employee entitlements	7	392	483	365	2,200	2,379
Tax payable		-	-	-	-	68
Provision for dividend		-	-	-	-	-
Provision		-	-	-	60	60
Total Current Liabilities		4,863	8,135	5,577	11,030	15,567

Consolidated Statement of Financial Position

	Note	Council Actual 2009/10 \$000's	Council Actual 2010/11 \$000's	Council Plan 2010/11 \$000's	Consolidated 2009/10 \$000's	Consolidated 2010/11 \$000's
Non-Current Liabilities						
Borrowings – non current	21	8,000	5,053	14,052	8,000	5,053
Employee entitlements	7	117	107	201	375	363
Tenant contributions	15	547	593	608	547	593
Provision for Landfill Aftercare	19	250	726	299	250	726
Deferred tax liability	9	-	-	-	1,759	2,360
Total Non-Current Liabilities		8,914	6,479	15,160	10,931	9,095
Total Liabilities		13,777	14,614	20,737	21,961	24,662
Equity						
Accumulated Funds	22	368,021	364,077	375,341	375,174	372,615
Asset Revaluation Reserves	23	422,914	466,713	454,808	424,718	468,517
Special Funded Reserves	24	10,918	14,028	18,091	10,918	14,028
Trust Funds	25	30	30	33	30	30
Minority Interest		-	-	-	5,796	5,760
Total Equity		801,883	844,848	848,273	816,636	860,950
Total Liabilities and Equity		815,660	859,462	869,011	838,597	885,612

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 2011

	Note	2009/10 Council Actual \$000's	2010/11 Council Actual \$000's	2010/11 Council Plan \$000's	2009/10 Consolidated Actual \$000's	2010/11 Consolidated Actual \$000's
Cash Flows from Operating Activities						
Cash was provided from:						
Rates		16,363	16,975	17,263	16,356	16,960
Grants and subsidies		8,108	7,343	8,535	8,137	7,359
Fees, charges and other receipts (incl Donations)		3,556	2,750	2,924	36,061	32,019
Interest received		395	576	457	426	584
Dividends & subvention payment received		218	-	258	219	-
Income tax refunds		-	-	-	-	4
Other revenue		-	567	238	-	478
		28,640	28,210	29,675	61,119	57,403
Cash was applied to:						
Suppliers		(12,879)	(14,238)	(13,251)	(42,841)	(42,451)
Employee benefit costs		(4,050)	(3,927)	(4,190)	(4,081)	(3,927)
Interest paid		(759)	(620)	(1,151)	(992)	(761)
Income tax payments		-	-	-	(2)	(1)
GST payments		(898)	307	-	(814)	263
		(18,586)	(18,478)	(18,592)	(48,730)	(46,877)
Net Cash inflow (outflow) from operating activities	26	10,054	9,732	11,083	12,469	10,526
Cash Flows from Investing Activities						
Cash was provided from:						
Proceeds from sale of property, plant and equipment		5	768	-	55	783
Proceeds from investment property		-	-	-	-	-
Proceeds from investments realised		16,111	5,133	-	16,090	5,167
		16,116	5,901	-	17,133	5,950
Cash was applied to:						
Purchase of property, plant and equipment		(8,142)	(9,408)	(10,716)	(8,334)	(9,697)
Purchase of Intangible assets		(106)	(245)	-	(357)	(245)
Purchase of investments*		(17,540)	-	-	(17,544)	-
		(25,788)	(9,653)	(10,716)	(26,235)	(9,942)
Net cash inflow (outflow) from investing activities		(9,672)	(3,752)	(10,716)	(10,090)	(3,992)

Consolidate Statement of Cash Flows

	Note	2009/10 Council Actual \$000's	2010/11 Council Actual \$000's	2010/11 Council Plan \$000's	2009/10 Consolidated Actual \$000's	2010/11 Consolidated Actual \$000's
Cash Flows from Financing Activities						
Cash was provided from:						
Proceeds from borrowings		3,000	-	934	3,000	160
Tenant contributions received		-	46	-	-	46
		3,000	46	934	3,000	206
Cash was applied to:						
Dividend paid		-	-	-	(170)	-
Tenant contributions repaid		(3)	-	-	(3)	-
Repayment of borrowings		(3,022)	(23)	-	(4,348)	(1,190)
		(3,025)	(23)	-	(4,521)	(1,190)
Net cash inflow (outflow) from financing activities		(25)	23	934	(1,521)	(984)
Net increase (decrease) in cash held		357	6,003	1,301	858	5,550
Total cash resources at start of the year		1,876	2,233	13,748	2,093	2,951
Total cash resources at end of the year	1	2,233	8,236	15,049	2,951	8,501

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 as at 30 June 2011

Council

Council was committed to the following projects at year end:

2009/10		Council \$000's	Council \$000's	Council \$000's	Council \$000's	2010/11 Council \$000's
Council \$000's		< 1 Year	1-2 Years	2-5 Years	> 5 Years	Total
Council Capital Commitments						
-	Footpath rehabilitation	-	-	-	-	-
112	Administration	-	-	-	-	-
220	Minor safety	-	-	-	-	-
-	Seal extension – Coast Road	-	-	-	-	-
-	RAMM condition rating	-	-	-	-	-
-	Bridge painting	-	-	-	-	-
-	Bridge structural repairs	-	-	-	-	-
-	Syme Road bridge N-35	-	-	-	-	-
-	Bridge E-116 walkway	-	-	-	-	-
-	Bridge structure painting	-	-	-	-	-
21	Ormondville Transfer Station	-	21	-	-	21
45	Minor improvements (Miller/Denmark St roundabout)	-	-	-	-	-
-	Woodville sewage treatment plant upgrade	-	-	-	-	-
-	Eketahuna sewage treatment plant upgrade	-	-	-	-	-
200	Pavement rehabilitation southern	-	-	-	-	-
200	Pavement rehabilitation northern	-	-	-	-	-
-	Dannevirke Town Centre Refurbishment	-	-	-	-	-
798	Total Capital Commitments	-	21	-	-	21

Council Operating Commitments						
1,919	Administration	-	680	493	350	1,523
492	Facilities management contracts	-	185	86	130	401
360	Tararua Aquatic Community Trust	-	180	-	-	180
722	Community services maintenance	-	642	55	55	752
12,474	Infrastructural maintenance non-subsidised	-	4,806	4,212	-	9,018
-	Infrastructural maintenance subsidised	-	-	-	-	-
1,085	Infrastructural maintenance refuse	-	805	778	-	1,583
-	Civil Defence	-	-	-	-	-
90	Sport Manawatu	-	45	-	-	45
28	Woodville Districts' Vision	-	28	-	-	28

Statement of Commitments and Operating Leases

2009/10		Council \$000's	Council \$000's	Council \$000's	Council \$000's	2010/11 Council \$000's
Council \$000's		< 1 Year	1-2 Years	2-5 Years	> 5 Years	Total
40	Pahiatua on Track	-	42	-	-	42
40	Pahiatua Swimming Pool	-	20	-	-	20
42	Woodville Swimming Pool	-	14	-	-	14
28	Eketahuna Swimming Pool	-	14	-	-	14
17,320	Total Operating Commitments	-	7,461	5,624	535	13,620

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 2011.

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

2009/10		Council \$000's	Council \$000's	Council \$000's	Council \$000's	2010/11 Council \$000's
Council \$000's		< 1 Year	1-2 Years	2-5 Years	> 5 Years	Total
172	Council lease commitments receivable	111	111	-	-	222
85	Consolidated lease commitments receivable	55	52	112	33	252

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



Statement of Commitments and Operating Leases

Consolidated

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

2009/10 Consolidated \$000's		\$000's < 1 Year	Consolidated \$000's 1-2 Years	\$000's 2-5 Years	\$000's >5 Years	2010/11 \$000's Total
Consolidated Capital Commitments						
-	Footpath Rehabilitation	-	-	-	-	-
388	Administration	-	-	-	-	-
220	Minor Safety	-	-	-	-	-
-	Seal Extension - Coast Road	-	-	-	-	-
-	RAMM Condition Rating	-	-	-	-	-
-	Bridge painting	-	-	-	-	-
-	Bridge structural repairs	-	-	-	-	-
-	Syme Road Bridge N-35	-	-	-	-	-
-	Bridge E-116 Walkway	-	-	-	-	-
21	Ormondville Transfer Station	-	21	-	-	21
-	Minor Improvements (Miller/Denmark St Roundabout)	-	-	-	-	-
-	Woodville STP Upgrade	-	-	-	-	-
-	Eketahuna STP Upgrade	-	-	-	-	-
200	Pavement Rehabilitation Southern	-	-	-	-	-
-	Pavement Rehabilitation Northern	-	-	-	-	-
-	Dannevirke Town Centre Refurbishment	-	-	-	-	-
829	Total Capital Commitments	-	21	-	-	21

Consolidated Operating Commitments						
2,674	Administration	680	493	350	-	1,524
492	Facilities Management Contracts	185	86	130	-	401
360	Tararua Aquatic Community Trust	180	-	-	-	180
446	Community Services Maintenance	217	55	55	-	327
534	Infrastructural Maintenance Non subsidised	656	271	-	-	927
-	Infrastructural Maintenance Subsidised	-	-	-	-	-
-	Infrastructural Maintenance Refuse	805	778	-	-	1,583
-	Civil Defence	-	-	-	-	-
90	Sports Manawatu	45	-	-	-	45
28	Woodville Districts' Vision	28	-	-	-	28
40	Pahiatua on Track	42	-	-	-	42
40	Pahiatua Swimming Pool	20	-	-	-	20
42	Woodville Swimming Pool	14	-	-	-	14
28	Eketahuna Swimming Pool	14	-	-	-	14
4,774	Total Operating Commitments	2,886	1,683	535	-	5,104



Statement of Accounting Policies for the Year Ended 30 June 2011

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 associate) – 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 2011. The financial statements were authorised for issue by Council on 30 May 2012.

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).

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:

- 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.

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.

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.

Sales of Goods

Revenue from sale of goods is recognised when a product is sold to the customer.

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 or 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



Statement of Accounting Policies

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.

- **Derivative Financial Instruments**

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. The resulting gain or loss is recognised in the surplus or deficit as part of finance costs.

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
Operational & Restricted Assets		
Buildings	9 to 120 years	(0.8%-6.7%)
Computer equipment	2 to 45 years	(2.5%-50%)
Furniture & Fittings	2 to 45 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%)



Statement of Accounting Policies

Asset	Useful life	Depn Rate
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

Revaluation	Frequency
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 Rooding 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.

As there is no generally accepted methodology for the valuation of land under roads, Council is not revaluing this land and will carry these assets at cost.

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%
-------------------	-----------	--------

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.



Statement of Accounting Policies

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.



Statement of Accounting Policies

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 2011:

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 16 & 17.

Breach of Statutory Deadline

Section 98 of the Local Government Act 2002 requires that Council must complete and adopt by resolution, within four months after the end of the financial year, the annual report for that year. This requirement was not achieved due to delays in the preparation and subsequent audit of the consolidated Annual Report.



Consolidated Notes to Financial Statements for the Year Ended 30 June 2011

1. Cash and Cash Equivalents

The average interest rate received on the Bank Deposit for the 2010/11 year was 3.76%. In 2009/10 this was 4.21%.

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Cash at bank and in hand	2,151	1,745	2,869	2,053
Term deposits maturing 3 months or less from date of acquisition	82	6,491	82	6,491
Total Cash and Cash Equivalents	2,233	8,236	2,951	8,544

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 (2010: \$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:

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Cash and cash equivalent current asset	2,151	1,745	2,869	2,053
Short term deposits maturing 3 months or less from date of acquisition	82	6,491	82	6,491
Cash and cash equivalent current liability – bank overdraft	-	-	-	-
Total Cash Resources	2,233	8,236	2,951	8,544



2. Rates Revenue

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
General Rates				
Uniform Annual General Charge	4,373	4,534	4,371	4,530
General Land Rates	2,066	2,776	2,064	2,770
Stormwater	499	591	499	591
Targeted rates attributable to Activities				
Roading	5,998	5,912	5,996	5,908
Footpaths Loans	155	179	155	178
Sewerage	2,230	2,028	2,229	2,027
Water	1,200	1,273	1,200	1,273
Lump sum contribution by ratepayers for the Dannevirke Town Centre Refurbishment	-	-	-	-
Rates Revenue before Discount (as per Comprehensive Income)	16,521	17,293	16,514	17,277
Less 3% discount (5% 2009) for full payment at time of first instalment	(57)	(84)	(57)	(84)
Rates Revenue after Discount	16,464	17,209	16,457	17,193
Less Rates Remissions (in Other Operating Expenses)	(259)	(285)	(258)	(285)
Plus Miscellaneous Revenue: Net Rates Penalties	137	167	137	167
Total revenue from rates	16,342	17,091	16,336	17,075

Rates Remissions

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Rates Remissions				
Footpath Development Loans (Dannevirke Town Centre)	6	7	6	7
Roading Development Loans (Pahiatua Track)	1	-	1	-
Sewerage – Educational establishments	98	98	98	98
General Rates – Same owner; Same use; Semi contiguous	152	136	152	136
General Rates – Not for profit sports & cultural	2	44	2	44
	259	285	259	285

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

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Finance Income				
Interest on operating funds	168	211	188	222
Interest on special funds	295	374	295	374
Total Finance Income	463	585	483	596
Finance Costs				
Interest on Bank Overdraft	-	-	1	1
Landfill interest expense	32	80	32	80
Fair value movement of derivative	-	53	-	53
Interest on standby facility	9	9	9	9
Interest on secured loans	717	626	949	766
Total Finance Costs	758	768	991	909
Net Finance (costs)/gain	(295)	(183)	(508)	(313)

4. Other Revenue

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Revenue from the various domain boards	141	151	141	151
Library donations	19	-	19	-
Other	98	186	129	108
Rent	-	-	6	-
Total miscellaneous revenue	258	337	295	259

5. Other Gains & Losses

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Gain on disposal of Property, Plant & Equipment	15	29	15	29
Gifted Assets	-	-	-	-
Loss on derecognition of Property, Plant & Equipment	(159)	(236)	85	(348)
Gain (Loss) on Investment Properties	(12)	(31)	-	155
Gain (Loss) on Loans	1	1	-	-
Total gains/(losses)	(155)	(236)	100	(164)



6. Personnel Costs

Salaries and wages includes movements in employee benefit liabilities.

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Salaries & Wages	4,006	3,870	18,805	18,447
Defined contribution plan employer contributions	44	57	148	186
Other benefits	-	-	-	188
Increase/(decrease) in employee entitlements/liabilities	66	81	(25)	52
Total Employee Benefit Costs	4,116	4,008	18,928	18,873

Employer contributions to defined contribution plans include contributions to Kiwisaver and the DBP Contributors Scheme.

7. Employee Entitlements

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Accrued Pay	126	197	276	406
Annual Leave	266	285	1,675	1,668
Long Service Leave	-	-	222	212
Retirement Leave	117	108	350	381
Sick Leave	-	-	52	75
Total Employee Provisions	509	590	2,575	2,742
Made up of:				
Current Portion of Employee Provisions	392	483	2,200	2,379
Term Portion of Employee Provisions	117	107	375	363
Total Employee Provisions	509	590	2,575	2,742

Employee Provisions – Movements

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Opening Balance	443	509	2,558	2,574
Additional provision	267	386	219	474
Amount used	(270)	(305)	(271)	(305)
ACC accrued	-	-	-	-
Unused amounts reversed	69	-	69	-
Changes relating to discount	-	-	-	-
Net Movement for the Year	66	81	17	168
Closing Balance	509	590	2,575	2,742

8. Other Operating Expenses

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Audit fees for financial statement audit – current year	84	96	159	191
Audit fees for financial statement audit – prior year	-	6	-	6
Audit fees for Community Plan	13	25	13	25
Impairment of receivables movement (see note 10)	-	(21)	338	(50)
Impairment of property plant & equipment	-	-	151	(50)
Impairment of goodwill	-	-	362	-
Donations	17	-	17	-
Directors fees	-	-	172	157
Rental & operating lease expenses	-	-	315	331
Other operating expenses	12,657	14,004	24,889	27,950
Total other operating expenses	12,771	14,110	26,416	28,560

9. Taxation

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Income Tax Expense				
Components of Tax Expense				
Current tax expense	-	-	-	69
Adjustments to current tax in prior years	-	-	-	-
Deferred liability	-	-	(98)	18
Total income tax expense	-	-	(98)	87
Relationship between Tax and Accounting Profit				
Operating surplus/(deficit) before income tax	(38)	(1,107)	(1,113)	(987)
Prima facie tax @ 30%	(11)	(332)	(334)	(296)
Timing difference	-	-	-	-
Tax effect of permanent differences:				
Non-deductible expenditure	12	396	51	535
Group loss offset	-	-	-	-
Deferred tax adjustment	-	-	101	(3)
Recognition of tax effect of losses: Net additional/or (use) of losses	-	-	84	(84)
Imputation credits attached to dividends received	(1)	(64)	-	(64)
Income tax over provided in prior year	-	-	-	-
Total income tax expense	-	-	(98)	87



Consolidated Notes to Financial Statements

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 2009	(62)	49	(2,386)	-	662	(249)	14	6	(1,966)
Charged to profit & loss	(70)	(13)	42	-	(88)	(13)	3	236	98
Charged to equity	-	-	109	-	-	-	-	-	109
Balance 30 June 2010	(132)	37	(2,235)	-	575	(263)	18	241	(1,759)
Charged to profit & loss	(71)	44	187	-	(30)	34	(1)	(181)	(18)
Charged to equity	-	-	(583)	-	-	-	-	-	(583)
Balance 30 June 2011	(203)	80	(2,630)	-	545	(229)	17	(61)	(2,360)

Council and its subsidiaries qualify as a group of companies for tax purposes and transfer of losses:

	2009/10 \$000's Losses	2010/11 \$000's Losses	2009/10 \$000's Tax Effect	2010/11 \$000's Tax Effect
Subvention Payment (Infracon Ltd pays Council: taxable revenue in Council; expense in Infracon)	-	-	-	-
Loss Offset (Losses transferred to Infracon Ltd from Council)	-	-	-	-
	-	-	-	-

Council has not recognised a deferred tax asset in relation to tax losses of \$691,000 (2010: \$357,000).

Imputation Credit Account

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Opening Balance at Start of Year	-	-	2,179	2,123
Imputation account adjustment	-	-	-	1
Imputation credits attaching to dividends received during the year	-	-	(35)	1
Imputation credits attaching to dividends paid during the year	-	-	(42)	(64)
Income tax payments (refunds) during the year	-	-	(154)	(4)
Provisional tax payments made	-	-	173	-
Resident withholding tax paid	-	-	2	2
Closing Balance End of Year	-	-	2,123	2,058

10. Debtors and Other Receivables

(Amounts include GST)	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Rates receivables	632	957	632	957
Related party receivables	14	163	-	-
Community Loans	-	-	-	-
Sundry Debtors	528	407	3,808	6,288
Sundry Debtors -NZ Transport Agency: Roading Subsidies	1,022	1,271	1,899	2,089
Interest Accrued	153	162	153	162
Prepayments	64	33	151	120
Loans to related parties	21	-	-	-
Contract work in progress	-	-	427	1,407
Other receivables	237	55	237	55
	2,671	3,048	7,307	11,078
Less provision for impairment of receivables	(186)	(165)	(518)	(210)
Total Trade and other Receivables	2,485	2,883	6,789	10,868
Non-current portion				
Loans to related parties	-	-	-	-
Prepayments	-	14	-	14
Community loans	-	-	-	-
Non-current portion	-	14	-	14
Current portion	2,485	2,897	6,789	10,882

The rates receivable are as follows for assessed impairment, net collectable and debtor aging:

(Amounts include GST)	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Total rates receivable	632	955	632	955
Less assessed impairment	(72)	(74)	(72)	(74)
Net assessed as collectible after rating sales & expected collection	560	881	560	881
Collectible split for rating years as:				
>12 months	122	320	122	320
<12 months	438	561	438	561
Carrying amount	560	881	560	881

The trade and receivables excluding rates receivable are as follows for assessed impairment, net collectable and debtor aging:

(Amounts include GST)	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Current	1,555	1,404	5,187	9,249
1 Month	161	770	420	834
2 Months	12	13	112	27
Over 2 Months	125	128	438	190
	1,853	2,315	6,157	10,300

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. The carrying amount if receivables that are past due, but not impaired, whose terms have been renegotiated is \$NIL (2010: \$NIL).

Impairment

Council provides for impairment on some rates receivable for properties undergoing rating sales and a portion unlikely to be collected. 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 \$90,457 (2010: \$115,991).

The status of receivables as at 30 June 2011 are detailed below:

- There is only one concentration of credit risk with respect to receivables. 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 \$NIL (2010: \$22,600). The loan was fully repaid this year.
- The face value of community loans is \$60,000 (2009, \$NIL). This is a loan to Bush Multisport from 1 April 2011 to 1 April 2016 with an interest rate of 6%. Fair value of the loan equals the face value.
- The carrying value of trade and other receivables (excluding loans to related parties) approximates their fair value. As of 30 June 2011, all overdue receivables have been assessed for impairment and appropriate provisions applied. Council 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 pool of debtors. Expected losses have been determined based on an analysis of Council losses in previous periods, and review of specific debtors.

Group Impairment of Trade Receivables

Infracon Limited has outstanding trade receivables of \$7,159,154 (year 2010: \$3,947,000) aged less than 90 days. Those 90 days and over were \$32,281 (2010: \$279,000). Those aged 90 days and over were impaired by \$46,173 (2010: \$254,000). Total impairment for the year was \$46,173 (2010: \$332,318).

Those specific debtors that are insolvent are fully provided for. As at 30 June 2011 Infracon Limited has identified two debtors that are insolvent totalling \$8,000 (2010: \$7,000).

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:

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
At 1 July	125	186	131	518
Additional/(Reduction in) provisions made during the year	61	(21)	398	(50)
Less Receivables written off during period	-	-	(11)	(258)
At 30 June	186	165	518	210

11. Forestry Assets

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Balance at 1 July	-	-	769	1,008
Increases due to purchases	-	-	-	62
Gains/Losses arising from changes in fair value - less estimated sale costs	-	-	297	186
Decreases due to sales	-	-	-	-
Decrease due to harvest	-	-	(58)	(26)
Balance at 30 June	-	-	1,008	1,230

Tararua Forests Limited owns 354.2 hectares of pinus radiata forest and 6.4 hectares of cypress/native. Tararua Forests Limited had 360.6 hectares of forest at year end (2010: 302.5 hectares). The trees are at varying stages of maturity ranging from 0-30 years.

During the 2010/11 year Tararua Forests Limited harvested 5.5 hectares of forestry. Harvesting operations curtailed in December 2010 when the harvesting contractor ceased operations.

Registered valuers John Turkington Ltd and Alan Bell & Associates have valued forestry assets as at 30 June 2011. The valuation was peer reviewed by Independent Valuer, PF Olsen Ltd. A pre-tax discount rate of 10% has been used in discounting the present value of expected cashflows.

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

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Held for distribution inventory				
Rural fire consumables	1	4	1	4
Fuel & Oil	-	-	55	50
Paper Stock	-	23	-	23
i-SITE stock	4	3	4	3
Commercial inventory				
Livestock	6	4	6	4
Material Stocks	15	-	2,045	2,007
Total Inventory and Livestock	26	34	2,111	2,091

No inventories were pledged as security for liabilities nor are any inventories subject to retention of title clause.



13. Other Financial Assets

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Current Portion				
Short term deposits greater than 3 months but less than 12 months	8,701	4,513	8,808	4,563
Total Current Portion	8,701	4,513	8,808	4,563
Non-current Portion				
Term deposits greater than 12 months	1,005	-	1,005	-
Shares - TDC Holdings Limited	5,017	5,015	-	-
Tararua Aquatic Community Trust settled by Council (Initial \$500 capital)	1	1	-	-
Loan to Bush Multisport Trust	-	60	-	60
New Zealand Local Government Insurance Corporation Limited	132	132	132	132
MW LASS shares	-	1	-	1
Total Non Current Portion	6,154	5,209	1,137	193
Total Investments	14,855	9,722	9,945	4,756

There were no impairment provisions for other financial assets.

Term Deposits

The carrying amount of term deposits approximates their fair value.

Local Authority Share

The fair value of local authority share is greater than the cost value appearing in the statements as at 30 June 2011. Therefore there has been no adjustment made for impairment of these assets for 2010/11 year (2009/10: NIL).

Impairment

There were no impairment provisions for other financial assets. None of the financial assets are either past due or impaired.

14. Investment Property

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Balance at 1 July	442	430	-	-
Additions from acquisitions	-	-	-	-
Disposals	-	-	-	-
Fair value gains/(losses) on valuation	(12)	(31)	-	-
Balance at 30 June	430	399	-	-
Rental Income	74	74	-	-
Direct Operating Expenses	(12)	(13)	-	-
Surplus (Deficit)	62	61	-	-



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 registered valuers Kerry Stewart and Jamie Benoit of Darroch, previously Quotable Value New Zealand.

These properties 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 2011 the loans repayable to tenants totalled \$592,725 (2010 \$547,000).

16. Property, Plant & Equipment

Valuation of Property, Plant & Equipment

Council Revaluations

Infrastructure Assets - Roading Network, Water Network, Sewerage Network and Stormwater Network

The valuation was performed by Ray Cannon BTech Civil Engineering (UK), Council's Consultancy Roading Manager and Engineer, and reviewed by Registered Valuers, John Vessey BE BA. MIPENZ MACENZ at Opus, using optimised depreciated replacement cost. The valuation is effective as at 30 June 2011.

The total fair value valued by Council and reviewed by John Vessey was \$777,792,000. There is no amounts of property, plant and equipment pledged as security for liabilities.

Infracon Ltd Revaluations

Revaluation of Land and Buildings

Infracon Limited engages B D Main Waring, a qualified independent valuer of Blackmore & Associates, registered public valuers, to determine the fair value of its freehold land and buildings.

Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and knowledgeable willing seller in an arms length transaction as at valuation date. Fair value is determined by direct reference to recent market transactions on arm's length terms for land and buildings comparable in size and location to those held by the company, and to market based yields for comparable properties.

The total fair value of property (land & buildings) valued by Blackmore & Associates Ltd is \$2,127,541 and this was effective at 30 June 2011.

Revaluation of Heavy Plant and Equipment and Motor Vehicles

Infracon Limited engaged Graham L Bayley, a qualified independent valuer, member of the New Zealand Property Institute to determine the fair value of heavy plant and equipment and motor vehicles.

Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and knowledgeable willing seller in an arms length transaction as at valuation date. Fair value is determined by direct reference to recent market transactions on an arm's length terms for heavy plant and equipment and motor vehicles comparable to those held by the Company, and after consideration to current day replacement costs, condition and obsolescence factors applying.

The total fair value of heavy plant and equipment and motor vehicles valued by Graham L Bayley is \$14,152,102. The effective date of the revaluation was 30 June 2011.



Consolidated Notes to Financial Statements

Council 2011

	Cost or Valuation Opening Bal 1 July 2010 \$000's	Accumulated Depreciation Opening Bal 1 July 2010 \$000's	Carrying Amount Opening Bal 1 July 2010 \$000's	Current Year Additions \$000's	Current Year Disposals \$000's
Operational Assets					
At Valuation					
Buildings	15,721	(1,219)	14,502	111	(430)
Land	10,016	-	10,016	36	(49)
At Cost					
Computer Equipment	1,264	(929)	335	164	(48)
Fibre Cabling & Conduits	1,046	(59)	987	5	-
Furniture and Fittings	572	(542)	30	16	-
Heritage	-	-	-	-	-
Library Collections†	1,006	(705)	301	98	-
Motor Vehicles	1,136	(576)	560	175	(73)
Plant and Machinery	1,420	(531)	889	127	(2)
Swimming Pools	362	(115)	247	22	-
Work in Progress	76	-	76	140	-
Total Operational Assets	32,619	(4,676)	27,943	894	(602)
Infrastructure Assets					
At Valuation					
Roading Network	615,918	-	615,918	5,643	-
Roading Bridges and Culverts	55,952	-	55,952	29	-
Roading Land	24,156	-	24,156	-	-
Sewerage Systems	22,475	-	22,475	306	-
Stormwater Systems	11,052	-	11,052	-	-
Street-lighting	1,067	-	1,067	17	-
Waste Management	502	(376)	126	689	-
Water Supply Systems	30,086	-	30,086	1,093	(208)
At Cost					
Work in Progress	1,324	-	1,324	2,264	-
Total Infrastructure Assets	762,532	(376)	762,156	10,041	(208)

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 2011 \$000's	Accum. Depn & Impairment Closing Bal 30 June 2011 \$000's	Carrying Amount Closing Bal 30 June 2011 \$000's
-	(1,078)	80	-	(1,402)	14,000	(2,219)	11,781
-	-	-	-	(433)	9,570	-	9,570
-	(143)	48	-	-	1,380	(1,023)	356
-	(39)	-	-	-	1,051	(98)	953
-	(14)	-	-	-	588	(556)	32
-	(130)	-	-	2,753	2,753	(130)	2,623
-	(91)	-	-	-	1,104	(796)	308
-	(136)	73	-	-	1,238	(640)	599
-	(136)	2	-	-	1,545	(666)	880
-	(8)	-	-	-	384	(123)	261
-	-	-	-	(59)	157	-	157
-	(1,775)	203	-	859	33,770	(6,250)	27,521
-	(5,562)	-	34,406	-	650,405	-	650,405
-	(1,289)	-	6,473	(841)	60,323	-	60,323
-	-	-	-	-	24,156	-	24,156
-	(733)	-	865	-	22,913	-	22,913
-	(204)	-	551	-	11,399	-	11,399
-	(58)	-	65	-	1,091	-	1,091
-	(281)	-	-	-	1,191	(657)	533
-	(1,031)	8	1,713	-	31,661	-	31,661
-	-	-	-	(1,059)	2,529	-	2,529
-	(9,158)	8	44,073	(1,900)	805,668	(657)	805,010



Consolidated Notes to Financial Statements

	Cost or Valuation Opening Bal 1 July 2010 \$000's	Accumulated Depreciation Opening Bal 1 July 2010 \$000's	Carrying Amount Opening Bal 1 July 2010 \$000's	Current Year Additions \$000's	Current Year Disposals \$000's
Restricted Assets					
At Valuation					
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	-	-
Total Restricted Assets	5,254	-	5,254	-	-
Total Council Assets	800,405	(5,052)	795,353	10,935	(810)

Plus Intangible Amortisation

Total Parent Depreciation and Amortisation

* The adjustments column refers to the reversal of the work in progress balances from the previous year and the reclassification of heritage assets.

† Library collections was previously categorised as an operational asset at valuation. This is incorrect as we do not revalue the library collections. Council has therefore reclassified these as "at cost".



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 2011	Accum. Depn & Impairment Closing Bal 30 June 2011	Carrying Amount Closing Bal 30 June 2011
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
-	-	-	-	-	1,706	-	1,706
-	-	-	-	-	2,212	-	2,212
-	-	-	-	-	651	-	651
-	-	-	-	-	432	-	432
-	-	-	-	(77)	176	-	176
-	-	-	-	(77)	5,177	-	5,177
-	(10,934)	211	44,073	(1,118)	844,614	(6,906)	837,708
(57)							
(10,991)							



Consolidated Notes to Financial Statements

Consolidated 2011

	Cost or Valuation Opening Bal 1 July 2010 \$000's	Accumulated Depreciation Opening Bal 1 July 2010 \$000's	Carrying Amount Opening Bal 1 July 2010 \$000's	Current Year Additions \$000's	Current Year Disposals \$000's
Operational Assets					
At Valuation					
Buildings	17,003	(1,255)	15,748	111	(430)
Land	11,419	-	11,419	36	(49)
Motor Vehicles	6,036	(1,511)	4,526	32	(80)
Plant and Machinery	10,994	(1,733)	9,261	-	(26)
At Cost					
Buildings	1,466	(294)	1,172	12	-
Computer Equipment	2,054	(1,567)	488	180	(49)
Fibre Cabling & Conduits	1,046	(59)	987	5	-
Furniture and Fittings	670	(584)	86	17	(1)
Heritage	-	-	-	-	-
Land	143	-	143	-	-
Library Collections	1,006	(705)	301	98	-
Motor Vehicles	1,136	(576)	560	175	(73)
Plant and Machinery	4,277	(1,900)	2,377	181	(21)
Swimming Pools	362	(115)	247	22	-
Work in Progress	76	-	76	140	-
Total Operational Assets	57,688	(10,299)	47,389	1,009	(729)
Total Infrastructural Assets	762,532	(376)	762,156	10,040	(208)
Total Restricted Assets	5,254	-	5,254	-	-
Total Consolidated Assets	825,474	(10,675)	814,799	11,049	(937)
Plus Intangible Amortisation					
Total Consolidated Depreciation and Amortisation					

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 2011	Accum. Depn & Impairment Closing Bal 30 June 2011	Carrying Amount Closing Bal 30 June 2011
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
-	(1,119)	156	29	(1,399)	15,239	(2,218)	13,021
-	-	-	(116)	(433)	10,858	-	10,858
-	(713)	2,224	849	-	4,613	-	4,613
-	(805)	2,538	1,104	112	9,646	-	9,646
-	(40)	-	-	-	1,478	(334)	1,144
-	(252)	48	-	-	2,186	(1,770)	416
-	(39)	-	-	-	1,051	(98)	953
-	(27)	-	-	(3)	682	(611)	71
-	(130)	-	-	2,753	2,753	(130)	2,623
-	-	-	-	-	143	-	143
-	(91)	-	-	-	1,104	(796)	308
-	(136)	73	-	-	1,238	(639)	599
-	(409)	2	-	(112)	4,310	(2,292)	2,017
-	(8)	-	-	-	384	(123)	261
-	-	-	-	(59)	157	-	157
	(3,768)	5,040	1,866	859	55,841	(9,012)	46,829
-	(9,158)	8	44,073	(1,900)	805,667	(657)	805,010
-	-	-	-	(77)	5,177	-	5,177
0	(12,926)	5,048	45,939	(1,118)	866,685	(9,669)	857,016
	(157)						
	(13,083)						



Consolidated Notes to Financial Statements

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
Operational Assets					
At Valuation					
Buildings	15,613	-	15,613	108	-
Computer Equipment	-	-	-	-	-
Fibre Cabling & Conduits	-	-	-	-	-
Furniture and Fittings	-	-	-	-	-
Land	10,016	-	10,016	-	-
At Cost					
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 [†]	894	(636)	258	112	-
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	-
Total Operational Assets	32,578	(3,657)	28,921	897	(758)
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)
At Cost					
Work in Progress	1,238	-	1,238	1,324	-
Total Infrastructure Assets	730,150	(350)	729,800	8,632	(357)

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
-	(169)	655	-	-	1,264	(929)	335
-	(39)	-	-	-	1,046	(59)	987
-	(21)	-	-	-	572	(542)	30
-	-	-	-	-	-	-	-
-	(69)	-	-	-	1,006	(705)	301
-	(118)	101	-	-	1,136	(576)	560
-	(134)	1	-	-	1,420	(531)	889
-	(7)	-	-	-	362	(115)	247
-	-	-	-	(98)	76	-	76
-	(1,776)	757	-	(98)	32,619	(4,676)	27,943
-	(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
-	-	-	-	(1,238)	1,324	-	1,324
-	(8,435)	-	33,760	(1,244)	762,532	(376)	762,156



Consolidated Notes to Financial Statements

	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
Restricted Assets					
At Valuation					
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	-	-
Total Restricted Assets	5,254	-	5,254	-	-
Total Council Assets	767,982	(4,007)	763,975	9,529	(1,115)

Plus Intangible Amortisation

Total Parent Depreciation and Amortisation

* The adjustments column refers to the reversal of the work in progress balances from the previous year and the reclassification of heritage assets.

† Library collections was previously categorised as an operational asset at valuation. This is incorrect as we do not revalue the library collections. Council has therefore reclassified these as "at cost".



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
-	-	-	-	-	1,706	-	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 Notes to Financial Statements

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
Operational Assets					
At Valuation					
Buildings	16,823	-	16,823	180	-
Computer Equipment	-	-	-	-	-
Fibre Cabling & Conduits	-	-	-	-	-
Furniture and Fittings	-	-	-	-	-
Land	11,432	-	11,432	-	-
Leasehold Development	-	-	-	-	-
Library Collections	-	-	-	-	-
Motor Vehicles	6,050	(733)	5,317	-	(13)
Plant and Machinery	10,991	(808)	10,183	46	(44)
Swimming Pools	-	-	-	-	-
At Cost					
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	894	(636)	258	112	-
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	-
Total Operational Assets	57,375	(7,036)	50,339	1,244	(817)
Total Infrastructural Assets	730,150	(350)	729,800	8,632	(357)
Total Restricted Assets	5,254	-	5,254	-	-
Total Consolidated Assets	792,779	(7,386)	785,393	9,876	(1,174)
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
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(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
-	(69)	-	-	-	1,005	(704)	301
-	(118)	101	-	-	1,137	(577)	560
-	(435)	1	-	(1)	4,278	(1,902)	2,376
-	(7)	-	-	-	363	(116)	247
-	-	-	-	(98)	76	-	76
(151)	(3,870)	757	-	(110)	57,542	(10,152)	47,390
-	(8,435)	-	33,760	(1,244)	762,532	(376)	762,156
-	-	-	(2)	2	5,254	-	5,254
(151)	(12,307)	757	33,758[†]	(1,352)	825,328	(10,528)	814,800
	(505)						
	(12,812)						



17. Intangible Assets

Intangibles on Easements

	Cost \$000	Accumulated amortisation impairment expense \$000	Opening carrying amount \$000	Additions \$000	Disposals/ transfers \$000	Amortisation impairment expense \$000	Closing balance \$000
--	---------------	---	--	--------------------	----------------------------------	--	-----------------------------

Council

2010/11

Computer Software	590	(505)	85	434	-	(57)	462
Intangible WIP	193	-	193	4	(193)	-	4
Total	783	(505)	278	438	(193)	(57)	466

2009/10

Computer Software	516	(462)	54	74	-	(43)	85
Computer Software WIP	-	-	-	193	-	-	193
Total	516	(462)	54	267	-	(43)	278

Consolidated

2010/11

Computer Software	1,133	(770)	363	533	-	(118)	778
Computer Software	193	-	193	-	(193)	-	-
Intangible WIP	-	-	-	4	-	-	4
Resource Consent	659	(311)	348	-	-	(39)	309
Total	1,985	(1,081)	904	537	(193)	(157)	1,092

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)	-
Total	1,874	(984)	890	518	-	(505)	904

Easements have not been valued as the total estimated value (number of easements 20 @ \$1000) of \$20,000 is not material.

18. Creditors and Other Payables

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Trade payables	1,037	1,048	2,930	6,681
Amounts payable to related parties including their retentions (note 27)	989	1,283	-	1
Revenue in advance from customers	66	102	244	104
Interest Accrued	14	29	14	29
Amounts payable to contractors as retentions	295	190	17	190
Advances received for contract work	-	-	-	-
Other payables	47	-	1,523	-
Total trade and other payables	2,448	2,652	4,728	7,005

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 6.11% (2010: 6.4%).

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Non current				
Landfill aftercare provision				
Opening Balance	458	250	458	250
Additional provisions during the year	(208)	476	(240)	476
Amounts used during the year	-	-	32	-
Unused amounts reversed during the year	-	-	-	-
Discount unwinding	-	-	-	-
Closing balance	250	726	250	726

	Opening Date	Closure Date	After Care Until	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Woodville Landfill	1960	1997	2027	28	43	28	43
Pahiatua Landfill	1973	2012	2042	53	117	53	117
Ormondville Landfill	1963	2000	2030	(7)	48	(7)	48
Eketahuna Landfill	1971	2018	2048	86	196	86	196
Pongaroa Landfill	1973	2021	2051	24	178	24	178
Dannevirke Landfill	1973	2012	2042	66	144	66	144
Total Landfill Liability				250	726	250	726

2009/10		Carrying Amount Brought Forward	Provision Made Over the Period	Amount Used	Balance
Council \$000's		\$000's	\$000's	\$000's	\$000's
28	Woodville Landfill	28	17	(2)	43
53	Pahiatua Landfill	53	67	(3)	117
(7)	Ormondville Landfill	(7)	57	(2)	48
86	Eketahuna Landfill	86	113	(3)	196
24	Pongaroa Landfill	24	157	(3)	178
66	Dannevirke Landfill	66	82	(4)	144
250	Total Landfill Liability	250	493	(17)	726

20. Provision – Site Restoration

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 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	-	-	-	-
Balance at 30 June	-	-	60	60

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

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Current				
Bank Overdraft (Infracon - current rate of interest is 11.20%, last year 10.85%)	-	-	-	43
Secured Loans	2,023	5,000	4,042	6,012
Total Current Borrowings	2,023	5,000	4,042	6,055
Non-current				
Derivative Financial Instruments	-	53	-	53
Secured Loans	8,000	5,000	8,000	5,000
Total Non-current Borrowings	8,000	5,053	8,000	5,053
Total Borrowings	10,023	10,053	12,042	11,108

Fixed-Rate Borrowings

	Maturity Date	Interest Rate 2009/10	Interest Rate 2010/11	Actual 2009/10	Actual 2010/11
Current					
Fixed Rate Term Loan	15 Sept 2015		4.55%		2,000
Fixed Rate Term Loan	15 Sept 2011	8.21%	8.21%	2,000	2,000
Fixed Rate Term Loan	16 Sept 2012		6.47%		1,000
EECA Loan CL235	15 May 2011	5.20%	5.20%	23	-
Total Current Borrowings				2,023	5,000
Non-current					
Fixed Rate Term Loan	15 Sept 2015	5.05%	-	2,000	-
Fixed Rate Term Loan	16 Sept 2012	6.47%	-	1,000	-
Capped Range Rate Term Loan	31 Mar 2014	5.84%	5.84%	5,000	5,000
Total Non-current Borrowings				8,000	5,000
Total Borrowings				10,023	10,000

Secured Loans

The Council's secured debt of \$10 million (2010: \$10 million) is mostly issued at fixed rates of interest.

For capped range rate term loan interest, rates are reset on a monthly basis and kept within the capped range as per agreement with the bank.

Security

Any overdraft is secured against rates. The maximum amount that can be drawn down against the overdraft facility is \$500,000 (2010: \$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.

	2010 \$000's	2011 \$000's
Borrowing facilities not drawn down up to 30 June		
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)	29	29
Liabilities outstanding under Letter of Credit		
None	-	-
Outstanding commitments on forward exchange contracts		
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.

Infracon

• 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 11.20% per annum (2010: 10.85%).

The bank overdraft facility was drawn down at balance date (\$42,958; 2010: \$NIL).

• Credit Plus Facility

The credit Plus facility is a revolving credit facility. The available limit at balance date was \$692,827. The credit plus facility was drawn on at balance date (\$160,000; 2010: \$NIL).

• Assets Pledged as Security

The carrying amounts of assets pledged as security for current and non current liabilities are:

	\$
Land	1,085,500
Buildings	1,042,041
Property Plant & Equipment	15,382,611

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 Covenant

As at the calculation date of 30 June 2011, Infracon Ltd breached two of its banking covenants; the interest cover ratio and monthly management reporting. The interest coverage ratio requires the company to maintain interest coverage at 1.25 times EBIT (earnings before interest and taxation). Infracon is also required to provide monthly management reporting within 60 days of month end. Due to the implementation of new financial systems, Infracon was unable to comply with the covenant.

The bank has reviewed the breaches and has agreed to renew all banking facilities with the company with some modifications to existing terms and conditions. The interest coverage ratio now requires the company to maintain interest coverage at four



Consolidated Notes to Financial Statements

times EBITDA (earnings before interest, depreciation and amortisation). The bank 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. The company has breached its reporting covenant in respect to indications that the company will breach any of its other covenants during the first half of 2011/12 financial year.

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
Expense Interest Rates 2011			
Less than one year	-	5,000	6,012
weighted average effective interest rate	N/A	6.40%	6.64%
Later than one year but not more than five years	-	5,000	5,000
weighted average effective interest rate	N/A	5.84%	5.84%
Later than five years	-	-	-
weighted average effective interest rate	N/A	-	-
Energy Efficiency & Conservation Authority (with fee deemed as Interest expense)			
Less than one year	-	-	-
weighted average effective interest rate	-	-	-
Later than one year but not more than five years	-	-	-
weighted average effective interest rate	-	-	-
	-	10,000	11,012
Expense Interest Rates 2010			
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	-	-
Energy Efficiency & Conservation Authority (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

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
--	------------------------------------	---------------------------------------	---	----------------------------	-------------------------------------	---

2011

Balance at 1 July	368,021	422,914	10,918	30	801,883	816,636
Net surplus/(deficit) for the year	(1,107)	-	-	-	(1,107)	(1,073)
Less dividend declared	-	-	-	-	-	-
Fair value through equity, valuation gains	-	-	-	-	-	-
Increases/(decreases) from revaluation	-	44,073	-	-	44,073	45,969
Tax on equity items	-	-	-	-	-	(583)
Change in Equity for the year before transfers of equity reserves	(1,107)	44,073	-	-	42,966	44,314

Transfers between equity reserves:

Net Appropriation from Accum. Funds to Special Funds	(3,110)	-	3,110	-	-	-
Net Appropriation to Accum. Funds from Trust Funds	-	-	-	-	-	-
Net Transfers from Revaluation Reserves to Accum. Funds	274	(274)	-	-	-	-
Total Change in Equity for the Period	(3,943)	43,800	3,110	-	42,966	44,314

Closing Equity at 30 June 2011

Parent Financial Interest	364,077	466,713	14,028	30	844,848	855,190
Minority Interest	-	-	-	-	-	5,760
Balance at 30 June	364,077	466,713	14,028	30	844,848	860,950

2010

Balance at 1 July	369,226	389,236	9,672	30	768,164	783,807
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
Change in Equity for the year before transfers of equity reserves	(38)	33,757	-	-	33,719	32,829

Transfers between equity reserves:

Net Appropriation to Accumulated Funds from Special Funds	(1,246)	-	1,246	-	-	-
Net Appropriation to Accumulated Funds from Trust Funds	-	-	-	-	-	-
Net Transfers from Revaluation Reserves to Accumulated Funds	79	(79)	-	-	-	-
Total Change in Equity for the Period	1,205	33,678	1,246	-	33,719	32,829

Closing Equity at 30 June 2010

Parent Financial Interest	368,021	422,914	10,918	30	801,883	810,840
Minority Interest	-	-	-	-	-	5,796
Balance at 30 June	368,021	422,914	10,918	30	801,883	816,636



23. Revaluation Reserves

	Balance 1-Jul-10 \$000's	Revaluation Deferred Tax \$000's	Revaluation Assets Changes \$000's	Disposals/ Value Adjust. \$000's	Balance 30-Jun-11 \$000's
Council Revaluation Reserves					
Fixed Assets Revaluation Reserves					
Operational: Land	7,793	-			7,793
Operational: Buildings	7,118	-		(273)	6,845
Operational: Motor Vehicles	-	-			-
Operational: Plant & Equipment	-	-			-
Reserves: Cemetery	1,314	-			1,314
Reserves: Parks and Reserves	1,764	-			1,764
Reserves: Roothing	530	-			530
Reserves: Sundry	361	-			361
Reserves: War Memorials	142	-			142
Roothing Network	330,375	-	34,471		364,846
Roothing Land	4,288	-	-		4,288
Bridges and Culverts	26,663	-	6,473		33,136
Stormwater	7,596	-	551		8,147
Water Network	23,321	-	1,713		25,034
Sewerage	11,649	-	865		12,514
Total Fixed Assets Revaluation Reserves	422,914	-	44,073	(273)	466,713
Share Revaluation Reserve					
Shares	-	-	--	-	-
Total Share Revaluation Reserve	-	-	-	-	-
Total Revaluation Reserves - Council	422,914	-	44,073	(273)	466,713
Consolidated Revaluation Reserves					
Fixed Assets Revaluation Reserves					
Council	422,914	-	44,073	(273)	466,713
Other Entities	1,804	(385)	1,252	(867)	1,804
Total Revaluation Reserves - Consolidated (Per Statements)	424,718	(385)	45,324	(1,140)	468,517
Minority Interests	1,401	(198)	646	(447)	1,401
Revaluation Reserves including Minority Interests	426,119	(583)	45,970	(1,587)	469,918
Net Movement as per Statement of Comprehensive Income			45,970		

The opening values for operational land and roothing land have been adjusted to take into account the reclassification of certain assets to Heritage assets.

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-10 \$000's	Transfers In \$000's	Transfers Out \$000's	Transfer Interest In \$000's	Balance 30-Jun-11 \$000's
Tararua General Purpose	755	314	(5)	32	1,096
Tararua Land Sub-division and Development	4				4
Council Depreciation	5,952	9,192	(6,712)	166	8,598
Tararua Emergency Roothing	1,837			72	1,909
Tararua Gratuity	277			11	288
Tararua Housing	288	66	(80)	11	285
Dannevirke Airport Authority	6		(25)	0	(19)
Eketahuna Cemetery	51			2	53
Pahiatua Borough Lawn Cemetery	5				5
Makuri Water Scheme	7				7
Recreation Grant	107		(80)	3	30
Tenant Contribution (Debt Repayment)	543	46		25	614
Pongaroa Water Supply Depreciation	145	10		6	161
Heritage Reserve	49		(9)	2	42
Consultancy Depreciation	196	44	(68)	8	180
Consultancy General	10	90		1	101
Biodiversity Protection	46		(25)	2	23
Election	5		(30)		(25)
Water Development	(15)			(1)	(16)
Waste Management	74			3	77
TACT Wai Splash Depreciation	80	40	(22)	3	101
Sewerage Op Surplus Reserve	70			2	72
Water Op Surplus Reserve	61			2	63
Bush Multisport Depreciation	61			2	63
Domain Boards Bank Balances	304	167	(155)		316
Total Council	10,918	9,969	(7,211)	352	14,028

Summary of Special Fund Movements

	Balance 1-Jul-10 \$000's	Net transfer (to)/from Accumulated Funds \$000's	Balance 30-Jun-11 \$000's
Total Council	10,918	3,110	14,028



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-10	Funds Received	Expenses Paid	Interest Earned	Balance 30-Jun-11
	\$000's	\$000's	\$000's	\$000's	\$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	3	(3)	-	9
Total Council	30	20	(20)	-	30

Summary of Trust Fund Movements

	Balance 1-Jul-10	Net transfer to/(from) Accumulated Funds	Balance 30-Jun-11
	\$000's	\$000's	\$000's
Total Council and Consolidated	30	-	30

26. Reconciliation of Net Surplus to Net Cash Inflow from Operating Activities

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Reported Surplus/(Deficit) from Statement of Comprehensive Income	(38)	(1,107)	(1,016)	(987)
Add (less) non cash items				
Depreciation & Amortisation	10,254	10,991	12,450	13,083
Impairment Losses/(Recoveries)	-	-	151	(50)
(Increase)/Decrease Deferred Taxation	8	-	(198)	18
Goodwill impairment	-	-	362	-
Assets Introduced	-	-	-	-
Donated Assets	-	-	-	-
Changes in Fair Value	-	53	-	53
Value of Forests Sold	-	-	58	26
Other (Gains)/Losses & Revaluation (Increases)/Decreases	155	236	(100)	93
Bad Debts Written Off or Bad Debt Provision	(57)	(21)	(25)	(21)
Total non cash items	10,360	11,259	12,698	13,202
Add/(less) movements in working capital items				
(Increase)/Decrease in Inventory and Livestock	12	(8)	36	20
(Increase)/Decrease in Accounts Receivable & Prepayments	717	(785)	2,862	(4,083)
Increase/(Decrease) in Accounts Payable & Accruals	(844)	205	(1,985)	2,277
Increase/(Decrease) in Employee Provisions	66	81	115	169
(Increase)/Decrease in Net GST	(74)	307	(74)	149
Total movements in working capital	(123)	(200)	954	(1,468)
Add/(Less) Items classified as Investing Activities	(146)	(220)	(167)	(221)
Total items classified as Investing Activities	(146)	(220)	(167)	(221)
Net cash surplus from operating activities	10,053	9,732	12,469	10,526



27. Related Party Transactions

	2009/10 \$000's	2010/11 \$000's
Related Party Transactions with Subsidiaries and Associates		
TDC Holdings Limited		
Services received by Council during the year (GST exc)	46	52
Services provided by Council during the year (GST exc)	7	5
Amounts payable to Council at year end (GST inc)	8	6
Amounts receivable by Council at year end (GST inc)	52	-
Dividends payable to Council during the year (GST exc)	-	150
Infracon Limited		
Services received by Council during the period (GST exc)	7,879	9,618
Services provided by Council during the period (GST exc)	253	107
Amounts receivable by Council at year end (GST inc)	8	-
Subvention Payment receivable by Council at year end (GST exc)	-	-
Amounts payable by Council at year end as contract retentions (GST inc)	278	248
Amounts payable by Council at year end provision for ex employee retirement (GST exc)	43	43
Amounts payable by Council at year end -provision for ex employee sick leave (GST exc)	16	12
Amounts payable by Council at year end (GST inc)	620	1,190
Dividends payable to TDC Holdings Limited at year end (GST exc)	-	-
Tararua Forests Limited		
Services received by Council during the year (GST exc)	-	-
Services and rates provided by Council during the period (GST exc)	8	14
Amount payable to Council at year end (GST inc)	-	-
Services provided by TDC Holdings Limited during the year (GST exc)	5	5
Amounts payable to TDC Holdings Limited at year end (GST inc)	6	-
Dividends paid to TDC Holdings Limited during the year (GST exc)	-	-
Council is settlor of the Tararua Aquatic Community Trust and meets the definition being of a Council Organisation		
Income of the Trust provided by the Council (GST exc)	180	201
Council provided TACT a Loan sourced from Energy Efficiency Conservation Authority for a new water heat exchange plant	-	-
- This is a low cost loan and is discounted to its fair value and is included in "Trade and Other Receivables"	21	-
Loan repayments to Council (by right of offset against the Income provided to the Trust)	23	21
Payments for Services received by the Council (GST exc)	-	1
Amounts receivable by Council at year end (GST inc)	-	-
Manawatu Wanganui LASS		
Insurance charged to Council from MW LASS	62	95



Consolidated Notes to Financial Statements

	2009/10 \$000's	2010/11 \$000's
Related party transactions involving elected members and key management personnel		
Chris Southgate, Southgate Valuations & Consultancy Dannevirke - valuation services to Council	-	2
David Roberts, legal services	-	3
Ray Teahan, newspapers and magazines	-	-
Related party transactions involving Directors and Trustees		
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)	173	40
P Burne (Morris & Bailey Ltd, provided services to Infracon Limited)	528	77
R J Trotter (contracting services provided by Infracon Limited)	3	2
R J Trotter (contracting services provided to Infracon Limited)	-	6
J P Gallagher	2	-
Flowerlands, family association to Infracon Chief Executive, G Tripp	3	3
At 30 June 2011:		
Infracon Limited owing by Morris & Bailey	-	-
Infracon Limited owing to Morris & Bailey	-	-
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

During the year, Councillors and key management, as part of normal customer relationships, have transacted with Council, such as payment of rates.



28. Financial Instruments

Financial Instrument Categories

The accounting policies for financial instruments have been applied to the line items below:

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Financial Assets				
Fair value through the surplus or deficit – held for trading	-		-	
Loans and Receivables				
Cash and cash equivalents	2,233	8,236	2,951	8,544
Debtors and other receivables*	2,421	2,850	6,638	10,868
Other financial assets				
- term deposits	9,706	4,513	9,813	4,563
- community loans	-	60	-	60
- loans to related parties	21	-	-	-
Total loans and receivables	14,381	15,659	19,402	24,035
Fair value through other comprehensive income				
Other financial assets				
- local authority and government stock	132	132	132	132
Total fair value through other comprehensive income	132	132	132	132
Total Financial Assets	14,513	15,791	19,534	24,167
Financial Liabilities				
Fair value through the surplus or deficit - held for trading				
Interest rate swaps	-	53	-	53
Financial Liabilities at amortised cost				
Creditors and other payables	2,448	2,652	4,728	7,005
Borrowings				
- bank overdraft	-		-	43
- secured loans	10,023	10,000	12,042	11,012
- debentures	-	-	-	-
Total Financial Liabilities at amortised cost	12,471	12,705	16,770	18,113

* Debtors and other receivables does not include prepayments.

Fair Value Hierarchy Disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Consolidated Notes to Financial Statements

- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

	Valuation Technique			
	Total	Quoted market price	Observable inputs	Significant nonobservable inputs
	\$000	\$000	\$000	\$000

Council and Group - 30 June 2011

Financial Assets

Unlisted shares

New Zealand Local Government Insurance Corporation Limited	132	-	-	132
Unlisted shares (MW LASS)	1	-	-	1

Financial Liabilities

Derivative financial instruments	53	-	53	-
----------------------------------	----	---	----	---

Council and Group - 30 June 2010

Financial Assets

New Zealand Local Government Insurance Corporation Limited	132	-	-	132
Unlisted shares (MW LASS)	-	-	-	-

Financial Liabilities

Derivative financial instruments	-	-	-	-
----------------------------------	---	---	---	---

There were no transfers between the different levels of the fair value hierarchy

Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	Council		Group	
	2010	2011	2010	2011
	\$000	\$000	\$000	\$000
Balance at 1 July	132	132	132	132
Gain and losses recognised in the surplus or deficit	-	-	-	-
Gain and losses recognised in other comprehensive income	-	-	-	-
Purchases	-	1	-	1
Balance at 30 June	132	133	132	133

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 has established 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.

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 now 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. Council'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, Tararua Forests Limited, and Tararua Aquatic Community Trust

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 86% 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.

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, Council 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, which gives rise to credit risk.

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 50% of Infracon Limited's revenue. However, the District Councils are high credit quality entities.

Tararua Aquatic Community Trust

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:

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Cash at bank and term deposits	11,939	12,749	11,902	13,107
Debtors and other receivables	2,433	2,897	5,403	10,882
Community and related party loans	21	60	-	60
Local authority and government stock	132	132	132	132
Total credit risk	14,525	15,838	17,437	24,181



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:

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Counterparties with Credit Ratings				
Cash at Bank and Term Deposits				
A1+	10,929	12,739	11,892	13,097
A1	10	10	10	10
Total cash at bank and term deposits	10,939	12,749	11,902	13,107
Counterparties without Credit Ratings				
Community and related party loans:				
Existing counterparty with no defaults in the past	21	60	-	60
Existing counterparty with defaults in the past	-	-	-	-
Total community and related party loans	21	60	-	60

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 (2010: \$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
--	-------------------------------	--------------------------------	--------------------------------	----------------------	----------------------	---------------------------------

Council 2011

Creditors and other payables	2,652	2,652	2,652	-	-	-
Net settled derivative liabilities	53	53	53	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured Loans	10,000	10,000	5,000	-	5,000	-
Finance leases	-	-	-	-	-	-
Financial guarantees	-	-	-	-	-	-
Total	12,705	12,705	7,705	-	5,000	-

Group 2011

Creditors and other payables	7,005	7,005	7,005	-	-	-
Net settled derivative liabilities	53	53	53	-	-	-
Bank overdraft	43	43	43	-	-	-
Secured Loans	11,012	11,012	6,012	-	5,000	-
Finance leases	-	-	-	-	-	-
Financial guarantees	-	-	-	-	-	-
Total	18,113	18,113	13,113	-	5,000	-

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	-	-	-	-	-	-
Total	12,471	12,471	4,471	3,000	5,000	-

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	-	-	-	-	-	-
Total	16,770	16,770	8,954	3,324	6,095	-



Consolidated Notes to Financial Statements

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
--	-------------------------------	--------------------------------	--------------------------------	----------------------	----------------------	---------------------------------

Council 2011

Cash and Cash Equivalents	8,236	8,236	8,236	-	-	-
Debtors and other receivables	2,883	2,883	2,883	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- term deposits	4,513	4,513	4,513	-	-	-
- community and related party loans	60	60	-	-	-	-
- local authority and government stock	132	132	132	-	-	-
Total	15,824	15,824	15,764	-	-	-

Group 2011

Cash and Cash Equivalents	8,544	8,544	8,544	-	-	-
Debtors and other receivables	10,868	10,868	10,868	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- term deposits	4,563	4,563	4,563	-	-	-
- community and related party loans	60	60	-	-	60	-
- local authority and government stock	132	132	132	-	-	-
Total	24,167	24,167	24,107	-	60	-

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	-	-	-	-	-	-
Total	14,360	14,360	13,355	1,005	-	-

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	-	-	-	-	-	-
Total	19,402	19,402	18,823	1,049	-	-

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.

		2011 \$000's -100bps	2011 \$000's -100bps	2011 \$000's +100bps	2011 \$000's +100bps	2010 \$000's -100bps	2010 \$000's -100bps	2010 \$000's +100bps	2010 \$000's +100bps
	Note	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
Interest Rate Risk									
Financial Assets									
Cash and Cash Equivalents	1	(53)	-	53	-	(22)	-	22	-
Financial Liabilities									
Nett settled derivatives	2	(159)	-	44	-	-	-	-	-
Borrowings:									
- bank overdraft		-	-	-	-	-	-	-	-
- term loans	3	(8)	-	8	-	(8)	-	8	-
Total sensitivity to interest rate risk		(220)	-	105	-	(30)	-	30	-

Explanation of Sensitivity Analysis – Council

1 Cash and cash equivalents

Cash and cash equivalents include deposits at call totalling \$5,316,000 (2010: \$2,233,000) which are at floating rates.

A movement in interest rates of plus or minus 1% has an effect on interest income of \$53,160 (2010: \$22,330).

2 Council had in place two interest rate swaps with Westpac as at year end expiring in 2019 and 2020 on a fixed interest rate of 5.32% and 5.45% respectively.

3 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 three months within the 2010/11 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.

	2009/10 Council \$000's	2010/11 Council \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Expected court costs for legal proceedings known at balance date	2	-	-	-
Performance bonds held by the bank, by way of guarantees	-	-	2,174	2,736
Risk Pool call	-	41	-	-
Resource consents for sewage ponds	-	720	-	-
Total Contingent Liabilities	2	761	2,174	2,736

Contingent Liability

Risk Pool Calls

Council obtained public liability and professional indemnity insurance cover from New Zealand Mutual Liability RiskPool (Riskpool). Riskpool operates as a mutual fund where each member makes an annual contribution to obtain cover.

However, should claims exceed contributions then calls can be made on the members of that fund year, for the shortfall amount.

Council ceased to be a member of risk pool from financial year 2009/10 onwards because of the concern Council had for being jointly and severally liable for any claims. However, in November 2009 Council was advised that Riskpool would make three calls in each financial year beginning 2009/10 due to insufficient funds for weather tightness claims for the Fund Year 2009/10.

For the year 2010/11, Riskpool made the second call of \$41,125 which we have provided for in the financials statements. It is possible that Risk pool can make a final call in 2012/13 for any shortfall in funds which we have recognised as a contingent liability above.

Weathertight Claims

Council has a contingent liability for potential claims relating to Weathertightness. Such claims will be lodged with the Weathertight Homes Resolution Service (WHRS). Hence, Council is exposed to potential future claims that we have not been advised. There has been no claims submitted for 2010/11 (Nil 2009/10). With no claims submitted for the last three years, Council is not able to reliably quantify and measure the amount of these claims and any potential liability.

Resource Consents for Sewage Ponds

Council has resource consents with Horizons Regional Council (Horizons) to operate the sewerage ponds in Dannevirke. This year we noted that one of the ponds was seeping sewerage into the Manawatu River causing increased levels of ammoniacal nitrogen and DRP (dissolved reactive phosphorus). Based on the residual consent life, Council will line the ponds with a Geoshield HDPE membrane (higher quality option) to prevent further seepage at an estimated cost of \$720,000. Council is also seeking subsidies



of 50% from central government through Horizons to help defray some of the cost. As we are not able to determine the actual cost, we have disclosed the liability as a contingent.

Land Value and Contingency

Tararua Forest Limited (TFL) owns approximately 320ha of forest on its property that are pre-1990 forest land under the emissions trading scheme. Should this land be deforested, a deforestation penalty would be incurred. At the balance sheet date, this liability is nil as the credits have not yet been received.

Infracon Limited contingent liabilities as at 30 June 2011

There were 37 (2010: 33) performance bonds held by the Bank of New Zealand by way of guarantees given by the Bank on behalf of Infracon Limited totalling \$2,736,180 (2010: \$2,174,135). 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.

Contingent Asset

Emissions Trading Scheme and Carbon Credits

Tararua Forests Limited owns land that has been in forestry since before 31 December 1989 and is entitled to enter into the Emissions Trading Scheme (ETS) via a one-off application for New Zealand Units (NZU's) to account for the credits that forest owners are deemed to hold for consuming the poisonous greenhouse gases that other industries release into the atmosphere.

The directors of Tararua Forests Limited have applied for an allocation of NZU's based on the age and area of the forest owned. The allocation of NZU's will be transferred in two rounds, approximately 38% will be transferred before 31 December 2011 with the remainder expected to be transferred during 2013. For Tararua Forests Limited this will mean that an intangible asset will be brought into the balance sheet of approximately \$384,000 (320ha x 60 NZU's x \$20 = \$384,000). Of which 38% or \$145,920 will be during the 2012 financial year. It is uncertain at what date the remainder will be transferred across yet.

No tax is payable on the receipt or sale of these units. The units will be valued at the balance sheet date based on the estimated market value.

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 2011, 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:

	2009/10 \$000's	2010/11 \$000's
Mayor		
Roly Ellis	24	60
Maureen Reynolds	77	17
Councillors		
Warren Davidson†	35	26
Brenda Dodunski	-	17
Keith Fenemor	21	21
Shirley Hull	-	17
Bill Keltie	24	30
Peter Johns	-	18
David Lea	34	10
Claire Matthews	22	6
David Roberts	22	22
Chris Southgate	22	21
Total Mayor & Councillors	281	265
Community Boards		
Charlie Death	4	4
Katrina Dimock	4	4
Robert Dresser	4	4
Diana Eagle	-	3
Nigel Ensor	-	-
Biddy Fraser-Davies	4	4
John Harman	7	2
Carole Isaacson	4	4
Ross MacDonald	4	4
Ray Teahan	7	7
Total Community Boards	38	36
Chief Executive		
Blair King, Employee Benefit Costs*	170	183
Blair King, Motor Vehicle	9	-
Total Chief Executive	179	183
Key Management Personnel (includes mayor, councillors, chief executive, and senior managers)		
Employee Benefit Costs	977	1,256
Post Employee Benefit Costs (including Superannuation)	-	-
Other Long Term Benefits	-	-
Termination Benefits	-	-
Total Key Management Personnel	977	1,256
Severance Payments		
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.

* Included in Chief Executive Blair King's salary is a one-off reimbursement received from Urban Search and Rescue.



34. Summary Cost of Services

	Actual 2011 \$000's	Budget 2011 \$000's	Actual 2010 \$000's
Income			
District	-	-	-
District Treasury	624	715	332
Animal Control	195	196	177
Cemeteries	82	73	67
Commercial Property	126	122	135
Community Buildings	36	38	49
Community Support	10	3	23
District Promotion and Development	17	624	2
Emergency Management	166	58	149
Footpaths	3	3	18
Health & Safety	385	472	397
Housing	383	349	377
Library	52	39	73
Parks and Reserves	172	175	166
Public Conveniences	2	1	1
Representation	97	42	20
Resource Management	44	50	43
Roading (including Consultancy)	8,803	8,903	8,673
Service Centres	11	4	4
Sewerage	109	85	123
Solid Waste Management	773	856	1,198
Stormwater/Drainage	3	2	2
Swimming Pools	9	3	5
Water Supplies	565	667	493
Total Activity Income	12,669	13,480	12,558
Less Internal Income	(956)	(1,419)	(1,063)
Add Rates Income	17,293	17,263	16,521
Total Income	29,006	29,324	28,016



Consolidated Notes to Financial Statements

	Actual 2011 \$000's	Budget 2011 \$000's	Actual 2010 \$000's
Expenditure			
District	369	352	315
District Treasury	32		3
Animal Control	195	206	188
Cemeteries	285	293	249
Commercial Property	104	114	118
Community Buildings	649	729	656
Community Support	400	356	328
District Promotion and Development	244	274	134
Emergency Management	514	321	340
Footpaths	548	703	594
Health & Safety	738	783	853
Housing	613	664	666
Library	731	764	730
Parks and Reserves	1,022	1,065	987
Public Conveniences	175	193	174
Representation	1,403	1,209	1,063
Resource Management	432	292	394
Roading (including Consultancy)	15,255	14,653	14,359
Service Centres	367	408	369
Sewerage	1,652	2,105	1,783
Solid Waste Management	2,411	1,743	1,872
Stormwater/Drainage	412	489	429
Swimming Pools	355	339	402
Water Supplies	1,926	2,182	1,556
Water Supplies - Pongoroa			250
Total Activity Expenditure	30,833	30,237	28,962
Less Internal Expenditure	(956)	(1,419)	(1,063)
Total Operating Expenditure	29,877	28,818	27,899

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities. 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.



35. Major Budget Variations

Explanations for major budget variations from the Council's budget figures in the 2010/11 Annual Plan are as follows:

Statement of Comprehensive Income – Revenue

Rates

Rates revenue is slightly higher than budget by \$30,000. This slight variation is due to changes in the rates collected because of property changes during the year.

Interest Revenue

Interest income received was up against budget by \$128,000 for the year due to higher cash balances and favourable interest rates.

Dividends & Subventions

A dividend of \$150,000 was received from TDC Holdings Limited but no dividends were declared by Infracon Limited as at 30 June 2011 (Nil of 2009/10) as a result of the economic downturn affecting profitability.

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

Grants and Subsidies of \$7.6 million received were down by \$900,000 from budget primarily due to the following subsidies:

- Water Supplies development subsidy of \$191,000 was not received. The application for subsidy (for Eketahuna) is being considered by the Ministry of Health.
- Roothing subsidies received were down against budget by \$278,000.
- Subsidy for the District Promotions & Development Broadband project of \$608,000 is not proceeding.

Other Revenue

Other revenue is higher than budget and prior year mainly due to the insurance claim of \$105,000 for September 2010 flood damage to the Pahiatua water intake.

Statement of Comprehensive Income Expenses

Operating Expenses

Operating expenditure was higher than budget by \$859,000. The most significant expenditure this year was the emergency reinstatement work (for roading activity) due to the flood damage in September 2010.

Sewerage operating costs were under budget by \$453,000 primarily due to savings made on the Infracon Ltd contract for

the sewerage treatment plant at Dannevirke and Woodville totalling \$260,000.

Depreciation and Amortisation

Total depreciation and amortisation was over budget by \$765,000 due to the significant increase in asset revaluation (\$44.07 million) from the 2009/10 asset values.

Personnel Costs

Actual cost was \$182,000 under budget due to employment of staff for the in house water did not occur during the year as planned.

Statement of Financial Position

Cash and Cash Equivalent (including Other Financial Assets)

Cash & Bank, including Other Financial Assets is lower than budget by \$2.3 million. This is mainly due to lower capital expenditure than planned that was meant to be loan funded.

Debtors and Other Receivables

Debtors and other receivables are comparable to budget at year end. Rates debtors were \$325,000 higher compared to last year due to increase in rates revenue and GST rate. However, other receivables were lower than budget by \$182,000.

Current Liabilities

The current liabilities are \$2.56 million higher than budget and \$3.27 million higher than prior year due to reclassification of term loans of \$3 million maturing within one year of year end as current liabilities.

Property, Plant & Equipment

The increase of \$42.36 million from the prior year is due to additions of \$9.33 million plus the revaluation of \$43.87 million. This increase is offset by depreciation of \$10.99 million.

Actual increase was less than budgeted by \$9.52 million due to less capital spent than budgeted of \$14 million, an increase in revaluation compared to budget of \$22.9 million and higher depreciation than budgeted of \$768,000.

Non-Current Liabilities

Actual borrowings are lower than budgeted due to \$9.33 million capital works programme completed compared to budget of \$14 million. Non-current portion is also lower than budget due to reclassification of the \$3 million term loan as current liabilities.

Asset Revaluation Reserves

This increase in revaluation reserves of \$44.07 million is due to the revaluation of our infrastructure assets carried out as at 30 June 2011. 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 \$14.028 million at year end are \$3.789 million less than budgeted due to budgeted transfers from depreciation reserves that did not occur.

Statement of Cash Flows

The Council's cash position increased by \$6 million during the year. This is due to reclassification of \$6.5 million of short term investments less than 12 months to cash and cash equivalents.

This reclassification was due to council holding only term deposits of three months or less. This is partly due to low interest rates at banks making longer term investments not worthwhile, and partly as a conscious focus on strengthening the councils liquidity. This position gives the council more flexibility to retire term debt should this be wanted in the future. It also provides the flexibility to utilise operating cash rather than external debt for funding of projects thereby reducing costs to the council.

Purchase of Fixed Assets

Council spent less on fixed assets (\$10.1 million) than it planned (\$10.7 million), and at year end approximately \$10.4 million of expenditure is being carried forward for possible completion in future years.

During the year council provided special approval for additional development works not budgeted to be carried out in the area of water supplies. Consistent and quality

supply of water has been an ongoing issue for the district and an area that needed significant improvement. As such council approved additional spend of \$1.4 million to upgrade water storage facilities in Dannevirke, the treatment plant in Norsewood, and considerable improvements to the Woodville water supply which constantly has supply issues over the dry summer months. There is still an additional \$800,000 to be spent on these projects over this coming year.

Major projects that did not go ahead or varied from budget were:

- The district broadband project of \$608,000 did not go ahead due to subsidy funding not becoming available.
- The Woodville Town Centre upgrade has been delayed due to issues around specifications and obtaining a more accurate budget for the complete works. This project will go ahead in the 2012 financial year.
- \$82,000 was budgeted for the new Herbertville fire station. Due to change of specifications for where this should be built, this project was delayed and should be completed the following financial year.

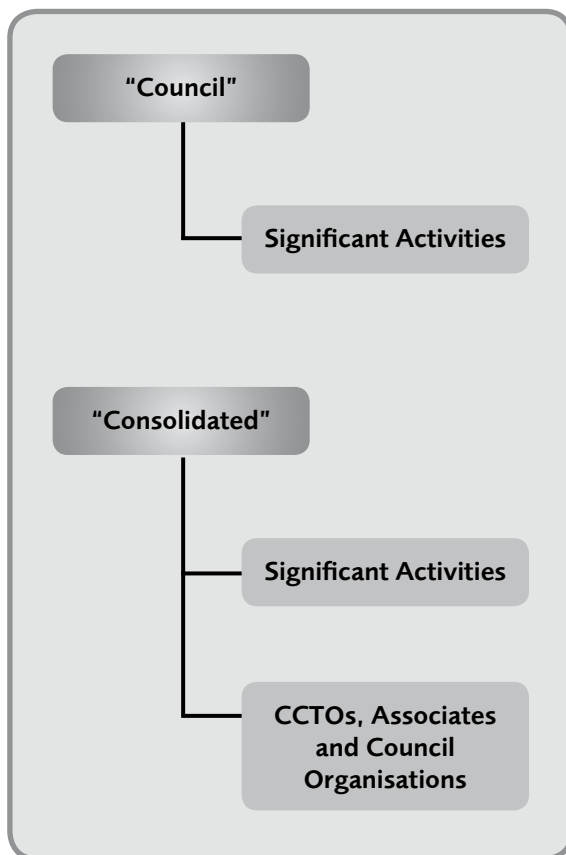
Loans Raised

There were no new external loans raised during the year. All capital projects were funded internally from special funds or operating cash. Internal borrowing was repaid, as budgeted in the Annual Plan.



Governance over 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

Associates

- 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.)

Council Organisations (CO)

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.



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 \$4,250 (2010 \$1,430). TDC Holdings Ltd received income of \$56,700 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 \$104,769. 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 \$71,036 (2010 \$199,903).



Council's Significant Interests in Other Entities

	2010/11 Actual	2010/11 Target
Ratio of shareholder funds to total assets	99.6%	55-65%
Distribution to Tararua District Council (& Group Tax Subvention Payment)	\$150,000	\$305,000
Net profit before subventions and tax as % of average shareholders funds	0.04%	6%

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.	Achieved.
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.	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.	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. Annual Report was not adopted within four months after year end.
	Compliance with the Companies Act 1993 and the Financial Reporting Act 1993.	Achieved
	Compliance with the Company's Constitution.	Achieved
	Compliance with the Statement of Intent's performance targets.	Complied



Council's Significant Interests in Other Entities

CCTO (Council Controlled Trading Organisation) Financial Statements TDC Holdings Limited

	2009/10 TDC HL \$000's	2010/11 TDC HL \$000's	2009/10 Consolidated \$000's	2010/11 Consolidated \$000's
Statement of Comprehensive Income for the 12 Months Ended 30 June 2011				
Revenue				
Revenue from operations	51	57	38,108	41,500
Revenue from forestry sales	-	-	100	24
Interest revenue	3	3	18	9
Total Revenue	54	60	38,226	41,533
Expenses				
Operating Expenditure	53	56	39,571	41,662
Total Expenses	53	56	39,571	41,662
Other gains/(losses)	-	-	256	186
Net profit before taxation	1	4	(1,089)	57
Taxation expense/(refund)	-	-	(98)	87
Operating Surplus (Deficit) After Tax	1	4	(991)	(30)
Other Comprehensive Income				
Gain on property revaluations	-	-	(22)	2,105
Tax on property revaluations	-	-	109	(583)
Total Comprehensive Income	1	4	905	1,492
Total comprehensive income attributable to:				
TDC Holdings Ltd	1	4	(529)	1,010
Non-controlling interest	-	-	(376)	482
Statement of Financial Position as at 30 June 2011				
Assets				
Current Assets	216	238	8,244	11,847
Non-Current Assets	9,424	9,424	19,664	19,790
Total Assets	9,640	9,662	27,908	31,637
Liabilities				
Current Liabilities	26	194	7,130	8,916
Non-Current Liabilities	-	-	2,017	2,617
Total Liabilities	26	194	9,147	11,533
Equity				
Public Equity				
Parent Interest	9,614	9,468	12,965	13,826
Minority Interest	-	-	5,796	6,278
Revaluation Reserves	-	-	-	-
Total Equity	9,614	9,868	18,761	20,104
Total Equity & Liabilities	9,640	9,662	27,908	31,637



Council's Significant Interests in Other Entities

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 Roothing 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 Roothing 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 \$104,796 (2010: loss of \$1,193,450) was achieved.

Performance Targets

	2010/11 Actual	2010/11 Target
Ratio of shareholder funds to total assets	62%	55%
Net Profit before tax and Subvention Payment to opening shareholders funds	0%	6-8%



Council's Significant Interests in Other Entities

CCTO (Council Controlled Trading Organisation) Financial Statements Infracon Limited

	2009/10 \$000's	2010/11 \$000's
Statement of Comprehensive Income for the 12 Months Ended 30 June 2011		
Revenue		
Revenue from operations	38,060	41,446
Interest revenue	10	1
Total Revenue	38,070	41,447
Expenses		
Operating Expenditure	39,403	41,379
Total Expenses	39,403	41,379
Plus Revaluation Increment/(Decrement) & Losses/(Gains) on Sale	(41)	(112)
Net surplus before taxation	(1,374)	(44)
Taxation expense/(refund)	(180)	60
Net surplus/(deficit) after taxation	(1,194)	(104)
Other Comprehensive Income		
Revaluations	(22)	2105
Tax on equity items	109	(583)
Total other comprehensive income	87	1522
Total comprehensive income attributable to shareholders	(1,106)	1418
Statement of Financial Position as at 30 June 2011		
Assets		
Current Assets	7,882	11,516
Non-Current Assets	18,213	18,135
Total Assets	26,095	29,651
Liabilities		
Current Liabilities	7,128	8,693
Non-Current Liabilities	1,921	2,495
Equity		
Shareholder funds	12,923	12,923
Revaluation Reserve	4,123	5,540
	17,046	18,463
Total Equity & Liabilities	26,095	29,651



Council's Significant Interests in Other Entities

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) 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

Performance Targets	2010/11 Actual	2010/11 Target
Ratio of shareholder funds to total assets	91%	Minimum 55%
Ratio of net profit before tax to shareholders funds	6.1%	Minimum 7%
Birch North Forest to be harvested by 30 June 2013	NA	30 June 2013
Complete roading programme for the harvest of Birch North		30 June 2013
Manage existing and new plantings effectively	Reported at meetings	Regular contractor reports
Maintain roads established at Birch North	Reported at meetings	Regular reports
To negotiate and agree with TDC Holdings Limited the Company's Statement of Corporate Intent	Met	30 June 2011
Monitor and report performance against targets	Six-monthly financial reports & bimonthly forest contractors report	Regular reports
To operate within statutory provisions	Met	Compliance with legislation



Council's Significant Interests in Other Entities

CCTO (Council Controlled Trading Organisation) Financial Statements Tararua Forests Limited

	2009/10 \$000's	2010/11 \$000's
Statement of Comprehensive Income for the 12 Months Ended 30 June 2011		
Revenue		
Forest sales (Gross)	100	24
Forest management services	-	-
Sundry revenue	7	7
Total Revenue	107	31
Expenses		
Fair value of logs harvested	58	26
Operating expenses & administration	63	93
Total Expenses	121	119
other asset gains/(losses)	297	186
Net surplus/(deficit) before taxation	283	98
Taxation expense/(refund)	83	27
Net Surplus/(Deficit) after Taxation	200	71
Other Comprehensive Income	-	-
Total comprehensive income	200	71
Total comprehensive income attributable to Tararua District Council	200	71
Statement of Financial Position as at 30 June 2011		
Assets		
Current Assets	204	93
Non-Current Assets	1,451	1,654
Total Assets	1,655	1,747
Liabilities		
Current Liabilities	33	28
Non-Current Liabilities	96	122
Equity		
Public Equity	1,526	1,597
Total Equity & Liabilities	1,655	1,747



Council's Significant Interests in Other Entities

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 \$6,000 (2010: \$14,000 surplus). 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 xx September 2011.

Trusts – Financial Statements

Tararua Aquatic Community Trust

	2009/10 \$000's	2010/11 \$000's
Statement of Comprehensive Income for the 12 Months Ended 30 June 2011		
Revenue		
Council grant	205	200
Operating revenue	24	8
Interest revenue	1	2
Other asset gains/(losses)	(1)	(1)
Total Revenue	229	209
Expenses		
Operating expenditure	215	203
Total Expenses	215	203
Net Surplus/(Deficit) for Year	14	6
Other Comprehensive Income	-	-
Total comprehensive income	14	6
Total comprehensive income attributable to Tararua District Council	14	6
Statement of Financial Position as at 30 June 2011		
Assets		
Current Assets	50	54
Non-Current Assets	988	975
Total Assets	1,038	1,029
Liabilities		
Current Liabilities	31	16
Non-Current Liabilities	-	-
Equity		
Public Equity	1,007	1,014
Total Equity & Liabilities	1,038	1,029



Council's Significant Interests in Other Entities

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

	2009/10 \$000's	2010/11 \$000's
Statement of Financial Performance for the 12 Months Ended 30 June 2011		
Revenue		
In-house professional services for Transit New Zealand financially assisted roading	1,063	1,074
Other engineering fees and revenue	11	6
Total Revenue	1,074	1,081
Expenses		
Total costs of operating roading programme	1,080	1,070
Total Expenses	1,080	1,070
Net Surplus/(Deficit) for the year	(6)	11

* 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 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

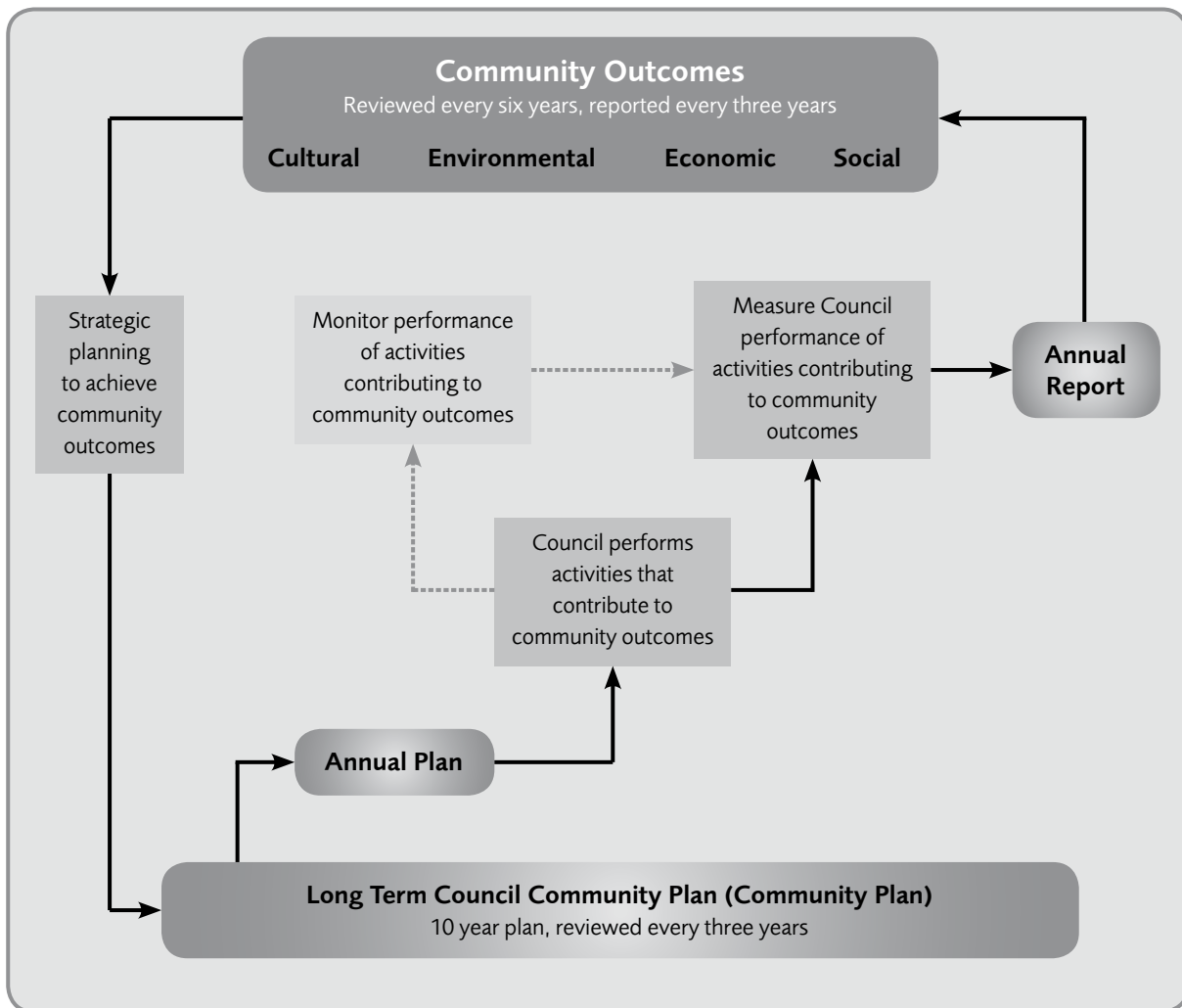


6. A connected community

- 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.

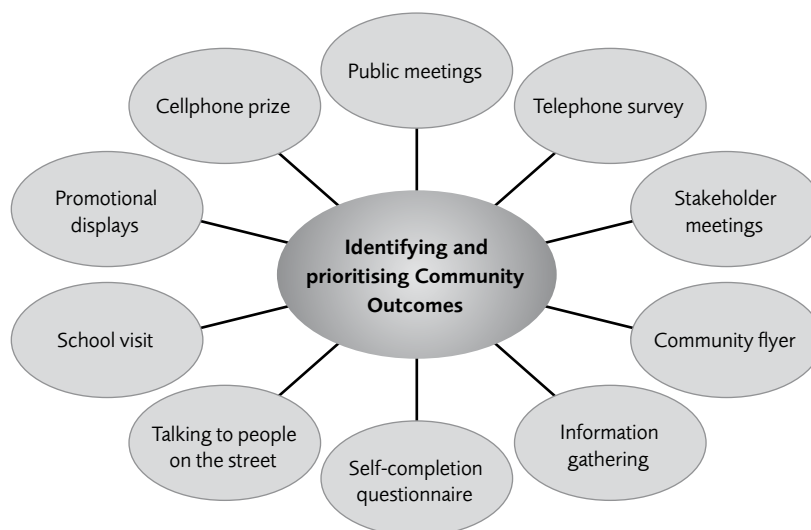


Community Outcomes: A Performance Management Framework



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.



Community Outcomes

- 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.



Community Outcomes

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
Strategic Planning Documents						
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

His Worship the Mayor



R A (Roly) Ellis

PO Box 115
Dannevirke
06 374 4080

North Ward



**Cr J B (Brenda)
Dodunski**

2b Hunter Street
Dannevirke
06 374 8054
027 229 3989
dodoj@extra.co.nz



Cr K R (Keith) Fenemor

RD 3
Dannevirke
06 374 2719
fenlink@farmside.co.nz



Cr D A (David) Roberts

PO Box 69
Dannevirke
06 374 6405
027 644 9459
david@dorrington.co.nz



**Cr C W (Chris)
Southgate**

PO Box 147
Dannevirke
06 374 2740
027 484 6576
cwsouthgate@extra.co.nz

South Ward



**Cr W H (Warren)
Davidson**

RD 3
Eketahuna
06 375 8364
warwyn@infogen.net.nz



Cr S (Shirley) Hull

Mangahao Road
RD 3
Pahiatua
06 376 7283
hull01@extra.co.nz



Cr P A (Peter) Johns

23 Pinfold Road
Woodville
06 376 5991
027 442 7115
johnsandcompany@gmail.com



**Deputy Mayor
Cr W H (Bill) Keltie**

RD 1
Pahiatua
06 376 8996
carolandwillie@extra.co.nz



Community Boards & Council Committees

Community Boards

Dannevirke Community Board

Generally meets on the first Monday of the month at 3:00pm.

- **Chairperson**
Mr R P (Ray) Teahan
50 Allardice Street, Dannevirke 4930
06 374 9277
rayelaine@xtra.co.nz
- **Deputy Chairperson**
Mrs C (Carole) Isaacson
RD 8, Umutaoroa, Dannevirke 4978
06 374 5577
huntzend@clear.net.nz
- Mr R A (Bob) Dresser
22 Ries Street, Dannevirke 4930
06 374 6270
dresser234@msn.com
- Mr W R (Ross) Macdonald
91 Piri Piri Road, RD 7, Dannevirke 4977
06 374 7996
rmacdonald@goldpine.co.nz
- **Councillor**
Mrs J B (Brenda) Dodunski
28 Hunter Street, Dannevirke 4930
06 374 8054
dodoj@xtra.co.nz

Eketahuna Community Board

Generally meets on the first Friday of the month at 10:00am.

- **Chairperson**
Mr C C (Charlie) Death
Nireaha Road, RD 2, Eketahuna 4994
06 375 8503
deaths@inspire.net.nz
- **Deputy Chairperson**
K A M (Katrina) Dimock
87 High Street, Eketahuna 4900
06 375 8213
dimock@xtra.co.nz

- Mrs D F (Diana) Eagle
343 Parkville Road, RD 2, Eketahuna 4994
06 375 8356 027 434 7152
eagleeketahuna@xtra.co.nz
- Mrs E (Biddy) Fraser-Davies
36 Morgans Road, RD 2, Eketahuna 4994
06 375 8634
biddy@inspire.net.nz
- **Councillor**
Mr W H (Warren) Davidson
RD 3, Eketahuna 4994
06 375 8364
warwyn@infoegen.net.nz

Notes:

Woodville operates its own autonomous community committee, Woodville Districts' Vision (Inc).

Pahiatua operates its own autonomous community committee, Pahiatua on Track (Inc).

Council Committees

Chief Executive's Performance Appraisal Committee

His Worship the Mayor – Mr R A Ellis (Chairperson)

Cr W H Davidson

Cr W H Keltie

Cr D A Roberts

Tribunal and Hearings Committee

Council Representatives

Cr W H Keltie (Chairperson)

Cr W H Davidson (Deputy Chairperson)

Cr P A Johns

Cr C W Southgate



Management Team & Directory

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

Raj Suppiah CA
Chief Financial Officer

Ray Cannon
Manager Engineering Services

Staff Numbers (full time equivalent)

	2009/10	2010/11
Council	55	55
Consultancy	13	13
Total	68	68

Directory

Main Office and Council Chambers

PO Box 115 Dannevirke 4942	26 Gordon Street 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
Facebook	Tararua-District-Council

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 0200

Eketahuna

31 Main Street, Eketahuna
(06) 376 0219

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
Total Assessments	11,259
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
Total Roads (km)	1,956

Resource Management

Description	Total
Resource consents issued 1 July 2010 to 30 June 2011	38
Landuse consents	17
Subdivision consents	28
Building consents issued	404
Registered dogs as at 30 June 2011	6,729
Licensed food premises as at 30 June 2011	115

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	4
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.



Glossary of Terms

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.