


Wairoa District Council

ANNUAL REPORT

For the year ending 30 June 2009



 *Te Wairoa Hōpūpū Hōnengenenge
Matangirau*

Adopted 30 October 2009



Wairoa District Council 2009 ©

2008/2009 ANNUAL REPORT

CONTENTS	PAGE
Joint Statement from the Mayor and the Chief Executive Officer	3
Relationship between Council's Policies and Plans	4
Highlights	5
Projects/Initiatives 2007-2008	7
Council Structure	9
Management Structure	10
Statement of Compliance and Responsibility	11
Community Outcomes	12
Key Activity Areas	13
Report on Development of Maori Capacity to Contribute to the Decision Making Process	16
Activity Group 1—Water Services	17
Activity Group 2—Waste Management	26
Activity Group 3—Transport	29
Activity Group 4—Community Facilities	34
Activity Group 5—Planning and Regulatory	43
Activity Group 6—Leadership and Governance	54
Activity Group 7—Corporate Functions	59
Activity Group 8—Trading Activities	65
Financial Statements	67
Statement of Accounting Policies	87
Official Information	99
Council Directory	100
Audit Report	101

JOINT STATEMENT FROM THE MAYOR AND THE CHIEF EXECUTIVE OFFICER

Welcome to readers of the Wairoa District Council 2008/09 Annual Report.

The Council finished the year with a surplus of \$334,000 and Reserve Funds of \$18,084,967. The balance sheet discloses assets of \$187.8 million.

Council currently has no long term debt but there will be a need to borrow to repay some internal advances to capital projects.

Performance Management

Overall 72% of performance targets were met. This is considered reasonable given the pass/fail nature of many targets. Further work will be undertaken during the next year to develop more meaningful performance measures.

Quality Roding and Services (Wairoa) Limited

Quality Roding and Services (Wairoa) Limited's Annual Report shows a reduction in operating surplus before tax of 21.8% or \$83,572. The after tax profit was \$211,564 which represents a 4.4% return on equity of \$4,671,510. A dividend of \$90,000 was disclosed which is \$35,000 less than budgeted.

Building Accreditation

Stage one Accreditation achieved during the year (27 February 2009).
Stage two Assessment due end of March 2010.

Mahia Community Waste Water Scheme

Council has investigated a new site for treatment of effluent from the Mahia Beach Scheme and the project team is on track to submit a resource consent by the end of December 2009.
A separate scheme is being developed for Opoutama.

Planning

Plan Change 1B still not operative but the expectation is that it should be by 31 December 2009.

Roding

2800 metres of new footpath (including Walkway/Cycleway)
14.4km sealed road resurfacing
21.9km unsealed metal build-up
Over expenditure due to emergency works exceeding usual allowance

Stormwater – Wairoa

414m open drains piped

Stormwater - Mahia – Major stormwater works undertaken

255m new pipes
410m flood berm

Overall an uneventful year with steady progress made toward Community Outcomes.
We acknowledge the contribution of Councillors, Staff, Consultants and Contractors in completing the year's work programme.

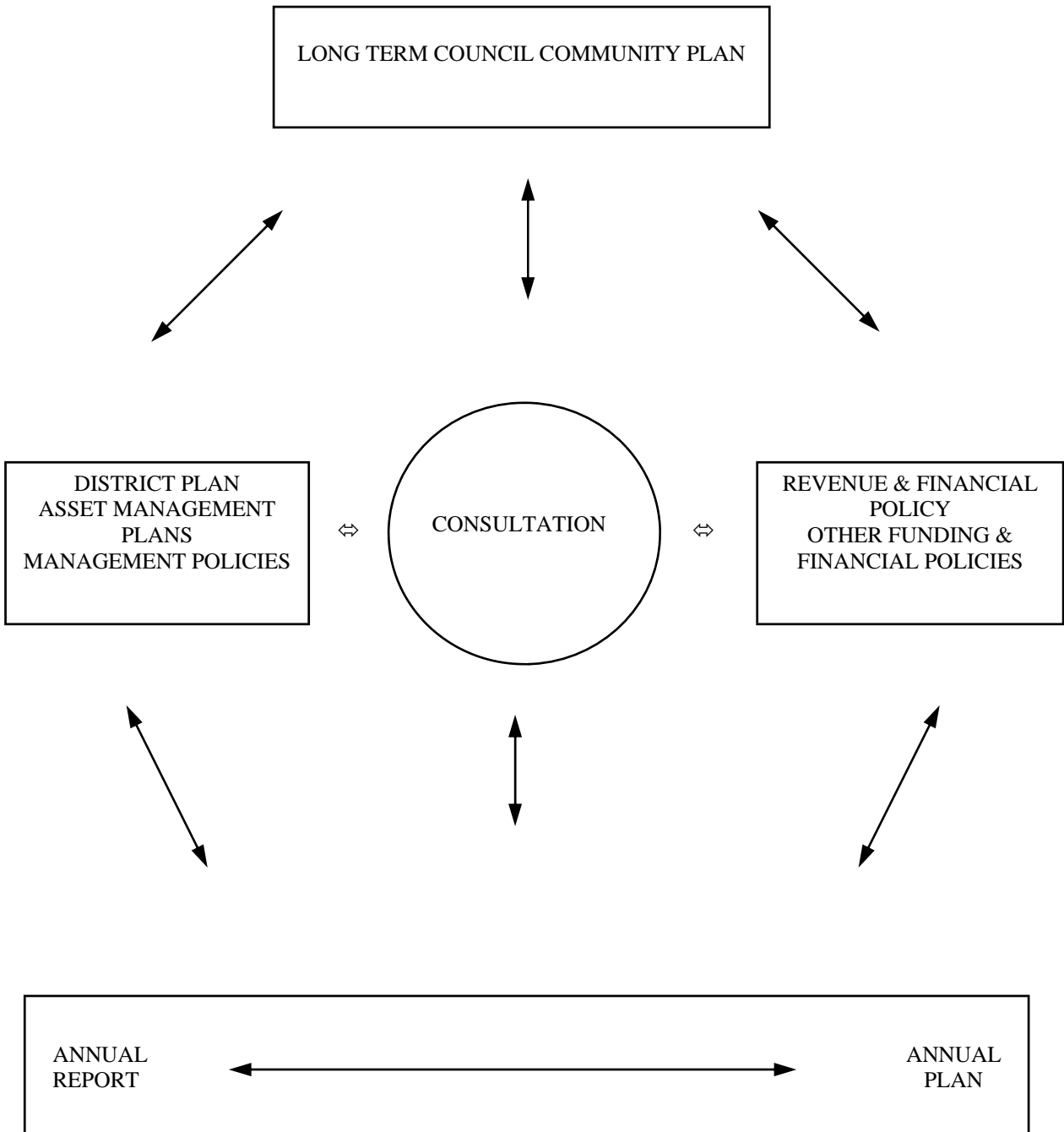


L. Probert, JP
MAYOR



P J Freeman
CHIEF EXECUTIVE OFFICER

RELATIONSHIP BETWEEN COUNCIL'S POLICIES AND PLANS



HIGHLIGHTS

This is a brief summary of progress on some of the significant projects and initiatives which were highlighted in the Annual Plan for 2008-2009

Long Term Council Community Plan:

The single most important project undertaken by Council in 2008/09 was the development of the 2009 – 2019 Long Term Council Community Plan. Council reviewed a number of levels of service in a number of key areas and updated work programs in all areas for the next 10 years. The LTCCP is reviewed every 3 years and the next review will take place in 2012.

The development of the LTCCP takes a considerable amount of Council and staff time and Council was impressed by the public involvement through the submissions process which was in excess of many other districts around New Zealand.

Mahia Community Wastewater Scheme:

Following extensive consultation and an overwhelming number of submissions to the LTCCP, Council resolved to abandon the proposal that would have seen the communities of Oraka, Mahia Beach and Opoutama reticulated for sewage with a central treatment and disposal facility located in the Kaiwaitau Block.

A new proposal is to be developed that will see a community scheme developed for Mahia Beach with an expectation that a new land-based disposal site will be found closer to the settlement.

During 2009/10 Council will also be talking to Opoutama residents to determine what, if anything, is done for that community.

In late June 2009 Council received notice from the Minister of Health that subsidy will be forfeited if resource consents are not lodged for the projects by Christmas 2009.

Mahia Stormwater Improvements:

Stage 2 of the 3 year improvement programme was completed with the major component of work being the Rataua St bypass. Feedback from the general public has been very positive. 2009/10 will see Stage 3 of the major works programme implemented. Following years will see an improved level of maintenance to ensure the continued efficient operation of the upgraded stormwater system.

Waste Management:

2008/09 was a year in which the waste management services provided by Council underwent a comprehensive review and various options were included in the LTCCP for final public consultation. Council elected to maintain the status quo for most aspects of the service but has provided for some innovation to be looked into with respect to the rural communities of Waikaremoana and Raupunga/Mohaka. During 2009/10 Council staff will work with organisations in those communities to investigate ways in which the waste management services can be provided more efficiently and effectively.

New Capital Work in Wairoa:

Open drains were piped in Queen St, Wairoa and Sutton St, Frasertown. The Frasertown project was particularly pleasing as the piping of the drain also provided protection to the adjacent footpath that was in danger of collapse.

Approximately 800m of new footpath was constructed in Queen St, Apatu St and Scott St.

In addition to the annual footpath programme, the Wairoa Riverbank Walkway was extended to Pilot Hill and in another highlight for the year extensive erosion protection work was undertaken by Hawke's Bay Regional Council adjacent to Kopu Road opposite the rivermouth.

Reserves Management Plans:

Council has completed the Opoutama Reserves management Plan in draft form and this will remain in draft form until issues surrounding the road and sewerage have been resolved.

Council has commenced preliminary discussions with the community of Tuai with a view to preparing a draft Reserve Management Plan for the waterfront reserves at Tuai.

Also commenced in 2008/09 is the Reserve Management Plan for the Riverbank Reserves in Wairoa township.

Additional Projects—

Upgrading Ngati Pahauwera Netball Courts at Raupunga

Council contributed \$50,000 for this project. Due to the existing condition of the courts, only half the work was completed at a cost of \$35,100.

Contributing to the HB Healthy Homes Project

EnergySmart's Healthy Homes projects are government funded schemes targeting homeowners and tenants. These projects have been created to assist New Zealand households in making their homes warmer, drier, and healthier through the installation of insulation at heavily subsidised rates.

Energy Efficiency and Conservation Authority, Hawke's Bay District Health Board, Wairoa District Council, Eastern & Central Community Trust joined forces to deliver the Hawke's Bay project. Wairoa District Council contributed \$15,000 towards this initiative.

In 2008/09 the scheme targeted low-income households and homes where residents (owner occupiers or tenants) exhibited health concerns such as respiratory conditions. The scheme completed more than the 30 homes targeted for insulation.

Wairoa Promotional DVD

Council contributed \$10,000 towards a Wairoa promotional DVD which was produced in partnership with the Wairoa Community Development Trust. The DVD is due for official launch in October 2009.

PROJECTS/INITIATIVES 2008-2009

PROJECT/INITIATIVE	BUDGETED COST	ACTUAL COST	FUNDING SOURCE
Library—Book Purchases	\$45,000	\$44,769	Depreciation Reserve
Library—Replace upper windows	\$21,800	\$14,768	Depreciation Reserve
Parks & Reserves Renewals	\$38,000	\$13,915	Depn Reserve/Tuai Reserve
Parks & Reserves—Upgrade Raupunga netball court	\$50,000	\$35,100	District Development Fund
Community—HB Healthy Homes project	\$15,000	\$15,000	District Development Fund
Economic Dev—Wairoa Promotional DVD	\$10,000	\$10,000	District Development Fund
Pensioner Housing—Repainting	\$8,000	\$52,503	Rates/District Development Fund
Cemetery—Planting & new beams	\$11,000	\$6428	District Development Fund
Planning—Reserves Management Plans	\$50,000	\$2718	District Development Fund—remainder carried over to 2009/10
Planning—Mahia Archaeology Project	\$25,000		Carried over to 2009/10
Emergency Management—Community Rescue Team	\$5,000		Not completed
Subsidised Roding Renewals	\$2,020,956	\$2,717,010	Subsidy/Depreciation Reserve
Subsidised Roding—Regional Projects	\$2,150,000	\$735,483	100% Subsidised
District Roding—New Footpaths	\$105,000	\$72,782	District Development Fund
District Roding—Footpath renewal	\$50,000	\$20,079	Depreciation Reserve
Sewerage—Renewals	\$257,000	\$53,390	Depreciation Reserve
Sewerage—Consultancy Mahia Scheme	\$200,000	\$15,733	Loan
Sewerage—Mahia Scheme	\$8,508,316		Carried over to 2009/10
Sewerage—New Aerator—Wairoa	\$70,000	\$54,133	District Development Fund
Sewerage—UV Treatment—Tuai	\$15,000		Carried over to 2009/10
Stormwater—Pipelines Mahia	\$474,500	\$525,479	Loan
Stormwater—Piping Open Drains Wairoa	\$110,000	\$138,843	Loan
Water Reticulation—Renewals	\$73,340	\$3,482	Depreciation Reserve
Water Production—Renewals	\$161,800	\$58,251	Depreciation Reserve
Waste Management—reseal landfill road	\$40,000	\$37,320	Depreciation Reserve
Dog Control—new vehicle	\$30,000	\$29,562	District Development Fund
Admin—Archives mandatory standards	\$25,000		Carried over to 2009/10
Admin—Software renewal	\$10,000		Carried over to 2009/10
Information Services—Renewals	\$38,070	\$71,151	Depreciation Reserve
TOTAL	<u>\$14,617,782</u>	<u>\$4,727,899</u>	

Reasons for variations between budgeted cost and actual cost for major projects/initiatives

- Pensioner Housing—An additional project for heating and insulation was approved by Council during the year
- Some Reserve Management Plans and the Mahia Archaeology Project were deferred to 2009/10

- Archives standards implementation and file management software upgrades were deferred to 2009/10 pending further investigation
- Additional renewals were required for Information systems
- Mahia Sewerage Scheme deferred to 2009/10 as siting still under investigation
- Several renewal projects in the Water and Sewerage activities have been carried over due to time and/or weather constraints, the main ones being the de-sludging of the Wairoa sewerage oxidation pond and some water pipeline renewals
- Roading—Some regional projects were cancelled due to funding not being available from NZ Transport Agency. Subsidised roading renewals were higher than budgeted due to an increase in Emergency Works as a result of adverse weather conditions

WAIROA DISTRICT COUNCIL 31 OCTOBER 2009

Mayor

Les Probert J.P.

Councillors

Benita Cairns

Denys Caves J.P

Denise Eaglesome

Dave Evans

Jim Heron J.P.

Brian McKinnon

COMMITTEES

INTERIM MAORI COMMITTEE

Chairperson: Graeme Symes

Members: Sonya Smith
Tara Quineville
Gary Cooper
Pera Nikora
Monica Watson

WATER PRODUCTION SUB COMMITTEE

Engineering Manager
Finance Manager
2 AFFCO Representatives

CREATIVE NZ LOCAL FUNDING

Sub Committee
(full delegation)

CITIZENS AWARD ASSESSMENT COMMITTEE

Sub Committee
(full delegation)

MANAGEMENT STRUCTURE

Chief Executive Officer

Peter Freeman

ENGINEERING
NEIL COOK
MANAGER: ENGINEERING
Roads, Streets & Bridges
Cemeteries
Sports Grounds
Reserves
Airport Control
Water Supply
Sewage Management
Stormwater Drainage
Waste Management
Street Lighting
Traffic Management
Asset Management

FINANCE
RUSSELL SNOW
MANAGER: FINANCE
Accounting Services
Elections
Information Services
Financial Management
Revenue Collection
Rating
Risk Management

ADMINISTRATION AND CIVIC
JAMES BATY
MANAGER: ADMINISTRATION
Secretarial Services
Social Services
Library
Public Halls
Pensioner Housing
Recreation
Official Information
Information Centre
Emergency Management
Maori Liaison
Records and Archives
Human Resources
Tourism

COMMUNITY/REGULATORY SERVICES
PETER FREEMAN
MANAGER: REGULATORY
Subdivision
Resource Planning
Building Control
Environmental Health
Liquor Licensing
Animal Control
Bylaws
Safer Communities
Economic Development

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

Compliance

The Council and management of Wairoa District Council confirm that all statutory requirements of the Local Government Act 2002 have been complied with.

Responsibility

- 1 The Council and management of Wairoa District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.
- 2 The Council and management of Wairoa 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.
- 3 In the opinion of the Council and management of Wairoa District Council, the annual Financial Statements for the year ended 30 June 2009 fairly reflect the financial position and operations of Wairoa District Council.



Mayor

L. Probert

(30th October, 2009)



Chief Executive

P J Freeman

(30th October, 2009)

COMMUNITY OUTCOMES

During the planning process for the 2004-2014 LTCCP, the five Hawkes Bay Councils took a regional approach and worked collectively with the community to identify community outcomes. In 2005, Council further consulted with the Wairoa community to confirm/amend and prioritise the identified outcomes. The outcomes in priority order for the Wairoa District as adopted in the 2006-2016 LTCCP are listed below:

1. A strong, thriving and prosperous economy
2. A safe and secure community
3. A lifetime of good health and wellbeing
4. An environment that is appreciated, protected and sustained for future generations
5. Supportive, caring and valued communities
6. A safe and integrated transport system
7. Strong district leadership and a sense of belonging
8. Safe and accessible recreational facilities
9. A community that values and promotes its culture and heritage

Council Activities

Council Activities are divided into two strategic goal areas being:

- **Community Development & Participation**
Council's aim is to provide services and facilities to encourage community focus, ensuring access to information and leisure opportunities and to promote the expansion of the economy by encouraging tourism options and business development.
- **Safe Living Environment**
Council's aim is to provide services and facilities which contribute to community health and safety and ensure that the natural and physical resources of the district are preserved for future generations.

These are in turn supported by:

- **Management Services**
- **Investments**

In addition Council has grouped its activities into 8 "Key Activity Areas" and the table on the following page shows how these grouped "key activity areas" relate to the activities of Council, the strategic goal areas of Council, and shows where there is a direct linkage to the Community Outcomes identified in part 1 of the LTCCP.

Key Activity Areas

Key Activity	Significant Activity	Strategic Area	Related Community Outcome
1. Water Services	Water Reticulation Water Production Stormwater Drainage Sewerage	Safe Living Environment Safe Living Environment Safe Living Environment Safe Living Environment	A safe and secure Community A lifetime of good health & wellbeing An environment that is appreciated, protected and sustained for future generations
2. Waste Management	Waste Management	Safe Living Environment	An environment that is appreciated, protected and sustained for future generations
3. Transport	Road Access (District Funded) Road Access (Transfund) Parking Airport	Safe Living Environment Safe Living Environment Safe Living Environment Community Development & Participation	A strong, prosperous & thriving economy A safe & integrated transport system
4. Community Facilities	Cemeteries Parks & Reserves Library Community Support - Museum Community Support Community Centre Community Halls Visitor Information Centre Pensioner Housing	Safe Living Environment Community Development & Participation Community Development & Participation Community Development & Participation Community Development & Participation	A safe & secure Community A lifetime of good health & wellbeing Safe and accessible recreational facilities A community that values and promotes its culture & heritage Supportive, caring and valued communities
5. Planning & Regulatory	Resource Planning Environmental Health Dog Control Livestock Control Building Inspection Liquor Licensing Bylaw/Parking Control Dangerous Goods Safer Communities Emergency Management	Safe Living Environment Safe Living Environment Safe Living Environment Safe Living Environment Safe Living Environment Safe Living Environment Safe Living Environment Safe Living Environment Safe Living Environment Safe Living Environment	An environment that is appreciated, protected and sustained for future generations A safe and secure community A lifetime of good health and wellbeing
6. Leadership & Governance	Community Representation Maori Liaison Economic Development	Community Development & Participation Community Development & Participation Community Development & Participation	Strong district leadership and a sense of belonging A community that values and promotes its culture & heritage A strong, prosperous and thriving economy
7. Corporate Functions	Management Administration Financial Management Property Management Asset Management Information Systems Funds Management	Support Service Support Service Support Service Support Service Support Service Support Service Support Service	
8. Trading Activities	Commercial Properties Council Controlled Organisations	Support Service Support Service	

The Local Government Act 2002 requires Council to report measures taken and progress made towards achieving the community outcomes stated in the LTCCP at least once every three years.

Survey results relating to Outcomes:

Is Wairoa a better place to live than it was three years ago? (All outcomes)

	2005	2006	2007	2008	2009
Yes	44%	39%	36%	33%	38%
The same	40%	41%	49%	53%	51%
Worse	10%	10%	9%	8%	6%
Unable to comment	6%	10%	6%	6%	5%

Is Wairoa District generally a safe place to live? (A safe and secure community)

	2005	2006	2007	2008	2009
Yes, definitely	28%	31%	27%	41%	36%
Yes, mostly	54%	59%	67%	50%	54%
Not really	13%	6%	4%	7%	8%
No, definitely not	4%	3%	2%	1%	
Unsure	1%	1%		1%	2%

Satisfaction with the way Council involves the public in the decisions it makes (Strong district leadership and a sense of belonging; Supportive, caring and valued communities)

	2005	2006	2007	2008	2009
Very satisfied	9%	6%	6%	7%	10%
Satisfied	49%	47%	42%	52%	44%
Neither satisfied or dissatisfied	28%	26%	25%	24%	26%
Dissatisfied	6%	14%	18%	14%	9%
Very dissatisfied	5%	4%	4%	2%	4%
Don't know	3%	3%	5%	1%	7%

Quality of Life (All Outcomes)

	2005	2006	2007	2008	2009
Very good	42%	37%	30%	38%	35%
Good	43%	44%	56%	45%	50%
Fair	10%	16%	11%	14%	13%
Poor	5%	2%	3%	3%	2%
Don't know		1%			

Community Spirit (Supportive, caring and valued communities)

	2005	2006	2007	2008	2009
Very good	38%	34%	26%	33%	36%
Good	45%	45%	51%	42%	46%
Neither good nor bad	10%	11%	17%	20%	15%
Not very good	6%	5%	4%	2%	3%
Poor	1%	4%	2%	1%	
Don't know		1%		2%	

Natural Environment (An environment that is appreciated, protected and sustained for future generations)

	2005	2006	2007	2008	2009
Very satisfied	16%	20%	15%	25%	23%
Satisfied	56%	47%	53%	46%	53%
Neither satisfied nor dissatisfied	14%	13%	20%	13%	9%
Dissatisfied	10%	13%	8%	13%	8%
Very dissatisfied	2%	4%	4%	3%	4%
Don't know	2%	3%			3%

Health Services (A lifetime of good health and wellbeing)

	2005	2006	2007	2008	2009
Very satisfied	14%	20%	17%	23%	26%
Satisfied	40%	42%	42%	44%	37%
Neither satisfied nor dissatisfied	19%	13%	16%	12%	13%
Dissatisfied	19%	13%	19%	14%	16%
Very dissatisfied	7%	12%	5%	6%	4%
Don't know	1%		1%	1%	4%

Education Services (A strong, thriving and prosperous economy)

	2005	2006	2007	2008	2009
Very satisfied	8%	15%	11%	12%	10%
Satisfied	42%	36%	38%	46%	46%
Neither satisfied nor dissatisfied	10%	12%	20%	9%	12%
Dissatisfied	23%	20%	19%	13%	14%
Very dissatisfied	7%	3%	3%	4%	5%
Don't know	10%	14%	9%	16%	13%

Level of Consultation with Maori (A community that values and promotes its culture and heritage)

	2006	2007	2008	2009
More than enough	23%	24%	25%	27%
Enough	46%	42%	38%	40%
Not enough	13%	14%	14%	16%
Nowhere near enough	6%	8%	6%	8%
Don't know	12%	12%	17%	9%

REPORT ON DEVELOPMENT OF MAORI CAPACITY TO CONTRIBUTE TO THE DECISION-MAKING PROCESS

PARTICIPATION IN DECISION MAKING

I raro i te mauri o te Tiriti o Waitangi me ata korero te kaunihera takiwa ki te tangata whenua nona nei te whenua, te aahi kaa me te mana ki runga i nga waahi i whakatipua e o ratou, o ia rohe i rote i te kaunihera takiwa o te Wairoa kia tutuki ai te he o te Tiriti o Waitangi.

Within the spirit of the Treaty of Waitangi the Wairoa District Council must consult with Maori who are descendants of the original inhabitants, who own land, who currently reside in the area, and who exercise traditional authority over the areas made sacred by their ancestors. Through this consultation process the aspirations of each area within Wairoa District will be realised in accordance with the Treaty of Waitangi.

The Council acknowledges that specific iwi have ahikaa (unbroken occupation) and exercise mana whenua (maintenance and sustainable management of land) over lands within the Council's boundaries. Council consult iwi for the purposes of the Resource Management Act 1991 (where there is a duty to consult with tangata whenua) and where there is mutual agreement between the Council and iwi exercising mana whenua. The Council also acknowledges that specific iwi have historical and spiritual ties to land within the Councils boundaries and as such should be consulted by Council for the purpose of the Resource Management Act 1991 in particular in respect to resource consent applications, District Plan changes and Notice of Requirements.

The Council maintains processes that provide opportunities for Maori to contribute to decisions. The Wairoa District Council Maori Standing Committee, (the group who advise and support Council on things pertaining to Maori) advise on how best to manage the consultation process and to facilitate the relationship between the Council and iwi exercising mana whenua.

Within the Wairoa District there are several Runanga or Iwi Authorities, which involve themselves in a range of issues. The runanga in Wairoa is as follows; Te Taiwhenua o Ngati Kahungunu ki te Wairoa, Te Runanga o Tuhoehoe Potiki ki Waikaremoana, Te Whanau o Rongomaiwahine Trust, Te Mana Taio o Rongomaiwahine, Te Runanga o Rakaipaaka, Te Pahuwera Incorporated Society, and the Wairoa-Waikaremoana Trust Board.

The Wairoa District Council Maori Policy outlines the relationship between the Council and the tangata whenua and is the foundation document for how this process will proceed. Council will continue to consider, and where appropriate, implement ways to foster the development of Maori capacity to contribute to its decision-making processes.

[The Maori Committee has been in recess while a new Maori Policy has been developed. It is hoped to have the new policy adopted before the end of 2009.](#)

Activity Group One

WATER SERVICES

1. **Water Reticulation**
2. **Water Production**
3. **Stormwater Drainage**
4. **Sewerage**

Water Reticulation

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. Effective and efficient management of the production and distribution of water to ensure that neither public health nor the environment is compromised
3. Match service provision in smaller communities with the communities' desired level of service and ability to pay
4. Meet minimum grading under the New Zealand Drinking Water Standards appropriate to the population size for the Wairoa reticulation

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A strong, prosperous and thriving economy

A lifetime of good health and wellbeing

The targets, performance measures and results below, including prior year comparatives, are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
All renewal and new capital work planned for the year completed to the predetermined standard during the year	No work programmed. Investigations carried out for future years' work programme
To maintain asset capacity & integrity, renewals expenditure compared with depreciation provision to remain the same over time	Work in progress. A new measure introduced in the LTCCP which will provide an indication over the long term. Current depreciation reserves approximately \$3.3 million. Asset replacement value \$30 million. Given that most of the asset is more than halfway through estimated economic life the level of reserve is not excessive. More work required to understand what the renewals profile will be over the next 20 years
Contractors' performance appraisals to achieve not less than a 90% rating against contract parameters	Achieved—above average on all appraisals
Council has current consents, where required, and there is full compliance with all consent conditions	Achieved
An annually reducing trend in the volume of water lost in the system and in no case greater than 16%	Not measured this year. During 2007/08 there was a significant reduction in water lost due to a leak detection programme. Survey to be redone in 2 years time

Service Levels and Targets	Performance Achieved
An annually reducing trend in the volume of water use per connection	Achieved—2% reduction
Achievement of Cc grading for the Wairoa and Frasertown supplies	No result—yet to be regraded
Fire hydrants installed at all required locations and 100% meet the Fire Service code of practice	No result—no formal testing regime in place, however there has been no adverse feedback from contractors or the Fire Service
Agreed level of service achieved within approved budget	Achieved
Council is satisfied that it has received all financial assistance to which it may be entitled during the year	Achieved. Tuai, Wairoa and Mahanga enrolled in Technical Assistance Program with Ministry of Health and Public Health Risk Management Plans prepared for all schemes
Not less than 5% less than the number of complaints and requests for service (excluding new connections) than the previous year	Not achieved—289 this year (284 in 2007/08)
Not less than 95% of all requests for service and complaints were dealt with within the prescribed timeframes	Achievement 88% (92% in 2007/08)
Not less than 80% of the respondents rate the service as “fairly good or better” in the annual public satisfaction survey	Achieved 91% satisfaction

COMMUNITY SURVEY—PERFORMANCE RATING									
Water Supply (Users)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Very satisfied/fairly satisfied	87%	94%	86%	90%	97%	89%	90%	90%	91%
Not very satisfied	11%	6%	14%	10%	2%	11%	8%	7%	6%
Don't know/NA	2%	-	-	-	1%	-	2%	3%	3%

Water Supply

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. Effective and efficient management of the production and distribution of water to ensure that neither public health nor the environment is compromised
3. Match service provision in smaller communities with the communities' desired level of service and ability to pay
4. Meet minimum grading under the New Zealand Drinking Water Standards appropriate to the population size for Wairoa ('C' or 'B' is the likely grading goal for Wairoa)

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A strong, prosperous and thriving economy

A lifetime of good health and wellbeing

The targets, performance measures and results below, including prior year comparatives, are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
All renewal and new capital work planned for the year completed to the predetermined standard during the year	Programme completed except for work on the trunk main due to inclement weather during the low water use period
To maintain asset capacity & integrity, renewals expenditure compared with depreciation provision to remain the same over time	A new measure introduced in the LTCCP which will provide an indication over the long term. Current depreciation reserves approximately \$1.4 million. Asset replacement value listed as \$5.8 million. More work required to understand what the renewals profile will be over the next 20 years and whether the level of reserves is justified
Contractors' performance appraisals to achieve not less than a 90% rating against contract parameters	Achieved—above average on all appraisals
Council has current consents, where required, and there is full compliance with all consent conditions	Achieved
An annually reducing trend in the volume of water lost in the system and in no case greater than 16%	Achieved—significant reduction in water lost due to leak detection programme

Service Levels and Targets	Performance Achieved
An annually reducing trend in the volume of water use per connection	Achieved—note that this is mainly due to significant reduction in water lost due to leak detection programme
Achievement of Cc grading for the Wairoa and Frasertown supplies	No result—yet to be regraded
Fire hydrants installed at all required locations and 100% meet the Fire Service code of practice	No result—formal testing regime not yet commenced, however no adverse feedback from contractors or Fire Service. Fire Service undertaking 25% testing per annum
Agreed level of service achieved within approved budget	Level of service achieved within budget
Council is satisfied that it has received all financial assistance to which it may be entitled during the year	Achieved—Public Health Risk Management Plans prepared for all schemes and all schemes enrolled in the Technical Assistance Programme—the pre-requisite for financial assistance
Not less than 5% less than the number of complaints and requests for service (excluding new connections) than the previous year	Achieved. No complaints related to water supply (requests relate to reticulation activity)
Not less than 95% of all requests for service and complaints were dealt with within the prescribed timeframes	Achieved. No complaints related to water supply (requests relate to reticulation activity)
Not less than 80% of the respondents rate the service as “fairly good or better” in the annual public satisfaction survey	Achieved 91% satisfaction

COMMUNITY SURVEY—PERFORMANCE RATING									
Water Supply (Users)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Very satisfied/fairly satisfied	87%	94%	86%	90%	97%	89%	90%	90%	91%
Not very satisfied	11%	6%	14%	10%	2%	11%	8%	7%	6%
Don't know/NA	2%	-	-	-	1%	-	2%	3%	3%

Stormwater & Drainage

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. Effective and efficient management of collection and disposal of stormwater to ensure that the capacity of available facilities are optimised and that the environment is not compromised
3. Continued development of stormwater systems to provide minimum levels of protection defined in Council's Engineering Code of Practice
4. Piping of urban open drains at a rate that reflects the community's ability to pay

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A safe and secure community

A lifetime of good health and wellbeing

An environment that is appreciated, protected and sustained for future generations

The targets, performance measures and results below, including prior year comparatives, are intended to give an indication of Council's progress towards achieving the community outcomes listed above

Service Levels and Targets	Performance Achieved
All renewal and new capital work planned for the year completed to the predetermined standard during the year	Achieved. Wairoa open drain piping completed and Stage 2 of Mahia Beach Stormwater Programme implemented
To maintain asset capacity & integrity, renewals expenditure compared with depreciation provision to remain the same over time	Work in progress. A new measure introduced in the LTCCP which will provide an indication over the long term. Current depreciation reserves approximately \$870,000. Asset replacement value approximately \$14 million. More work required to understand what the renewals profile will be over the next 20 years and whether the level of reserves is adequate
The number of known incidences of flooding during the past year in total and by type reducing over time	Not achieved—significantly more roading related drainage issues this year
Contractors' performance appraisals to achieve not less than a 90% rating against contract parameters	Achieved—above average on all appraisals
Council has current consents for all required purposes and there has been full compliance with all the conditions of them throughout the year	Not achieved. Council has been notified by the Regional Council that discharge consent will be required for the town stormwater system. A budget has been provided in the 2009/19 LTCCP to undertake this work
There are no reported "serious harm" health and safety incidents/accidents during the year (as defined by the Health & Safety in Employment Act 1992)	Achieved
The level of service was achieved for no more than the approved budget for the year	Not achieved

Service Levels and Targets	Performance Achieved
Not more than the number of complaints and requests for service received than the previous year	Not achieved—50 this year, 26 last year
Not less than 95% of all requests for service and complaints were dealt with within the prescribed timeframes	Not achieved. 61% this year. (81% in 2007/08)
Not less than 80% of the respondents rate the service as “fairly good or better” in the annual public satisfaction survey	57% satisfaction, up from 42% in 2007/08

COMMUNITY SURVEY—PERFORMANCE RATING				
Stormwater	2005/06	2006/07	2007/08	2008/09
Very satisfied/fairly satisfied	46%	56%	42%	57%
Not very satisfied	33%	29%	42%	35%
Don't know/NA	21%	15%	16%	8%

Sewerage

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. Effective and efficient management of collection and disposal of sewerage and trade waste to ensure that the capacity of available facilities are optimised and that the environment is not compromised
3. Maintain and upgrade existing networks as required to meet growth needs and resource consent requirements
4. Address growth in Mahia by constructing collection, treatment and disposal facilities to a level agreed with the serviced communities

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A strong, prosperous and thriving economy

A lifetime of good health and wellbeing

An environment that is appreciated, protected and sustained for future generations

The targets, performance measures and results below, including prior year comparatives, are intended to give an indication of Council's progress towards achieving the community outcomes listed above

Service Levels and Targets	Performance Achieved
All renewal and new capital work planned for the year completed to the predetermined standard during the year	Wastewater pond desludging project deferred until new landfill cell is built in order to have somewhere to dispose of sludge. Flow transducer project not complete—items purchased but too wet to install
To maintain asset capacity & integrity, renewals expenditure compared with depreciation provision to remain the same over time	A new measure introduced in the LTCCP which will provide an indication over the long term. Current depreciation reserves approximately \$3.4 million. Asset replacement value approximately \$21 million. More work required to understand what the renewals profile will be over the next 20 years and whether the level of reserves is adequate
Contractors' performance appraisals to achieve not less than a 90% rating against contract parameters	Achieved—above average on all appraisals
Council has current consents for all required purposes and there has been full compliance with all the conditions of them throughout the year	All required consents in place—issues with timing and volume of discharges at Wairoa. These have not resulted in non-compliance notices from Regional Council. Council staff are currently working towards solutions to excessive inflow
A continuing reducing trend in the total volume of wastewater discharged per year (Wairoa & Tuai)	This measure was introduced in the LTCCP. It can be an indicator of the success or otherwise of inflow and infiltration management programs. Investigations into the measurement equipment has revealed it is not reading accurately and until this is remedied, volume measurement is unreliable

Service Levels and Targets	Performance Achieved
Not more than 10 sewage spills or overflows per annum—and none that cause adverse effects on either the environment or public health	Achieved. No non-compliance reports received from Regional Council
There are no reported “serious harm” health and safety incidents/accidents during the year (as defined by the Health & Safety in Employment Act 1992)	Not achieved. Issue being dealt with through Contractor’s Quality Assurance and Health and Safety processes
The level of service was achieved for no more than the approved budget for the year	Level of service achieved within budget
Council is satisfied that it has received all financial assistance to which it may be entitled during the year	Achieved. Ministry of Health funding of 50% of the cost of the Mahia Sewerage Scheme obtained. MoH has announced further funding available for Opoutama (90% subsidy)
Not more than the number of complaints and requests than the previous year	Not achieved—48 in 2008/09; 24 in 2007/08
Not less than 95% of all requests for service and complaints were dealt with within the prescribed timeframes	Achievement 32/48 = 67%. (88% in 2007/08)
Not less than 80% of the respondents rate the service as “fairly good or better” in the annual public satisfaction survey	Achieved 93% satisfaction

COMMUNITY SURVEY—PERFORMANCE RATING									
Sewerage (Users)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Very satisfied/fairly satisfied	87%	92%	96%	94%	96%	82%	92%	87%	93%
Not very satisfied	12%	6%	3%	5%	4%	11%	7%	7%	4%
Don’t know/NA	1%	2%	1%	1%		7%	1%	6%	3%

WATER SERVICES

Statement of Cost of Service for the year ended 30 June 2009

ACTUAL 2007/08	BUDGET 2008/09	LTCCP 2008/09		COSTS 2008/09	REVENUE 2008/09	NET COST 2008/09
769,723	864,871	1,064,419	Water Reticulation	964,113	241,847	722,266
181,454	131,328	149,165	Water Production	859,146	751,015	108,131
254,837	263,400	337,539	Stormwater and Drainage	330,419	2,111	328,308
897,334	1,149,803	1,436,317	Sewerage	894,634	6,800	887,834
<u>2,103,348</u>	<u>2,409,402</u>	<u>2,987,440</u>		<u>3,048,312</u>	<u>1,001,773</u>	<u>2,046,539</u>
			Less internal allocation	<u>276,059</u>	<u>276,059</u>	
				<u>2,772,253</u>	<u>725,714</u>	<u>2,046,539</u>
Projects						
52,909	73,340	84,688	Water Reticulation			3,482
39,850	161,800	65,040	Water Production			58,251
275,267	584,500	583,600	Stormwater and Drainage			685,942
0	9,000	21,000	Stormwater & Drainage - Loan Pay/t			0
20,637	31,875	33,750	Water Reticulation - Loan Pay/t			0
78,579	9,050,316	8,541,046	Sewerage			123,256
0	77,500	77,500	Sewerage - Loan Pay/t			0
<u>467,242</u>	<u>9,988,331</u>	<u>9,406,624</u>		<u>0</u>		<u>870,931</u>

Activity Group Two WASTE MANAGEMENT

1. Waste Management

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. Zero waste to landfill by 2010
3. To ensure that waste is handled in appropriate and environmentally sound ways consistent with all consent requirements
4. To ensure that individuals within the community understand the options and choices they can make for the disposal of waste
5. Council and community work together to minimise waste and create a clean environment
6. Waste is recognised as a valuable resource

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A safe and secure community

A lifetime of good health and wellbeing

An environment that is appreciated, protected and sustained for future generations

The targets, performance measures and results below, including prior year comparatives, are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
All approved bags collected weekly, provided they are at the roadside by 7.30am on the day of collection	Two confirmed instances of non-collection, which were remedied by contractor on request
All approved recyclable material deposited kerbside in approved bins is collected weekly on the designated day	No complaints of non-collection of recyclables recorded
100% of sorted recyclable waste is diverted to recyclers or reused in some beneficial way, provided that it is environmentally and economically sustainable to do so	Achieved
Not more than 3000 tonnes going into the landfill in 2007/08	Achieved. 2215 tonnes to landfill (6% reduction)
Council has current consents for all required purposes and there has been full compliance with all conditions of them during the year	Achieved
By 2008 every rural school will have the opportunity to be involved in waste reduction, reuse, recycling and recovery	Achieved. Educator in place. Paper for trees underway. Education programme has been rolled out into all schools
A bi-annual newsletter for waste education to be published.	Achieved—Christmas newsletter and issues included in Wairoa-in-Focus

Service Levels and Targets	Performance Achieved
Litter control bylaw to be reviewed in 2008 in accordance with legislation. Bylaw review will specifically target fly-dumping	Achieved. Bylaw in place
Fencing and screen planting along Fraser St will be maintained	Achieved—maintained and more planting undertaken
Screen planting to be established on Hillcrest Rd boundary progressively from 2006-2008	Some progress but more to be done
Vegetation clearance within the landfill will be undertaken twice annually	Landfill being kept tidy as per contractual requirements
Contractors' performance appraisals to achieve not less than a 90% rating against contract parameters	Achieved—average or above average on all appraisals
Council will arrange for the removal of spilt refuse and will take action as provided for under litter control bylaws	Achieved. By law in place. Street cleaning contractors, reserves contractors and roading contractors available for responses
At least the current number of bins to be maintained in Wairoa township and at Mahia on Pohutukawa Reserve	Achieved—bins replaced as required throughout the year
No health or safety issues	Achieved
The level of service was achieved for not more than the approved budget for the year	Achieved
Not less than 5% less than the number of complaints and request for service than in the previous year	Achieved 14% 25 requests for service this year. (29 in 2007/08)
Not less than 95% of all requests for service dealt with within the prescribed timeframes	Achievement 83% (83% 2007/08)
Not less than 70% of the respondents rate the service as "fairly good or better" in the annual public satisfaction survey	Not achieved. Satisfaction level 66%

COMMUNITY SURVEY—PERFORMANCE RATING									
Waste Management	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Very satisfied/fairly satisfied	49%	45%	49%	58%	56%	47%	47%	49%	66%
Not very satisfied	37%	46%	42%	34%	36%	43%	49%	48%	31%
Don't know/NA	14%	9%	9%	8%	8%	10%	4%	3%	3%

WASTE MANAGEMENT

Statement of Cost of Service for the year ended 30 June 2009

ACTUAL 2007/08	BUDGET 2008/09	LTCCP 2008/09		COSTS 2008/09	REVENUE 2008/09	NET COST 2008/09
616,792	686,700	739,287	Waste Management	971,658	289,440	682,218
<u>616,792</u>	<u>686,700</u>	<u>739,287</u>		<u>971,658</u>	<u>289,440</u>	<u>682,218</u>
Projects						
	40,000		0 Reseal Landfill road	37,320		37,320
0	0	15,000	Waste Management - Loan Pay/t	0		0
<u>0</u>	<u>0</u>	<u>15,000</u>		<u>37,320</u>		<u>37,320</u>

Activity Group Three TRANSPORT

1. **Roads
(District funded and Subsidised)**
2. **Parking**
3. **Airport**

Roads (District funded & Land Transport NZ Subsidised)

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. To meet the community's needs for safe and efficient movement of people and goods by maintaining and developing the District's roading network
3. Maintain the current network at "present day average" or better
4. Provision of a safe and affordable roading network that contributes to the outcomes of the Land Transport Management Act and the objectives of the Regional Land Transport Strategy
5. Ensure road safety continues to be a priority

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A strong prosperous and thriving economy

A safe and integrated transport system

The targets, performance measures and results below, including prior year comparatives, are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
All renewal and new capital work planned for the year completed to the predetermined standard during the year	Footpath programme completed. Reseals and metal strengthening carried out. Bridge repair programme completed other than Hinckesman Bridge where specialist contractor has been unavailable
To maintain asset capacity and integrity, renewals expenditure compared with depreciation provision to remain the same over time	A new measure introduced in the LTCCP which will provide an indication over the long term. Current depreciation reserves approximately \$1.6 million. Asset replacement value nearly \$200 million. Currently the roading depreciation in particular is spent each year on renewals. More work required to understand what the renewals profile will be over the next twenty years and whether the current regime is sustainable.
Contractors' performance appraisals to achieve not less than a 90% rating against contract parameters	Achieved—average or above average on all appraisals
Average NAASRA counts across sealed network to be less than 100 (i.e. a "fair" ride quality)	Not achieved—current network average roughness 104 NAASRA (2008 : 104)

Service Levels and Targets	Performance Achieved
No more than 10% of the sealed road network to exceed a NAASRA count of 150	Not achieved—11% of the network greater than 150 NAASRA
At least 5% less than the average of fatal and injury crashes over the last three years	Not achieved—13 injury crashes and 2 fatal crashes exceeds average of last 3 years
Less than the average for the previous three years fatal and injury crashes by accident cause for each category	Not achieved—increases in most categories with only fatigue and vehicle condition meeting the performance target
Less than the average for the previous three years accident contributing offences for each category	Work in progress. LTNZ database not set up to deliver this information at this time
Council has an up to date road safety strategy, road safety action plan and road systems policy and all of the proposed actions listed in the road safety action plan were completed for the year	Achieved. Council adopted the Safety Management System in 2008 and is delivering safety improvements through the minor safety programme
All necessary resource consents obtained and all conditions complied with	Achieved
The level of service was achieved for not more than the approved budget for the year	Level of service achieved within budget
Council is satisfied that it has received all financial assistance to which it may be entitled during the year	Achieved. Full re-imburement from LTNZ at agreed rates for various work types. Savings were also made by working with Transit NZ on our reseals programme
Not less than 65% of the respondents consider the land transport service to be “fairly good, very good or better” as measured by the annual public satisfaction survey	Achieved 81% satisfaction
Not more than the number of complaints and requests for service received than the previous year in total and by type	Achieved—293 this year. (320 in 2008)
95% of all requests for service and complaints were dealt with within the prescribed timeframes	Achievement 60% (79% in 2008)

COMMUNITY SURVEY—PERFORMANCE RATING									
Roads	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Very satisfied/fairly satisfied	67%	66%	67%	66%	67%	58%	73%	68%	81%
Not very satisfied	33%	34%	32%	32%	32%	41%	27%	32%	17%
Don't know/NA	-	-	1%	2%	1%	1%			2%

Parking

Activity Goal and Principal Objectives

1. To ensure that there is sufficient convenient, safe and secure parking for people visiting the Wairoa Central Business District
2. To maintain the current car parking facilities at “present day” average condition or better through the provision of capital development and maintenance of the established (existing) car parks

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A strong prosperous and thriving economy

A safe and integrated transport system

The targets, performance measures and results below, including prior year comparatives, are intended to give an indication of Council’s progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
All renewal and new capital work planned for the year completed to the predetermined standard during the year	Achieved—no new or renewal work programmed this year
To maintain asset capacity and integrity, renewals expenditure compared with depreciation provision to remain the same over time	Long term (20—30 year) measure. Insufficient data available at this time. Current depreciation reserves approximately \$218,000. Asset replacement value \$900,000. More work required to understand what the renewals profile will be over the next 20 years and whether the current level of reserve is sufficient
Contractors’ performance appraisals to achieve not less than a 90% rating against contract parameters	Achieved—average or above average on all appraisals
Council has an up to date road safety strategy, road safety action plan and road systems policy and all of the proposed actions listed in the road safety action plan were completed for the year	Achieved—refer roading performance report
All necessary resource consents obtained and all conditions complied with	Achieved—none required this year
The level of service was achieved for not more than the approved budget for the year	Level of service achieved within budget
Not less than 65% of the respondents consider the land transport service to be “fairly good, very good or better” as measured by the annual public satisfaction survey	Achieved 82% satisfaction
Not more than the number of complaints and requests for service received than the previous year in total and by type	Not currently measured. CSR system does not categorise for Parking. Refer to Roading for overall activity achievement
95% of all requests for service and complaints were dealt with within the prescribed timeframes	Not currently measured. CSR system does not categorise for Parking. Refer to Roading for overall activity achievement

COMMUNITY SURVEY—PERFORMANCE RATING									
Parking	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Very satisfied/fairly satisfied	83%	72%	75%	83%	85%	80%	78%	86%	82%
Not very satisfied	16%	25%	23%	16%	14%	20%	22%	13%	17%
Don’t know/NA	1%	3%	2%	1%	1%			1%	1%

Airport

Activity Goal and Principal Objectives

1. Adopt proactive maintenance techniques combined with a sustainable renewals and capital works programme and to ensure that all preventative maintenance, renewals and other programmed works are completed on time and within budget
2. Ensure the safe and efficient operation of the airport by providing the resources necessary to operate the airport
3. Ensure that the airport remains operational at all times unless affected by adverse weather conditions
4. Ensure that the activities undertaken at the airport are in accord with current Civil Aviation rules
5. Ensure that agreed levels of service are provided
6. Plan for the future by monitoring airport performance and need on a on-going basis to ensure it remains serviceable and meets community requirements

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A strong, prosperous and thriving economy.

A safe and integrated transport system

The targets, performance measures and results below are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
All renewal and new capital work planned for the year completed to the predetermined standard during the year	Runway safety margin reseal carried out
To maintain asset capacity and integrity, renewals expenditure compared with depreciation provision to remain the same over time	Long term (20-30 year) measure. Insufficient data available at this time. Runway depreciation reserve currently holds \$50,000. Last report on the condition of the runway indicated no immediate or medium term concerns for the main runway
No health or safety incidents	A number of instances of unauthorised access (boy racers) on the runway. Police unable to apprehend anyone to date but continue to monitor. One incident of unauthorised clay target shooting, culprit not identified. Most serious issue was a plane attempting to land on grass after heavy rain. Referred to Civil Aviation Authority
Notification of minor faults investigated within 24 hours and remedied within 48 hours	No minor faults
All necessary resource consents obtained and all conditions complied with	No consents required this year
The level of service was achieved for not more than the approved budget for the year	Not achieved
Not more than the number of complaints and requests for service received than the previous year	No CSRs received this year (4 in 2007/08)
95% of all requests for service and complaints were dealt with within the prescribed timeframes	No CSRs received this year (100% in 2007/08)

TRANSPORT

Statement of Cost of Service for the year ended 30 June 2009

ACTUAL 2007/08	BUDGET 2008/09	LTCCP 2008/09		COSTS 2008/09	REVENUE 2008/09	NET COST 2008/09
19,742	34,400	30,570	Airport	82,608	29,907	52,701
2,421,786	4,318,891	4,158,258	Roading - Transfund assisted	9,860,194	4,210,031	5,650,163
360,164	396,650	346,998	Roading - District funded	375,743	7,162	368,581
40,891	48,660	59,771	Parking	40,664		40,664
<u>2,842,583</u>	<u>4,798,601</u>	<u>4,565,597</u>		<u>10,359,209</u>	<u>4,247,100</u>	<u>6,112,109</u>
			Projects			
2,621	0	0	Airport	0		0
2,927,401	4,170,956	2,501,919	Roading	3,006,503		3,006,503
168,232	155,000	105,000	Roading - District funded	219,074		219,074
0	0	0	Parking	0		0
<u>3,098,254</u>	<u>4,325,956</u>	<u>2,606,919</u>		<u>3,225,577</u>		<u>3,225,577</u>

Activity Group Four COMMUNITY FACILITIES

1. **Cemeteries**
2. **Parks & Reserves**
3. **Library**
4. **Community Support
Museum
Community Funding/Support
Community Centre
Community Halls**
5. **Pensioner Housing**

Cemeteries

Activity Goal and Principal Objectives

1. To manage and provide land and facilities for the burial or interment of ashes of the dead and their remembrance suitable for the current and foreseeable needs of the community
2. To ensure that the cemetery is maintained to a standard that is consistent with the expectations of the community and shows respect for those interred
3. To provide a safe and efficient service through compliance with relevant legislation and Council policy

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A safe and secure community

A lifetime of good health and wellbeing

A community that values and promotes its culture and heritage

The targets, performance measures and results below, including prior year comparatives, are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
The degree to which the service can be judged to be meeting the community's burial needs, as measured by the number of burials each year	17 burials, 10 ash interments 2008/09 28 burials, 14 ash interments 2007/08 15 burials, 16 ash interments 2006/07 16 burials, 17 ash interments 2005/06
Regular inspections confirm that the cemeteries are being maintained in conformity with all of the requirements of the maintenance contract	Achieved—average or above average on all contractor appraisals
The service will be provided with the total cost being met from user fees and an input from the general rate that is no greater than that provided for in the annual budget	Level of service achieved within budget

Service Levels and Targets	Performance Achieved
A completely accurate record of all burials, plot location and availability is maintained and is readily available for inspection	Achieved—records available at Council reception
No issues re burial arrangements or other use of the cemeteries	Achieved
No complaints	3 requests received to top up sunken graves
Not less than 80% of the respondents rate the service as “fairly good or better” in the annual public satisfaction survey	Achieved 80% satisfaction level. Note that 90% of those who visited a cemetery were satisfied

COMMUNITY SURVEY—PERFORMANCE RATING									
Cemetery	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Very satisfied/fairly satisfied	74%	76%	76%	84%	80%	65%	72%	69%	80%
Not very satisfied	2%	5%	4%	2%	3%	6%	7%	6%	4%
Don't know/NA	24%	19%	20%	14%	17%	29%	21%	25%	16%

Parks & Reserves

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. Providing a network of reserves and community facilities for the public to use and enjoy
3. Planning for the future including the adoption of proactive maintenance techniques combined with sustainable renewals and capital works programmes and to ensure that all preventative maintenance, renewals and other programmed works are completed on time and within budget
4. Where possible, partnering with groups and clubs within the community
5. Collaborating with the Department of Conservation and the Hawkes Bay Regional Council
6. Advocating in the interests of our people and communities

Community Outcomes

The community outcomes to which this activity primarily contributes are:

Safe and accessible recreational facilities

The targets, performance measures and results below, including prior year comparatives, are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
All sports clubs needs met. No issues with grounds allocation or of the ground's standard	No issues reported
A Reserve management plan under the Reserves Act 1977 has been prepared for every reserve, no plan is more than five years old and all park use is in full compliance with the relative plan	Current status is Pohutukawa Reserve done; Opoutama in draft form; Tuai underway; Wairoa Riverbank Reserve Management Plan commenced
All renewal and new capital work planned for the year completed to the predetermined standard during the year	Programme completed except Tuai Playground upgrade (deferred awaiting Reserves Management Plan recommendations) and Blue Bay Toilets septic tank replacement—further investigations found this not to be required at this time
To maintain asset capacity and integrity, renewals expenditure compared with depreciation provision to remain the same over time	Long term (20-30 year) measure. Insufficient data available at this time. Funding of depreciation only began in this financial year . Depreciation reserve currently at \$60,000
Contractors' performance appraisals to achieve not less than a 90% rating against contract parameters	Achieved—contractors' appraisals acceptable
All necessary resource consents obtained and all conditions fully complied with throughout the year	No resource consents required this year
Playground safety standards fully met for all playgrounds	Work in progress. New standards apply as upgrades occur. Standards being met where required

Service Levels and Targets	Performance Achieved
Less than 10 reported safety incidents per annum—including not more than 5 relating to the use of children's playgrounds	Achieved—1 safety issue only (latch broken on babies' swing) (1 in 2007/08)
The level of service was achieved for not more than the approved budget for the year	Level of service achieved within budget
95% of all complaints were dealt with within the prescribed timeframe	Achieved 100%. (80% in 2007/08)
Not less than 80% of the respondents rate the service to be "fairly good, very good or better" in the annual public satisfaction survey	Achieved 83% satisfaction level

COMMUNITY SURVEY—PERFORMANCE RATING									
Parks & Reserves (Users)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Very satisfied/fairly satisfied	74%	77%	77%	76%	80%	87%	83%	80%	83%
Not very satisfied	22%	17%	15%	21%	17%	11%	13%	15%	12%
Don't know/NA	4%	6%	8%	3%	3%	2%	4%	5%	5%

Library

Activity Goal and Principal Objectives

1. Promote the library to the wider community as a centre for information, ideas and works of the imagination
2. Explore and implement technologies that enhance communication, knowledge and information sharing locally, nationally and internationally
3. Maintain collections, written and digital, so as to cater to the Wairoa community's needs, both current and future
4. Promote reading and encourage and support lifetime learning and literacy
5. Promote a "living room away from home" - a space that people can use and relax in and utilise for debates, educational programmes and activities

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A community that values and promotes its culture and heritage

Safe and accessible recreational facilities

Supportive, caring and valued communities

A lifetime of good health and wellbeing

The targets, performance measures and results below, including prior year comparatives, are intended to give an indication of Council's progress towards achieving the community outcomes listed above

Service Levels and Targets	Performance Achieved
Not less than 4,500 members in 2007 and increasing annually	2009: Current Adults = 2583 (2008 : 2570) 2009: Current Children = 1029 (2008 : 1067)
Not less than 100 new adult members and 50 new children members in 2007 and increasing annually	2009: 158 new adults were enrolled (2008 : 149) 2009: 113 new children were enrolled (2008 : 100)
Not less than 55,000 library visits in 2007 and increasing annually	2009: 69,317 (2008 : 61,125)
Not less than 100,000 items issued in 2007 and increasing annually	2009: 98,951 (109,701 in 2008)
The library is accessible to users during displayed opening hours	The library was open during the hours displayed except for notified closures on Public holidays
Opportunities are provided to participate in the annual Eastern & Central Region Summer Reading Programme	Winter Warmer registrants = 90 SuperHeroes Read Registrants = 159 iRead registrants = 24
The cataloguing and reference database is operational and accurate	The Library Information System being used is .eLM. Original cataloguing is completed for fiction records and non-fiction records are copy catalogued utilising the TePuna database. Reference databases provided via Library page on Council website are: Australia/New Zealand Reference Centre; Biography Resource Centre; Business Reference Suite; Contemporary Women's Issues; Discovering Collection; Encyclopedia Britannica Online; Grove Art; Grove Music; Health and Wellness Resource Centre and Alternatice Health; History Resource Centre: Modern World; InfoTrac OneFile; Literature Resource Centre; MasterFILE Premier; Oxford English Dictionary; Science Journals (Proquest); Student Resource Centre College Edition; What Do I Read Next?

Service Levels and Targets	Performance Achieved
All preventative maintenance, renewals and other programmed works are completed on time and within budget	Achieved
All requests, enquiries and complaints are responded to within established timeframes	Achieved
Level of customer satisfaction through survey indicates a “fairly good, very good or better” minimum 80% approval rating	Achieved 96% satisfaction level

COMMUNITY SURVEY—PERFORMANCE RATING									
Library (Users)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Very satisfied/fairly satisfied	95%	93%	96%	94%	96%	94%	91%	96%	96%
Not very satisfied	4%	1%	-	2%	2%	3%	6%	2%	2%
Don't know/NA	1%	6%	4%	4%	2%	3%	3%	2%	2%

Community Support

Activity Goal and Principal Objectives

Council's goal is to provide a co-ordinated response to the provision of recreational, health, safety, education and other community services. In order to achieve this goal, and defined community outcomes, Council will:

1. Ensure community events, facilities and funding are available to foster community identity and participation; and to encourage the use of community facilities
2. Allocate Council funding to organisations where appropriate
3. Work co-operatively with other organisations to share information and to develop and monitor indicators and strategies to measure progress towards the district vision and community outcomes
4. Enter into partnerships for the provision of community facilities and services to enhance the social, economic, environmental and cultural wellbeing of the Wairoa District as well as meet community outcomes

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A community that values and promotes its culture and heritage

Safe and accessible recreational facilities

Supportive, caring and valued communities

The targets, performance measures and results below, including prior year comparatives, are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
Overall user satisfaction of community halls and facilities through survey indicates a "fairly good, very good or better" approval rating of not less than 80%	Achieved 93% satisfaction level
Reports are received from the Wairoa Community Sports Centre, Wairoa Museum and Sport Hawke's Bay in accordance with funding contracts/agreements	Reports received in accordance with contracts/agreements. Published in Councillor Information Packs
Agreed levels of service are achieved within budget	Not achieved. Budget \$389,313; Final cost \$391,969
Council grants to funded organisations are paid in accordance with funding contracts/agreements	All grants paid in accordance with contracts/agreements
Funding contracts/agreements are reviewed annually/triennially in accordance with existing funding contract specifications	Achieved all agreements reviewed
Residents are satisfied with value for money through rates on supporting community facilities and organisations with an approval rating of not less than 80%	Not achieved. 50%

COMMUNITY SURVEY—PERFORMANCE RATING				COMMUNITY SURVEY—PERFORMANCE RATING	
Community Facilities Support	2006/07	2007/08	2008/09	Community Facilities Satisfaction	2008/09
Very satisfied/fairly satisfied	39%	44%	50%	Very satisfied/fairly satisfied	93%
Neither satisfied/dissatisfied	25%	30%	25%	Neither satisfied/dissatisfied	
Dissatisfied/very dissatisfied	29%	20%	16%	Dissatisfied/very dissatisfied	2%
Don't know	7%	6%	9%	Don't know	5%

Pensioner Housing

Activity Goal and Principal Objectives

The pensioner Housing activity goal is to:

1. Manage and maintain the pensioner housing assets to a standard and at a cost acceptable to the community and tenants
2. Provide accommodation to those who are unable to access private sector rental properties

In order to meet these goals and desired outcomes, Council will:

1. Manage all tenancies in accordance with the Residential Tenancy Act
2. Ensure all prospective tenants meet eligibility criteria
3. Regularly inspect pensioner housing units
4. Carry out pre and post occupancy inspections

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A safe and secure community

Supportive, caring and valued communities

The targets, performance measures and results below are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
Not less than 75%. Occupancy annually	97% occupancy achieved (97% 2007/08)
The degree to which the service can be judged to be meeting the needs, as measured by the number of enquiries that it received about the possibility of being allocated a unit, during the year	All applicants provided a pensioner housing unit where available for tenancy
All renewal and new capital work planned for the year completed to the predetermined standards required within the year	Achieved. All renewal or capital work planned for 2008/09 financial year was completed to the predetermined standards required within the year
To maintain asset capacity and integrity, renewals expenditure compared with depreciation provision to remain the same over time	Achieved
Regular inspections do not identify any external or internal maintenance issues	A comprehensive inspection of all units was undertaken in the 2008/09 financial year. The issues uncovered in this process were put to Council as part of the LTCCP 2009/19 process. Council has allocated further expenditure in the 2009/10 financial to remedy most of these concerns
100% compliance with legislation and Council policy	All policy complied with
No health or safety incidents	No health or safety incidents reported
The level of service was achieved with the total cost being met from fees and charges, and an input from general rates that was not greater than that provided for in the approved budget	Not achieved due to an additional project being approved by Council during the year
95% of all requests for service and complaints dealt with within the specified timeframes	All requests dealt with within specified timeframes. No complaints received
Less than 10 complaints from tenants per annum	No complaints received
The number of tenants satisfied or very satisfied with the location and quality of the units and Council's maintenance of the buildings and grounds	All tenants satisfied
No disputes with any of the tenants	No known disputes between tenants

COMMUNITY FACILITIES

Statement of Cost of Service for the year ended 30 June 2009

ACTUAL 2007/08	BUDGET 2008/09	LTCCP 2008/09		COSTS 2008/09	REVENUE 2008/09	NET COST 2008/09
663,616	714,470	669,014	Parks and Reserves	698,782	9,750	689,032
275,776	283,100	310,396	Library	328,258	11,019	317,239
56,452	136,800	0	Visitor Information Centre	246,404	143,752	102,652
120,680	85,627	85,627	Museum	86,507		86,507
47,594	74,850	45,278	Community Support	86,078	19,391	66,687
226,988	228,836	228,836	Community Centre	238,776		238,776
14,442	22,300	17,613	Community Halls	26,457		26,457
-4,432	-14,100	50,232	Pensioner Housing	146,949	92,550	54,399
75,217	85,890	89,741	Cemeteries	115,695	21,977	93,718
1,476,333	1,617,773	1,496,737		1,973,906	298,439	1,675,467
Projects						
4,674	81,000	69,030	Parks & Reserves	13,915		13,915
48,128	45,000	66,800	Library	58,945		58,945
0	11,000	10,560	Cemetery	1,522		1,522
0	8,000	0	Pensioner Housing	9,608		9,608
52,802	145,000	146,390		83,990		83,990

Activity Group Five PLANNING & REGULATORY

1. **Resource Planning**
2. **Environmental Health**
3. **Dog Control**
4. **Livestock Control**
5. **Building Inspection**
6. **Liquor Licensing**
7. **Bylaw Enforcement**
8. **Safer Communities**
9. **Emergency Management**

Resource Planning

Activity Goals and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. To have in place a District Plan that meets the needs of the community, provides some certainty to developers and meets the requirements of the Resource Management Act 1991
3. To have the capacity to assess and process Resource Consent applications in accordance with statutory timeframes
4. To provide high quality information, advice and analysis to Council in order to facilitate the sustainable management of natural resources
5. To manage natural resources sustainably using available statutes, plans and processes
6. To monitor and revise the District Plan to ensure community outcomes are achieved and natural resources are managed in a sustainable manner
7. To implement the Wairoa Coastal Strategy to ensure its goals and objectives are achieved
8. To revise and update the District Profile on a regular basis so that information remains current
9. To ensure all resource consent applications are processed in accordance with statutory requirements so as to limit Council's potential exposure to litigation

Community Outcomes

An environment that is appreciated, protected and sustained for future generations

A safe and secure community

The targets, performance measures and results below are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
No Council resource consent or land use consent decisions subsequently overturned by the Environment Court	Achieved
No situations where the conditions of consent that were imposed have not been subsequently complied with	Achieved
No situations where inadequate conditions were imposed relating to roading, water supply, wastewater or stormwater infrastructure to be constructed and transferred to the Council, or to the standard and condition to which it was actually built before being transferred	Achieved

Service Levels and Targets	Performance Achieved
No instances where legal proceedings have been taken against, or have been threatened to be taken against, the Council, alleging that it has acted unlawfully or has been negligent in the exercise of its responsibilities	Achieved
No actions taken by Council during the year relating to land use activities in contravention of the District Plan, or in contravention of, or non-compliance with the conditions of, any subdivision or land use consent	Achieved
No actual or potential claims that have had to be notified to Council's insurers	Achieved
No health or safety incidents	Achieved
Agreed level of service achieved with the total cost being met from fees and charges, and an input from general rates not greater than that provided for in the annual budget	Level of service achieved within budget
Not less than 95% of all complaints and requests for service dealt with within the specified timeframes	Not measured
100% of applications for consent dealt with within specified timeframes	Performance measure not achieved. 51 Non-notified consents, 50 processed within timeframe 98% 4 Notified consents all processed within timeframe 100%

Environmental Health

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements and statutory obligations
2. To ensure that all premises registered in terms of the Health Act are inspected on a regular basis, hygiene practices promoted and that food for human consumption is safe, wholesome and free from adulteration
3. To provide an efficient customer service, particularly with regard to the matter of investigating and resolving complaints
4. To utilise and monitor external contractors to deliver key environmental services which the Council is not able to carry out
5. To fulfil an environmental health role within Council's structure in the event that emergencies or other unusual events arise
6. To minimise adverse effects on public health in the community
7. To ensure all environmental health functions are carried out within timeframe and budget

Community Outcomes

A safe and secure community

A lifetime of good health and wellbeing

The targets, performance measures and results below are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
100% of all registered premises inspected during the year	Achieved
No unlicensed premises	Achieved
No situations where licenses have had to be suspended or revoked during the year	Achieved
No sickness outbreaks that are known to have been caused or suspected to have been caused by persons purchasing contaminated food, or by the inadequate management (or of some other failing) of the public services	Achieved
No less than 75% of all food workers trained in food safety	Unable to measure. Total number of foodworkers unknown
No complaints about unreasonable noise	Not achieved
No health or safety incidents	No incidents reported
Agreed level of service achieved with the total cost being met from fees and charges, and an input from the general rate that was not greater than the amount provided for in the budget	Level of service achieved within budget
Not less than 95% of all complaints dealt with within the specified timeframes	Not measured

Dog Control

Activity Goal and Principal Objectives

1. To apply the enforcement provisions of the Dog Control Act 1996 and its amendments, which may include infringements notices (instant fines), prosecutions and other powers to enforce dog owner obligations and Act requirements
2. To ensure that dogs are controlled such that there is no threat to people or property
3. To ensure that complaints relating to dogs are responded to and suitable solutions found to resolve the complaint
4. To ensure that dog owners are aware of the obligations of dog ownership
5. All statutory dog control functions are carried out within timeframe and budget

Community Outcomes

An environment that is appreciated, protected and sustained for future generations

A safe and secure community

A lifetime of good health and wellbeing

The targets, performance measures and results below, including prior year comparatives, are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
All known dogs registered by 30th June each year	Achieved. 3484 dogs registered
Annual Report about the administration of the Council's policy and dog control practices adopted by 30th August each year	Not achieved. Report to be adopted in October.
No complaints or instances of dogs attacking persons or animals	Not achieved. 32 complaints received
No complaints or instances of dogs rushing at persons, animals or vehicles	Not achieved. 9 complaints received
No complaints of dogs causing serious injury	Not achieved
No complaints of dogs at large and an immediate disturbance or threat to wildlife	Not achieved
No dogs running at large among, or worrying, stock or poultry	Not achieved
No dangerous dogs at large, un-muzzled	No complaints received
No other adverse trends revealed by the Annual Report	Not achieved
No health or safety incidents	No incidents reported
Agreed level of service achieved with the total cost being met from fees and charges, and an input from the general rate that was not greater than the amount provided for in the approved budget	Not achieved
Not more than the number of complaints received in the previous year—in total and by type	259 complaints received 2008/09 274 complaints received 2007/08; 254 complaints received 2006/07; 224 complaints received 2005/06
Not less than 95% of all complaints dealt with within the specified timeframe	Not measured
Not less than 70% of the respondents rate the service as "fairly good, or better" in the annual public satisfaction survey	Measure not achieved

COMMUNITY SURVEY—PERFORMANCE RATING									
Dog Control	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Very satisfied/fairly satisfied	44%	59%	61%	62%	60%	58%	51%	56%	62%
Not very satisfied	36%	38%	35%	30%	34%	38%	44%	36%	33%
Don't know/NA	10%	3%	4%	8%	6%	4%	5%	8%	5%

Livestock Control

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. To ensure that livestock are controlled such that there is no threat to people or property
3. To ensure that complaints relating to animal nuisances are responded to and suitable solutions found to resolve the complaint
4. To ensure that Council owned stock paddocks are maintained to an appropriate standard
5. All statutory livestock control functions are carried out within timeframe and budget

Community Outcomes

A safe and secure community

The targets, performance measures and results below are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
At least 10% less complaints received about wandering stock than in the previous year	135 complaints received 2008/09 (148 in 2007/08) 9.1% less
At least 10% less stock impounded than in the previous year	Not achieved. 17 impounded 2008/09 (13 in 2007/08)
At least 10% less complaints about other animal nuisances (excluding dogs)	Achieved 43% . 3 complaints 2008/09 (7 in 2007/08)
No complaints received about the manner in which the Council has impounded stock or the way impounded stock was cared for	No complaints received
No health or safety incidents	No health or safety incidents recorded
Agreed level of service achieved with the total cost being met from fees and charges, and an input from the general rate that was not greater than the amount provided for in the approved budget	Level of service achieved within budget
Not less than 95% of all complaints dealt with within the specified timeframe	All complaints dealt with within specified timeframes
Not less than 70% of the respondents rate the service as "fairly good, or better" in the annual public satisfaction survey.	Measure achieved—79%

COMMUNITY SURVEY—PERFORMANCE RATING			
Livestock Control	2006/07	2007/08	2008/09
Very satisfied/fairly satisfied	75%	69%	79%
Not very satisfied	15%	20%	13%
Don't know/NA	10%	11%	8%

Building Inspection

Activity Goal and Principal Objectives

The Building Control Activity Goal is:

An acceptable standard of building development within the District through the positive application of the Building Act 2004 and Act processes

Council's objectives are to:

1. Ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. Ensure new and existing buildings within the District comply with the appropriate standards and codes
3. Meet statutory deadlines for building consents processed under the Building Act 2004
4. Employ effective, user-friendly consent handling and associated administrative processes
5. Keep developers aware of issues that will affect their projects
6. Promote the construction of safe and healthy buildings and ensure they are maintained in a safe and sanitary state
7. Maintain a register of swimming pools within the District
8. Have policies and procedures in place for the completion of audit on building warrants of fitness to ensure that building owners are complying with the requirements of compliance schedules
9. Have policies and procedures in place for the completion of audit of independently qualified persons to ensure that they are performing in compliance with the Building Act 2004
10. Ensure adequate staff are employed to complete all of the above
11. Ensure staff receive adequate training to enable them to complete work to an acceptable standard
12. Ensure that building consent activities are carried out within budget

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A strong, prosperous and thriving economy

An environment that is appreciated, protected and sustained for future generations

A safe and secure community

A lifetime of good health and wellbeing

The targets, performance measures and results below are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
Accreditation as a Building Consent Authority obtained (either directly or indirectly) by 2013	Achieved. Re-assessment due March 2010
No compliance issues raised by the Department of Building & Housing	No issues raised
No actual or potential claims against the Council notified to Council's insurers during the year	No claims notified
Number of consents still needing Code of Compliance Certificate—797 target for 2009	Not achieved. 861 consents outstanding (2008: 1143)
No unfenced or non-complying swimming pools identified during the year	None identified
No earthquake prone or unsanitary buildings in compliance	None identified
No illegal or unauthorised buildings or instances of illegal or unauthorised building work identified during the year	Not achieved. Instances identified and notices issued
No instances where legal proceeding have been taken against, or have threatened to be taken against, the Council, alleging that it has acted unlawfully or has been negligent in the exercise of its responsibilities	No proceedings taken or threatened

Service Levels and Targets	Performance Achieved
The agreed level of service achieved with the total cost being met from fees and charges and no rate input, except for Council's statutory administrative duties (and then for a sum that does not exceed the amount in the approved annual budget)	Not achieved
100% of consents processed within the prescribed times	Achieved. 205 consents. 100% processed within 20 days

Liquor Control

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. To ensure liquor control produces positive health outcomes for the community as a whole
3. Ensure appropriate resources are available to meet the legislative requirements of the activity
4. Monitor activity to ensure interventions are resulting in the maintenance/improvement of a safe living environment and community outcomes are being met

Community Outcomes

The community outcomes to which this activity primarily contributes are:

An environment that is appreciated, protected and sustained for future generations

A safe and secure community

A lifetime of good health and wellbeing

The targets, performance measures and results below are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	
100% of all "On, Off and Club" licensed premises inspected during the year	Not achieved
No known unlicensed liquor premises or other activities in contravention of the requirements of the Sale of Liquor Act 1989	No premises unlicensed
No situations where licenses have had to be suspended or revoked during the year	No licenses suspended or revoked
No "liquor incidents" during the year	No incidents reported
Agreed level of service achieved with the total cost being met from fees and charges, and an input from the general rate that was not greater than the amount provided for in the approved budget	Not Achieved
Not less than 95% of all complaints dealt with within the specified timeframe	Not measured

Bylaw Enforcement

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements

Community Outcomes

The community outcomes to which this activity primarily contributes are:

An environment that is appreciated, protected and sustained for future generations

A safe and secure community

A lifetime of good health and wellbeing

The targets, performance measures and results below are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
A review of all of the Council's bylaws completed by June 2008	Reviews completed
No occasions when Council has had to formally enforce compliance with any of its bylaws, or institute legal action under them during the year	No enforcements required
No Court decisions against the Council on the basis that any Council bylaw is, or the Council's enforcement of it has been, unreasonable or ultra vires	No legal action undertaken
Agreed level of service achieved within the approved budget for the year	Level of service achieved within budget
Not less than 95% of all complaints dealt with within the specified timeframes	Not measured

Safer Communities

Activity Goal and Principal Objectives

1. The WISP (Wairoa Intel Safer Community Partnership) information system is managed in a timely and accurate manner
2. At least eight safer community meetings are conducted annually

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A safe and secure community

The targets, performance measures and results below, including prior year comparatives, are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
A continuously reducing number of offences—in total and by type	Not achieved. Statistics not available from police
Agreed level of service achieved within the approved budget for the year	Level of service achieved within budget
80% of residents identify Wairoa as definitely or mostly a safe place to live in the annual survey	Achieved 90%

Is Wairoa District generally a safe place to live?

	2005	2006	2007	2008	2009
Yes, definitely	28%	31%	27%	41%	36%
Yes, mostly	54%	59%	67%	50%	54%
Not really	13%	6%	4%	7%	8%
No, definitely not	4%	3%	2%	1%	
Unsure	1%	1%		1%	2%

Emergency Management

Activity Goal and Principal Objectives

The activity goal is to promote and protect the safety of the community.

The principal objectives of the Emergency Management activity are to ensure:

1. Relevant legislation, regulations and bylaws are monitored and enforced so that Council meets legislative requirements
2. Communities are well prepared for emergencies
3. Communities are responsible with respect to rural fire and civil defence activities and/or emergencies
4. There is an appropriately resourced and trained network of volunteers for Emergency Management purposes
5. There is appropriate leadership in an emergency/adverse event with quick response times and effective decision making

Community Outcomes

An environment that is appreciated, protected and sustained for future generations

A safe and secure community

A lifetime of good health and wellbeing

The targets, performance measures and results below are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
Warden groups are established in all civil defence sectors	Establishment on going
Communities have a high level of awareness of civil defence and rural fire matters and are prepared for any eventuality	Awareness education ongoing
Community rescue teams and warden groups are established and trained	Not achieved
A designated representative attends 80% of emergency management and rural fire meetings	Achieved
Rural Fire Plan maintained and meets statutory and local requirements	Achieved
The Hawkes Bay Civil Defence Emergency Management Group Plan is reviewed and/or amended as required	Not applicable—not a Wairoa responsibility
Response plans and SOP's are current and reflect perceived threats	All plans current
Volunteers and Council staff are sufficiently trained to respond to civil defence/rural fire tasks/responsibilities	Training ongoing
The Hawkes Bay CDEM Group has approved local controllers	Local Controllers approved by HB CDEM Group
Non-declared and declared events are responded to and recovered from efficiently and effectively in accordance with Hawkes Bay CDEM plans	Achieved
The level of fire response required is determined and appropriate measures implemented in accordance with the Wairoa Rural Fire Authorities Fire Plan	Achieved
All preventative maintenance, renewals and other programmed works are completed on time and within budget	Achieved
100% of rural fire costs recovered	Achieved
Claims on the National rural fire-fighting fund are successful	Achieved
All annual subsidies are received	Achieved
Council offices are open during the hours displayed	Council offices open as displayed
All correspondence, calls and/or complaints are responded to within established timeframes	Achieved
A Duty Officer is on call 24/7 for 365 days of the year	Duty officer on call 24/7
Customer satisfaction rates, and resolution of enquiries at first point of call, are at an acceptable level, or improving	No complaints received

PLANNING & REGULATORY

Statement of Cost of Service for the year ended 30 June 2009

ACTUAL 2007/08	BUDGET 2008/09	LTCCP 2008/09		COSTS 2008/09	REVENUE 2008/09	NET COST 2008/09
153,012	248,690	230,529	Resource Planning	89,600	59,477	30,123
98,480	109,140	128,374	Environmental Health	115,531	15,548	99,983
11,573	6,980	11,954	Dog Control	160,477	134,685	25,792
76,393	93,090	92,609	Livestock Control	89,372	6,604	82,768
69,956	69,560	72,160	Building Inspection	322,435	186,232	136,203
11,419	12,140	16,752	Liquor Licensing	23,787	8,435	15,352
9,132	1,990	7,293	Bylaw Enforcement	1,122	640	482
84,496	61,840	42,490	Safer Communities	182,153	127,840	54,313
242,906	273,180	248,848	Emergency Management	287,172	52,133	235,039
<u>757,367</u>	<u>876,610</u>	<u>851,009</u>		<u>1,271,649</u>	<u>591,594</u>	<u>680,055</u>
Projects						
45,536		5,310	Emergency Management			
0	0	50,000	Regulatory - Vehicle Purchase	86,149		86,149
<u>45,536</u>	<u>0</u>	<u>55,310</u>		<u>86,149</u>		<u>86,149</u>

Activity Group Six LEADERSHIP & GOVERNANCE

1. **Community Representation**
2. **Maori Liaison**
3. **Economic Development**

Community Representation

Activity Goal and Principal Objectives

1. To ensure participation in the provision of effective representation and governance for and on behalf of the District
2. To ensure the provision of triennially elected Council of one Mayor and six representatives
3. To ensure people participate in the decision making processes of the elected Council and regular opportunities are provided for community involvement and participation
4. To ensure Council and Councillor representatives' roles are effectively and efficiently performed in the best interests of the whole community
5. To ensure the effective and efficient servicing of the Council
6. To ensure the timely provision of advice and understanding on issues relevant to Maori and Tangata Whenua

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A strong, prosperous and thriving economy

A safe and integrated transport system

A community that values and promotes its culture and heritage

Safe and accessible recreational facilities

Supportive, caring and valued communities

Strong district leadership and a sense of belonging

A safe and secure community

A lifetime of good health and wellbeing

An environment that is appreciated, protected and sustained for future generations

The targets, performance measures and results below, including prior year comparatives, are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
One mayor and six representatives elected at triennial elections	Full complement of elected representatives achieved
Councillors are appointed to Standing Committees of the Council and other such committees as required	Councillors appointed as required. Note, Maori Standing Committee in abeyance during 2008/09
Meetings of Council are scheduled, advertised and conducted on the advertised day	All meetings conducted as scheduled and advertised
Public meetings scheduled as required	Public meetings scheduled when requested
Elected representatives attend all meetings of Council and where they are absent, a formal leave of absence has been applied for prior to the meeting	Formal leave of absence applied for
Business conducted in confidence is kept to a minimum, and where decisions are deemed to not be of a sensitive nature, confidential items are released as public information	Confidential items kept to a minimum

Service Levels and Targets	Performance Achieved
There are no complaints about the quality of Council's website	No complaints received
Council's Governance statement is clear, understandable and in line with current practice	Governance statement meets required standard
Council's Code of Conduct, Policies and other such documentation are available to the public on request and/or from Council's website	All policies provided/available on request
Council's activities meet legislative requirements	All activities performed in accordance with legislative requirements
There are no reported instances of Council misconduct	No incidences of misconduct reported
Responsibility for leadership of the Council, the community and partnerships is shared between Councillors and the Executive	Responsibility delegated and shared between Councillors and Executive
The roles of Councillors, the Chief Executive Officer and all other officers of Council are clearly defined	All roles clearly defined
Senior Managers engage openly and honestly with staff and communication is regular	Regular communication initiated at all levels
No justifiable complaints that the Council did not publicly consult via the special consultative procedure when it was legally required to do so	No complaints received
Opportunities are provided for community groups, ratepayers, tangata whenua and stakeholders to fully participate in consultation and the development and fostering of community outcomes	Opportunities provided for all stakeholders to engage in consultation
No justifiable complaints that Council did not give sufficient consideration to the views and preferences of affected or interested parties when making a decision on Council matters	No complaints received
Council has a proven record of adjusting its services as a result of consultation, and achieving an improved service	Record of adjustment of services by way of formal resolution of Council
Agreed levels of service are achieved within budget	Levels of service achieved within budget
With the exception of public holidays, Council offices will be open Monday through Friday 9am to 4.30pm	Council offices open to the public as advertised
Response time to customer enquiries will be as follows: Telephone calls (1 working day); Reception (15 minutes); Submissions, letters, faxes, emails (8 working days)	Customer enquiries responded to within established timeframes
Customer information is provided in clear, understandable and suitable formats and meets customer needs	Information provided in suitable formats

COMMUNITY SURVEY—PERFORMANCE RATING									
Mayor & Councillors	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Very good/fairly good	46%	61%	59%	69%	67%	46%	57%	54%	59%
Just acceptable	31%	22%	29%	21%	18%	34%	30%	31%	30%
Not very good/poor	18%	9%	8%	6%	11%	15%	10%	9%	8%
Don't know	5%	8%	4%	4%	4%	5%	3%	6%	3%

Maori Liaison

Activity Goal and Principal Objectives

The principal goal of Maori Liaison is to provide qualified strategic and social policy advice on matters that impact on Tangata Whenua and the wider Maori community, to Council and management in the pursuit of sound well-founded decisions

The principle objectives of Maori Liaison are to ensure:

1. All Council decisions on matters that impact on tangata whenua and the Maori community are supported by robust analysis covering the four well beings
2. Decisions are evidence based, transparent and future focussed
3. Tangata whenua and the Maori community are included in Council decision making processes
4. Decisions and policies of Council are clearly communicated publicly and internally regarding matters that impact on tangata whenua and the Maori community

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A community that values and promotes its culture and heritage

The targets, performance measures and results below are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
Marae have a nominated representative on the Wairoa District Council Maori Standing Committee	Not achieved. Policy under review and Maori Standing Committee in abeyance
All recommendations of nomination and appointment are forwarded to a full meeting of Council	Not achieved. Policy under review and Maori Standing Committee in abeyance
Councillor nominations for representation are forwarded to, and approved by, the Maori Committee	Not achieved. Policy under review and Maori Standing Committee in abeyance
Meetings of the Maori Committee are scheduled, advertised and conducted on the advertised day	Not achieved. Policy under review and Maori Standing Committee in abeyance
Opportunities are provided for the Maori Committee to gain an understanding of Council business and operations	Not achieved. Policy under review and Maori Standing Committee in abeyance
Reports and advice are provided within agreed timeframes	Policy under review and Maori Standing Committee in abeyance. Otherwise reports provided within agreed timeframes
Meetings of Council do not offend Maori as relating to Kawa	No reports of offence received
Established processes provide opportunities for Maori to contribute to the decision making process	Achieved. Opportunities provided for Maori to contribute to decision making process as required by the Local Government Act 2002
Consultation meetings and hui relating to Iwi, Hapu Marae and the wider community are scheduled as required	Consultation meetings scheduled as required
Tangata whenua are not embarrassed or offended by the actions or inactions of Council staff and members	No reports of offence or embarrassment
Employees of Council are comfortable dealing with Maori and Maori issues	Employees versed in and comfortable in dealing with Maori
Agreed levels of service are achieved within budget	Level of service achieved within budget
With the exception of public holidays, council offices will be open Monday through Friday 9am to 4.30pm	Council offices were open at scheduled times
Response time to customer enquiries will be as follows: Telephone calls (1 working day); Reception (15 minutes); Submissions, letters, faxes, emails (8 working days)	Customer enquiries responded to within agreed timeframes

Economic Development

Activity Goal and Principal Objectives

Council's goal is to provide an economic environment conducive to growth of a strong and diverse economy that enhances the community's values, resources, environment and lifestyle. In order to achieve this goal and defined community outcomes, Council will:

1. Ensure transport and infrastructure planning is co-ordinated for each community
2. Ensure active participation in the Tairāwhiti Development Partnership and achievement of key Partnership outcomes
3. Ensure Council plans and processes support the development of strategies for sustainable economic development
4. Support programmes aimed at restoring the productivity of Maori land and other marginal land types
5. Ensure the local delivery of national business development programmes
6. Encourage local networking and clusters
7. Attract new investment
8. Continue to provide a Visitor Information Centre
9. Develop visitor and recreational amenities
10. Maintain funding support for destination marketing
11. Ensure responsible environmental practices are encouraged
12. Encourage enhancement of the town centre to ensure Wairoa retains an attractive retail centre

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A strong, prosperous and thriving economy

The targets, performance measures and results below are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
An increase of 5% per annum in visitors to the Visitor Information Centre	Local - 20.14% Domestic - 26.29% International - 12.07% Average - 19.5%
An annual reduction in, or at least no increase in, the number of unemployed compared with the end of the previous year	Achieved. 278 unemployed June 09 (313 June 08)
Achievement of the following key regional targets from the Tairāwhiti Development Partnership Strategic Plan	
<ul style="list-style-type: none"> • 150 more retrofits/new houses built per annum 	Not achieved
<ul style="list-style-type: none"> • New wood processing mills operating in Ruatoria, Gisborne, Wairoa to triple capacity and triple value by wood processing 	Facilities expanded in Wairoa
<ul style="list-style-type: none"> • 100% increase in the number of people employed in the forestry and wood processing industry 	Not achieved
<ul style="list-style-type: none"> • Land productivity lifted 5% per annum (50% over ten years) with net profit per hectare at least \$3,000 	Not achieved
<ul style="list-style-type: none"> • Tourism—10% increase in visitor nights; 10% increase in spend per annum 	Not achieved
Agreed level of service achieved for not more than the approved budget for the year	Level of service achieved within budget
The Council is satisfied that it (or the relevant community group) has received during the year all of the financial assistance to which it (or they) were entitled, in order to assist the economic development of the district and the region	Council believes that all financial assistance entitlements were received
All complaints dealt with within the prescribed timeframes	No complaints received

LEADERSHIP & GOVERNANCE

Statement of Cost of Service for the year ended 30 June 2009

ACTUAL 2007/08	BUDGET 2008/09	LTCCP 2008/09		COSTS 2008/09	REVENUE 2008/09	NET COST 2008/09
989,784	1,049,700	1,009,212	Community Representation	1,031,887	99	1,031,788
74,794	86,900	89,017	Maori Liaison	80,241	100	80,141
82,773	238,090	284,861	Economic Development	142,884	25,322	117,562
<hr/> 1,147,351	<hr/> 1,374,690	<hr/> 1,383,090		<hr/> 1,255,012	<hr/> 25,521	<hr/> 1,229,491

Activity Group Seven CORPORATE FUNCTIONS

1. **Management**
2. **Administration**
3. **Financial Management**
4. **Asset Management**
5. **Information Systems**
6. **Funds Management**
7. **Property Management**

Corporate Functions

Activity Goal and Principal Objectives

1. To provide effective and efficient internal support services to all parts of Council
2. To assist all Council departments by means of support services to ensure that all statutory obligations are met
3. To actively support the implementation, development and enforcement of policy relating to support services
4. To provide a reliable information systems environment
5. To ensure Council is provided with sound financial information and advice, with a view to Council making reliable decisions on strategic directions

Community Outcomes

The community outcomes to which this activity primarily contributes are:

All Outcomes

The targets, performance measures and results below, including prior year comparatives, are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
The adopted Annual Plan is available to the public by not later than 31st July each year	Annual Plan adopted and made available within legislated timeframe
The adopted Annual Report is actually available to the public by not later than 30th November each year	Annual Report adopted and made available within legislated timeframe
Quarterly reporting of financial performance	Quarterly reports were produced
Rates are collected with write-offs being less than 4%	Achieved. 1.16% written off
Council is provided with regular reports on key risks and mitigation strategies (within 5-7 days)	Council reports are provided on key risks in a timely manner
Contractors impose no penalty for late payment	No penalties for late payments were imposed
No uninsured losses and all claims processed	No uninsured losses
Archives, records and listings are readily available to management and staff without delay	Archives, records and listings readily available
No complaints against Council to the Privacy Commission or the Ombudsman	Not achieved. 1 complaint to the Ombudsman that was adequately resolved
Website content is accessible, accurate, relevant and up to date at all times	Website accessible 24/7 every day. Information updated as required
Redevelopments or enhancements meet the satisfaction of users surveyed and within budget	Redevelopments met the satisfaction of users
The GIS is readily available to management and staff without delay	GIS is available to management and staff 99% of time

Service Levels and Targets	Performance Achieved
Information systems 99% available during business hours, except through malicious damage	Information systems are available at least 99% of the time
No viruses or unauthorised users entering internal network resources	No viruses or unauthorised users have entered the network
Disaster recovery measures are maintained and data can be recovered when it is deleted or corrupted accidentally, in a timely manner	Disaster recovery measures maintained
New users added and given access to applications with minimal delay (within 2 days)	New users added and given access within 2 days
No justifiable complaints that interested or affected people were not consulted when they should have been or, if they were, were not told the full or correct story	No complaints received
No mistakes in the LTCCP, Annual Plans, Annual Reports and any press releases or in other informative material issued to the public	No mistakes detected in reports or plans
No complaint against the Council upheld by the Ombudsman	Not achieved. 1 complaint to the Ombudsman upheld
No complaints about the Council's public communications/public relations	No complaints received
No complaints from Councillors, other internal staff or from others about reports being late, incomplete/insufficient or wrong	No complaints received
A schedule of all identified risks relating to these activities maintained up to date, all risk improvements that were planned for the past year achieved and a risk management plan for the ensuing year prepared	An up to date register is maintained of all risks
An up to date Business Continuity Plan in place for all these activities (e.g. if the building was burnt down)	Business Continuity Plan is up to date
An up to date improvement plan for these activities in place. All of the improvements that were planned for the past year achieved and an improvement plan for the ensuing year prepared	Improvement plan in place and improvements completed
All remuneration paid on time throughout the year and no payroll errors	Remuneration paid on time. No errors detected
No financial errors or problems (especially errors or problems that should have been identified earlier via the internal audit procedures)	No financial errors or problems identified
No disputes with contractors on the basis that the correct tender processes were not followed	No disputes with contractors
No industrial disputes	No industrial disputes recorded
A stable trend in staff turnover	A stable trend in staff turnover maintained

Service Levels and Targets	Performance Achieved
Increased participation in Council affairs by the public, community groups and Maori, as evidenced by returned completed surveys on various consultation matters and number of attendees at public consultation meetings	Good public attendance at most consultation meetings. A large number of submissions received in the LTCCP process (180)
Periodic surveys of residents and of Maori indicate that there is an increasing awareness by them of the opportunities that there are for them to become involved in Council affairs and in the decision making process	Residents, including Maori, informed on ways to engage in Council's decision-making processes via Wairoa In Focus (monthly Council spread in Wairoa Star), Council website and radio
Agreed levels of service are achieved for not more than the approved budget for the year	Not achieved
All identified support service opportunities will be proactively followed up vigorously	All support services are proactively followed up within agreed timeframes
Council offices will be open during the hours displayed	Council offices were open during the displayed hours
All complaints will be dealt with promptly and properly—verbal complaints within one day; written complaints within three days	Complaints dealt with within timeframes
All web queries are responded to promptly and properly within three working days	Web queries responded to within timeframes
All correspondence, submissions and customer enquiries are responded to within established timeframes—Telephone calls within one working day; reception within 15 minutes and letters, faxes, emails and submissions within eight working days	Not achieved
Internal and external customers are provided with archived information within allocated timeframe—three hours internal/twenty days external	Archived information is provided within established timeframes
Requests for release of information from GIS work order requests are actioned in a timely manner and the data provided meets the stated requested need of the client	Information from GIS work orders actioned in a timely manner and the data provided meets the stated requested need of the client
Customer information is provided in clear, understandable and suitable formats and meets customer needs	Public information provided in suitable formats
Customer satisfaction rates and resolution of enquiries at first point of call, are at an acceptable level, or improving	Not achieved. Customer satisfaction showed a 5% decline from 2008

COMMUNITY SURVEY—PERFORMANCE RATING									
Council Staff	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Very good/fairly good	65%	57%	66%	66%	67%	53%	57%	62%	57%
Just acceptable	14%	22%	18%	17%	15%	28%	24%	22%	27%
Not very good/poor	5%	9%	5%	5%	8%	11%	12%	7%	7%
Don't know	16%	12%	11%	12%	10%	8%	7%	9%	9%

SUPPORT SERVICES

Statement of Cost of Service for the year ended 30 June 2009

ACTUAL 2007/08	BUDGET 2008/09	LTCCP 2008/09	COSTS 2008/09	REVENUE 2008/09	NET COST 2008/09
179,873	226,070	176,194	195,093		195,093
605,410	713,900	577,177	682,387	5,708	676,679
678,574	710,800	663,822	766,156	21,103	745,053
445,537	440,240	466,627	451,607	409	451,198
527,738	521,300	443,110	529,197		529,197
0	0	108,946	5,500		5,500
-2,437,132	-2,562,310	-2,435,876			-2,597,220
<u>0</u>	<u>50,000</u>	<u>0</u>	<u>2,629,940</u>	<u>27,220</u>	<u>5,500</u>

Projects

87,129	39,270	72,000	Information Services		87,129
0		50,000	Vehicles		25,374
41,875	35,000	10,000	Asset Replacements		41,875
<u>129,004</u>	<u>74,270</u>	<u>132,000</u>			<u>154,378</u>

This statement records the cost of operating Council's administrative and support functions and other costs not directly attributable to any activity. These costs are all allocated via the overhead allocation process to the significant activities so that the net cost of Support Services is nil

Funds Management and Corporate Functions

Activity Goal and Principal Objectives

1. To maintain adequate cash reserves as a prudent public entity
2. To invest in equity, property and treasury investments to maximise return on investment
3. To invest in equity, property etcetera to meet the strategic and social needs of the district

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. All outcomes

The targets, performance measures and results below are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	Performance Achieved
Quarterly reports on investments provided to Council	Reports on investments provided monthly to Council
Regular reporting to Council on key investment targets	Quarterly reports provided
Interest income meets or exceeds budgeted level	Not achieved
The level of service was achieved for not more than the approved budget for the year	Not achieved
No complaints from Councillors, internal staff or from others about reports being late, incomplete, insufficient or wrong	No complaints received
No financial errors or problems (especially errors or problems that should have been identified earlier via the internal audit procedures)	No financial errors or problems
All complaints dealt with within the prescribed timeframes	No complaints received

Property Management

Activity Goal and Principal Objectives

1. Investments made in absence of commercial investors
2. Investments disposed of as circumstances change.

Community Outcomes

The community outcomes to which this activity primarily contributes are:

All outcomes

Service Levels and Targets	Performance Achieved
Report to Council on any new investments (every 6-12 months)	No new investments
Report to Council on any investment to be sold (every 6-12 months)	Reports prepared on sale of property
Quarterly reporting of financial performance	Quarterly reports presented

Service Levels and Targets	Performance Achieved
The level of service was achieved for not more than the approved budget for the year	Not achieved
No complaints from Councillors, internal staff or from others about reports being late, incomplete, insufficient or wrong	No complaints received
No financial errors or problems (especially errors or problems that should have been identified earlier via the internal audit procedures)	No financial errors or problems
All complaints dealt with within the prescribed timeframes	No complaints received

INVESTMENTS & CORPORATE

Statement of Cost of Service for the year ended 30 June 2009

ACTUAL 2007/08	BUDGET 2008/09	LTCCP 2008/09		COSTS 2008/09	REVENUE 2008/09	NET COST 2008/09
-27,080	-24,790	-12,707	Commercial Properties	5,222	14,816	-9,594
70,312	45,670	55,372	Sundry Property	195,922	133,818	62,104
-1,536,465	-1,242,300	-1,173,300	Funds Management	301,115	1,580,006	-1,278,891
-53,747	-250,000	-250,000	Dividends	0	83,196	-83,196
48,798	10,000	-73,880	Corporate	199,192	67,490	131,702
<u>-1,498,192</u>	<u>-1,461,420</u>	<u>-1,454,515</u>		<u>701,451</u>	<u>1,879,326</u>	<u>-1,177,875</u>
			Less Internal Reallocation	<u>114,612</u>	<u>114,612</u>	
				<u>586,839</u>	<u>1,764,714</u>	
			Projects			
6,079	0	0	Corporate Property			
0	0	26,285	Sundry Property			0
<u>6,079</u>	<u>0</u>	<u>26,285</u>				<u>0</u>

Activity Group Eight TRADING ACTIVITIES

1. **Commercial Property**
2. **Council Controlled Organisations**

Commercial Property

Activity Goal and Principal Objectives

1. To provide a satisfactory return on each investment
2. Investments made in the absence of commercial investors
3. Investments disposed of as circumstances change

Community Outcomes

The community outcomes to which this activity primarily contributes are:

A strong, prosperous and thriving economy

The targets, performance measures and results below are intended to give an indication of Council's progress towards achieving the community outcomes listed above.

Service Levels and Targets	
A return on each investment of not less than 7%	Return on investment exceeds 7%
Investments disposed of as circumstances change	No investments disposed of
Investments made in the absence of commercial investors	No new investments
The level of service was achieved for not more than the approved budget for the year	Not achieved
No more than the number of requests for service than the previous year	The number of service requests was less than last year
All preventative maintenance, renewals and other programmed works are completed on time and within budget	All preventive maintenance and renewals completed on time
Compliance with all health and safety and fire safety requirements	Compliance achieved for all health and safety requirements
No complaints from Councillors, internal staff or from others about reports being late, incomplete, insufficient or wrong	No complaints received
No financial errors or problems (especially errors or problems that should have been identified earlier via the internal audit procedures)	No financial errors or problems
All complaints dealt with within the prescribed timeframes	No complaints received

Council Controlled Organisations

Principal Objectives

1. To ensure the company is profitable and all financial targets are met
2. To ensure the company has a positive cash flow
3. To ensure the governance of the company is effective

Service Levels and Targets	
To achieve a target net profit, being \$804,000 for 2008/09	Target net profit not achieved
To provide a dividend of 50% of tax paid profit	Performance not achieved
Maintain a return on equity of 8.60%	Not achieved. Actual return 4.1%
Maintain a current ratio > 1 (current assets/current liabilities)	Achieved. Actual ratio 1.91
Cost of debt servicing to be less than 20% of revenue (interest/total sales)	Achieved. Actual debt servicing 3.9%
Maintain a 45% equity ratio (equity/total assets)	Achieved. Actual ratio 54.3%

Note: There have been no changes in QRS policies and activities throughout the year

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2009

2008 COUNCIL	2008 GROUP	2009 LTCCP	Notes	2009 ANNUAL PLAN	2009 COUNCIL	2009 GROUP
REVENUES						
7,920,147	7,920,147	9,184,498		1	8,691,953	8,571,312
6,686,703	6,686,703	9,001,386		32	11,148,380	7,373,468
66,881	66,881	70,000			70,000	66,762
0	9,289,683	0			0	7,299,414
1,704,377	1,547,430	1,559,938			1,771,440	1,708,824
1,718,814	1,676,020	1,518,416		3	1,568,800	1,619,210
1,960	1,960	0			0	728
<u>18,098,882</u>	<u>27,188,824</u>	<u>21,334,238</u>			<u>23,250,573</u>	<u>19,520,337</u>
<u>18,098,882</u>	<u>27,188,824</u>	<u>21,334,238</u>			<u>23,250,573</u>	<u>26,639,718</u>
EXPENDITURE						
2,694,910	2,694,910	2,557,009			3,141,322	2,772,253
916,122	916,122	2,181,566			1,016,700	971,658
9,473,616	9,473,616	8,008,277			8,528,450	10,359,209
1,803,921	1,803,921	1,650,181			1,852,153	1,973,906
1,273,783	1,273,783	1,258,594			1,326,950	1,271,649
1,172,498	1,172,498	1,383,090			1,374,690	1,255,012
171,824	171,824	98,401			96,880	387,647
117,640	117,640	35,500			130,500	204,692
0	8,858,858	0			0	7,040,425
<u>17,624,314</u>	<u>26,483,172</u>	<u>17,172,618</u>			<u>17,467,645</u>	<u>19,196,026</u>
474,568	705,652	4,161,620			5,782,928	324,311
-35,600	-35,600	0			0	14,391
14,509	14,509	5,600			0	-4,396
<u>453,477</u>	<u>684,561</u>	<u>4,167,220</u>			<u>5,782,928</u>	<u>334,306</u>
0	-143,477	0		9	0	0
<u>453,477</u>	<u>541,084</u>	<u>4,167,220</u>			<u>5,782,928</u>	<u>334,306</u>
Net Surplus/(Deficit) after taxation						

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2009

2008 COUNCIL	2008 GROUP	2009 LTCCP	Notes	2009 ANNUAL PLAN	2009 COUNCIL	2009 GROUP
168,803,968	171,775,652	159,952,029		164,083,885	187,489,704	190,549,005
<u>168,803,968</u>	<u>171,775,652</u>	<u>159,952,029</u>		<u>164,083,885</u>	<u>187,489,704</u>	<u>190,549,005</u>
453,477	541,084	4,167,220		5,782,928	334,306	326,494
18,232,269	18,232,269					362,208
<u>187,489,704</u>	<u>190,549,005</u>	<u>164,119,249</u>		<u>169,866,813</u>	<u>187,824,010</u>	<u>191,237,707</u>

The accompanying notes form part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

2008 COUNCIL	2008 GROUP	2009 LTCCP		Notes	2009 ANNUAL PLAN	2009 COUNCIL	2009 GROUP
CURRENT ASSETS							
6,065,762	6,065,762	3,441,319	Cash and Cash Equivalents	7	2,553,380	6,470,220	7,763,452
37,835	1,004,665	13,224	Inventories	5	13,224	56,055	976,711
3,344,931	6,351,030	3,809,638	Trade & other receivables	4	3,700,000	2,847,214	4,286,831
11,944,597	11,944,597	14,892,415	Financial assets at fair value	6	10,000,000	12,720,367	12,720,367
0	0	0	Assets held for sale	12	0	0	0
0	17,865	0	Taxation		0	0	0
<u>21,383,124</u>	<u>25,383,979</u>	<u>22,156,596</u>	Total Current Assets		<u>16,266,604</u>	<u>22,093,856</u>	<u>25,747,361</u>
LESS CURRENT LIABILITIES							
0	56,864	0	Bank overdraft		0	0	0
2,773,613	4,360,948	3,895,430	Trade & other payables	8	4,330,000	3,217,800	4,080,694
230,000	665,392	270,000	Borrowings - Current Portion	10	350,000	0	555,456
0	0	0	Taxation		0	0	106,009
<u>3,003,613</u>	<u>5,083,204</u>	<u>4,165,430</u>	Total Current Liabilities		<u>4,680,000</u>	<u>3,217,800</u>	<u>4,742,159</u>
18,389,511	20,300,775	17,991,166	Working Capital		11,586,604	18,876,056	21,005,202
NONCURRENT ASSETS							
168,252,376	172,592,858	151,957,188	Property, Plant & Equipment	12	162,629,091	168,170,131	171,999,002
92,683	92,683	620,206	Loans & other receivables	13	155,503	16,864	16,864
1,250,000	0	1,250,000	Investments in Subsidiary	14	1,250,000	1,250,000	0
277,000	277,000	211,400	Investment Property	15	260,000	277,000	277,000
130,632	130,632	142,792	Biological asset - Forestry	17	133,123	117,947	117,947
22,992	22,992	22,992	Available for sale financial assets	16	22,992	22,992	22,992
52,224	59,428	0	Intangible Assets	11	28,604	39,610	223,028
0	166,945	0	Deferred Taxation	9	0	0	256,688
<u>170,077,907</u>	<u>173,342,538</u>	<u>154,204,578</u>			<u>164,479,313</u>	<u>169,894,544</u>	<u>172,913,521</u>
NONCURRENT LIABILITIES							
280,807	397,859	141,450	Employee Entitlements	8	222,433	244,824	350,659
696,908	696,908	738,504	Landfill Aftercare	28	808,671	701,766	701,766
0	106,097	0	Quarry Aftercare	29	0	0	113,016
0	1,893,444	7,196,541	Borrowings	10	5,168,000	0	1,515,575
<u>977,715</u>	<u>3,094,308</u>	<u>8,076,495</u>			<u>6,199,104</u>	<u>946,590</u>	<u>2,681,016</u>
<u>187,489,703</u>	<u>190,549,005</u>	<u>164,119,249</u>	Net Assets		<u>169,866,813</u>	<u>187,824,010</u>	<u>191,237,707</u>
Represented by							
<u>187,489,704</u>	<u>190,549,005</u>	<u>164,119,249</u>	Equity	18	<u>169,866,813</u>	<u>187,824,010</u>	<u>191,237,707</u>

The accompanying notes form part of the Financial Statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2009

2008 COUNCIL	2008 GROUP	2009 LTCCP	Notes	2009 ANNUAL PLAN	2009 COUNCIL	2009 GROUP
OPERATING ACTIVITIES						
Cash was provided from						
7,791,984	7,791,984	9,184,498		8,691,953	8,723,000	8,723,000
8,584,586	16,289,931	10,725,115		13,041,320	9,647,726	18,272,287
53,747	3,035	250,000		250,000	83,196	3,196
1,318,957	1,326,874	1,174,625		1,267,300	1,752,735	1,754,721
17,749,274	25,411,824	21,334,238		23,250,573	20,206,657	28,753,204
Cash was applied to						
13,482,669	20,685,682	12,888,490		13,585,942	14,210,249	20,684,106
0	50,276	0		0	0	52,637
43,838	225,928	531,544		237,223	3,259	21,875
13,526,507	20,961,886	13,420,034		13,823,165	14,213,508	20,948,618
4,222,767	4,449,938	7,914,204	19	9,427,408	5,993,149	7,804,586
INVESTING ACTIVITIES						
Cash was provided from						
258,754	237,889	0		0	75,819	75,819
0	258,754	45,000		0	41,004	130,238
57,617	57,617	1,763,019		2,791,995	4,662,482	4,662,482
316,371	554,260	1,808,019		2,791,995	4,779,305	4,868,539
Cash was applied to						
0	0	161,386		15,000	0	0
52,997	56,046	0		0	13,643	193,627
0	0	2,796,411		3,244,212	5,712,909	5,712,909
3,638,763	5,166,279	12,241,278		14,661,157	4,411,444	4,524,230
3,691,760	5,222,325	15,199,075		17,920,369	10,137,996	10,430,766
-3,375,369	-4,668,065	-13,391,056		-15,128,374	-5,358,691	-5,562,227
FINANCING ACTIVITIES						
Cash was provided from						
0	1,675,587	5,815,816		5,518,000	0	37,575
0	1,675,587	5,815,816		5,518,000	0	37,575
Cash was applied to						
270,000	622,862	350,000		230,000	230,000	525,380
270,000	622,862	350,000		230,000	230,000	525,380
-270,000	1,052,725	5,465,816		5,288,000	-230,000	-487,805
577,378	834,598	-11,036		-412,966	404,458	1,754,554
5,488,384	5,174,300	3,452,355		2,966,346	6,065,762	6,008,898
6,065,762	6,008,898	3,441,319		2,553,380	6,470,220	7,763,452
Made up of:						
-649,830	-649,830	20,000		20,000	22,925	1,316,157
6,715,592	6,715,592	3,421,319		2,533,380	6,447,295	6,447,295
0	-56,864	0		0	0	0
6,065,762	6,008,898	3,441,319		2,553,380	6,470,220	7,763,452

The accompanying notes form part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1 STATEMENT OF RATES

	2009	2008
(a) Rate Debtors		
Balance of Rate Debtors at start of year	1,666,096	1,563,415
Add rates levied (current rates)	9,818,633	9,298,006
Penalties charged	136,501	121,432
Legal Costs	16,985	9,739
Total for collection	11,638,215	10,992,592
Less rates collected	9,552,963	9,181,515
Adjustments/write offs/discounts	188,710	190,430
Plus increase/(decrease) in rates paid in advance	19,980	45,449
	<u>1,916,522</u>	<u>1,666,096</u>
(b) Rates revenue		
Rates levied (incl GST)		
General Rates	2,208,491	2,245,092
Water	649,976	656,188
Sewerage	1,020,637	654,461
Waste Management	791,614	736,719
Stormwater/Drainage	221,712	263,231
Services	470,933	310,056
Roading	3,684,207	3,696,372
Recreation	771,064	735,887
Penalties charged	136,501	121,432
	9,955,135	9,419,438
Less adjustments/write offs/discounts	188,710	190,430
	9,766,425	9,229,008
Less GST	1,069,992	1,011,953
	8,696,433	8,217,055
Less increases (decreases) in doubtful debts	-125,121	-95,623
Less Internal charges	0	-201,285
Rating revenue per Income Statement	<u>8,571,312</u>	<u>7,920,147</u>

Note 2	Other Income	2009 Council	2009 Group	2008 Council	2008 Group
	Gain / (loss) on change in fair value of forestry assets	-4,396	-4,396	-2,491	-2,491
	Net gain/(loss) on disposal of property, plant and equipment	14,391	14,391	-35,600	-101,882
	Net gain/(loss) on changes in fair value of investment property	0	0	17,000	17,000

Note 3	Investment Income	2009 Council	2009 Group	2008 Council	2008 Group
	Interest on Financial assets at fair value through Profit & Loss	1,580,006	1,583,202	1,554,909	1,562,827
	Interest on Loans and other receivables	0	0	0	0
	Dividends	83,196	1,986	53,747	3,035
	Rental income from investment properties	11,275	11,275	10,000	10,000
	Rental Income on other investments	22,747	22,747	100,158	100,158
		<u>1,697,224</u>	<u>1,619,210</u>	<u>1,718,814</u>	<u>1,676,020</u>

Note 4	Trade and other Receivables	2009 Council	2009 Group	2008 Council	2008 Group
	Rates debtors	1,916,522	1,916,522	1,666,096	1,666,096
	Trade receivables	1,630,130	2,730,631	2,117,898	5,161,446
	GST receivable	285,034	285,034	358,875	358,875
	Other debtors	17,993	397,089	74,496	74,496
	Less provision for impairment of receivables	-1,002,465	-1,042,445	-872,434	-909,823
		<u>2,847,214</u>	<u>4,286,831</u>	<u>3,344,930</u>	<u>6,351,089</u>

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of trade and other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers.

WDC provides for impairment on rates receivable, trade receivables and other debtors. The carrying amount is reduced directly when an asset is determined to be unrecoverable. An allowance for impairment is used when there is a reasonable likelihood that a debt may be impaired. A reversal to a write-down is to be made when a debt is determined to be recoverable.

The age of rates receivable is as set out in the table below:-

	2009 Council	2009 Group	2008 Council	2008 Group
Not past due	635,190	635,190	486,477	486,477
1 to 2 years	681,189	681,189	603,107	603,107
2 to 5 years	488,750	488,750	372,043	576,512
over 5 years	111,393	111,393	204,469	204,469
Total Rates Debtors	<u>1,916,522</u>	<u>1,916,522</u>	<u>1,666,096</u>	<u>1,666,096</u>

	2009 Council and Group		Net
	Gross	Impairment	
Not past due	635,190	162,060	473,130
1 to 2 years	681,189	364,627	316,562
2 to 5 years	488,750	359,817	128,933
over 5 years	111,393	98,890	12,503
	<u>1,916,522</u>	<u>985,394</u>	<u>931,128</u>

	2008 Council and Group		Net
	Gross	Impairment	
Not past due	486,477	101,671	384,806
1 to 2 years	603,107	302,132	300,975
2 to 5 years	372,043	276,503	95,540
over 5 years	204,469	179,967	24,502
	<u>1,666,096</u>	<u>860,273</u>	<u>805,823</u>

The impairment provision for rates has been calculated based upon the expected losses for WDC rate debtors. The calculation is based upon the percentage of rates debtors expected to be impaired. The impairment is collective, and reflects the actual impairment of rates debtors over the past three years.

WDC has power under the Local Government (Rating) Act 2002 to recover outstanding debts. WDC can commence legal proceedings within 4 months after due date for payment. If payment has not been received within 3 months of the Court judgment, then WDC can apply to the Registrar of the High Court to have judgement enforced by sale or lease of the rating unit for land that is not Maori freehold land.

NOTES TO THE FINANCIAL STATEMENTS

WDC provides for impairment on trade receivables and other debtors. The impairment provision has been calculated based upon expected losses for WDC's pool of debtors. Expected losses have been determined based upon an analysis of WDC's losses in previous periods, and review of specific debtors as detailed below:-

	2009 Council		
	Gross	Impairment	Net
Not past due	1,785,374	0	1,785,374
Past due 30 -60 days	35,432	0	35,432
Past due 60-90 days	41,025	120	40,905
Past due > 90 days	71,326	16,951	54,375
	<u>1,933,157</u>	<u>17,071</u>	<u>1,916,086</u>

	2009 Group		
	Gross	Impairment	Net
Not past due	2,804,594	0	2,804,594
Past due 30 -60 days	316,139	0	316,139
Past due 60-90 days	43,236	120	43,116
Past due > 90 days	248,785	55,931	191,854
	<u>3,412,754</u>	<u>57,051</u>	<u>3,355,703</u>

	2009 Summary		
	Gross	Impairment	Net
Council	3,849,679	1,002,465	2,847,214
Group	5,329,276	1,042,445	4,286,831

	2008 Council		
	Gross	Impairment	Net
Not past due	2,460,377	0	2,460,377
Past due 30 -60 days	20,545	0	20,545
Past due 60-90 days	12,780	0	12,780
Past due > 90 days	57,567	12,161	45,406
	<u>2,551,269</u>	<u>12,161</u>	<u>2,539,108</u>

	2008 Group		
	Gross	Impairment	Net
Not past due	3,194,260	0	3,194,260
Past due 30 -60 days	2,200,003	0	2,200,003
Past due 60-90 days	37,077	0	37,077
Past due > 90 days	163,477	49,550	113,927
	<u>5,594,817</u>	<u>49,550</u>	<u>5,545,267</u>

	2008 Summary		
	Gross	Impairment	Net
Council	4,217,365	872,434	3,344,931
Group	7,260,913	909,823	6,351,090

WDC holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

Movement in the provision for impairment of receivables is as follows:-

	2009	2009	2008	2008
	Council	Group	Council	Group
At 1 July	872,434	909,823	884,001	892,914
Additional provisions made during the year	228,769	231,360	32,350	96,275
Receivables written off during period	-98,738	-98,738	-43,917	-79,366
At 30 June	<u>1,002,465</u>	<u>1,042,445</u>	<u>872,434</u>	<u>909,823</u>

Note 5

	2009	2009	2008	2008
	Council	Group	Council	Group
Inventories				
Metal stocks	0	613,002	0	786,001
Water reticulation spare parts	3,920	3,920	3,921	3,922
Water treatment chemicals	41,841	41,841	26,740	26,740
Other supplies	10,294	132,256	7,174	163,945
Work in progress	0	185,692	0	24,057
	<u>56,055</u>	<u>976,711</u>	<u>37,835</u>	<u>1,004,665</u>

The carrying amount of inventories held for distribution that are measured at lower of cost or net realisable value as at 30 June 2009 amounted to \$56,055 (2008 \$37,835). The write-down of inventories held for distribution amounted to \$nil (2008 \$nil), while reversal of write-downs amounted to \$nil (2008 \$nil). The carrying amount of inventories pledged as security for liabilities is \$nil (2008 \$nil).

NOTES TO THE FINANCIAL STATEMENTS

Note 6	Financial Assets at Fair Value	2009	2009	2008	2008
		Council	Group	Council	Group
	Stock & Debentures - Current Asset	12,720,367	12,720,367	11,944,597	11,944,597
		<u>12,720,367</u>	<u>12,720,367</u>	<u>11,944,597</u>	<u>11,944,597</u>

Financial assets at fair value through profit and loss are designated as such upon initial recognition, because they are managed and their performance is evaluated on a fair value basis, in accordance with WDC investment policy. Information is provided quarterly to Council on the performance of these financial assets.

The fair value of financial assets at fair value through profit and loss has been determined by reference to published price quotations in an active market. The maturity dates for financial assets at fair value through profit and loss are detailed in the following table:-

Maturity	2009	2009	2008	2008
	Council	Group	Council	Group
One year or less	469,623	469,623	2,953,500	2,953,500
Weighted average interest rate	7.47%	7.47%	7.26%	7.26%
Between one and five years	5,991,516	5,991,516	3,281,908	3,281,908
Weighted average interest rate	8.42%	8.42%	8.07%	8.07%
Over five years	6,259,228	6,259,228	5,709,189	5,709,189
Weighted average interest rate	7.88%	7.88%	8.25%	8.25%
	<u>12,720,367</u>	<u>12,720,367</u>	<u>11,944,597</u>	<u>11,944,597</u>

The stocks and debentures are local authority stocks, and commercial bonds that are actively traded. The coupon rates vary from 0.00% to 10.04% with yields from 4.00% to 11.28%. Purchases and sales are accounted for at settlement date. These assets are exposed to cash flow interest rate risk.

Note 7	Cash and Cash Equivalents	2009	2009	2008	2008
		Council	Group	Council	Group
	Cash at bank and in hand	22,925	1,316,157	-649,830	-649,830
	Short term deposits	6,447,295	6,447,295	6,715,592	6,715,592
	Total Cash and cash equivalents	<u>6,470,220</u>	<u>7,763,452</u>	<u>6,065,762</u>	<u>6,065,762</u>

The carrying value of short-term deposits with maturity dates of three-months or less approximates their fair value.

Note 8	Trade and other Payables	2009	2009	2008	2008
		Council	Group	Council	Group
	Trade Payables	2,570,910	2,793,312	2,063,796	3,047,300
	Interest on public debt	0	0	4,619	4,619
	Employee entitlements	435,823	984,757	495,536	1,216,419
	GST payable	0	197,393	0	0
	Prepayments - Rates	262,307	262,307	242,327	242,327
	Prepayments - Other debtors	138,927	138,927	139,837	139,837
		<u>3,407,967</u>	<u>4,376,696</u>	<u>2,946,115</u>	<u>4,650,502</u>
	Less non-current portion of employee entitlements	244,824	350,659	280,807	397,859
		<u>3,163,143</u>	<u>4,026,037</u>	<u>2,665,308</u>	<u>4,252,643</u>
	Trust funds and deposits				
	Deposits	47,863	47,863	104,658	104,658
	Trust funds	6,794	6,794	3,647	3,647
		<u>54,657</u>	<u>54,657</u>	<u>108,305</u>	<u>108,305</u>
	Total Trade & Other Payables	<u>3,217,800</u>	<u>4,080,694</u>	<u>2,773,613</u>	<u>4,360,948</u>

The trust funds are restricted cash with their purpose limited to use by the following groups:-

Community Development trust	3,147	3,147	0	0
Safer Community Committee	3,647	3,647	3,647	3,647
	<u>6,794</u>	<u>6,794</u>	<u>3,647</u>	<u>3,647</u>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value approximates their fair value.

NOTES TO THE FINANCIAL STATEMENTS

Note 9	Taxation	2009	2009	2008	2008
		Council	Group	Council	Group
	Current tax expense	0	176,511	0	124,625
	Adjustments to current tax in prior years	0	0	0	0
	Reduction in tax rate	0	0	0	16,695
	Deferred tax expense	0	-89,743	0	2,157
	Income Tax expense	0	86,768	0	143,477
	Surplus (deficit) before tax	334,306	413,262	453,477	4,933,755
	Tax @ 30% (2008 : 33%)	100,292	126,978	149,647	225,905
	Plus taxation effect of permanent differences	-87,101	-35,840	-124,670	-40,756
	Imputation credit adjustment	-13,191	-1,370	-24,977	-24,977
	Reduction in tax rate	0	0	0	-16,695
	Non deductible expenses	0	0	0	0
	Less prior period taxation	0	0	0	0
	Income tax expense at effective rate of 30%(2008 : 33%)	0	89,768	0	143,477
	The major components of taxation expense are:-				
	Current taxation	0	176,511	0	124,625
	Deferred taxation	0	-89,743	0	2,157
	Reduction in tax rate	0	0	0	16,695
		0	86,768	0	143,477
	Imputation Credit Account				
	Balance as at 1 July	0	1,893,203	0	1,875,598
	Imputation Credits attaching to dividends paid in the year	0	-39,402	0	-24,977
	Income tax payments during the year	0	53,000	0	42,571
	Resident withholding tax on interest received	0	0	0	11
	Balance as at 30 June	0	1,906,801	0	1,893,203
	Deferred Tax Asset				
	Opening balance	0	166,945	0	185,797
	Current year charge	0	89,743	0	-18,852
	Closing balance	0	256,688	0	166,945

Deferred Income Tax as at 30 June 2009 relates to the following

	Balance Sheet - Group		Income Statement - Group	
	2009	2008	2009	2008
Deferred tax liabilities				
Contract retentions	97,605	229,904	132,299	-26,230
Future amortisation	229	260	31	-38
Gross deferred tax liabilities	97,834	230,164	132,330	-26,268
Deferred tax assets				
Doubtful Debts	11,994	11,217	777	8,276
Provisions				
Annual Leave	87,521	85,362	2,159	-17,139
Staff gratuities	20,195	24,574	-4,378	-3,027
Sick leave	976	5,358	-4,382	655
Time in lieu	18,750	24,633	-5,883	3,822
Long Service Leave	15,444	17,138	-1,694	-36
Staff bonus	0	3,300	-3,300	-7,007
Aftercare	33,905	31,829	2,076	-2,054
ACC premiums	9,960	10,367	-407	-4,934
Maintenance accruals	7,050	6,450	600	-13,350
Construction accruals	37,438	73,610	-36,172	42,378
Future depreciation	111,289	103,271	8,017	-168
Deferred tax assets	354,522	397,109	-42,587	7,416
Net deferred tax assets	256,688	166,945		
Deferred tax income / (expense)			89,743	-18,852

Note 10	Borrowings	2009	2009	2008	2008
		Council	Group	Council	Group
	Current Portion				
	Secured Loans	0	420,674	230,000	665,392
	Debentures	0	134,782	0	0
	Total Current Portion	0	555,456	230,000	665,392
	Non-current Portion				
	Secured Loans	0	1,515,575	0	1,893,444
	Total Borrowings	0	2,071,031	230,000	2,558,836

NOTES TO THE FINANCIAL STATEMENTS

Note 10 Maturity Analysis and effective interest rates

The following is a maturity analysis of WDC's borrowings. There are no early repayment options.

	Overdraft Council	Secured Loans Council	Overdraft Council	Secured Loans Council
	2009	2009	2008	2008
Less than one year	0	0	0	230,000
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	6.85%
Later than one year but less than two years	0	0	0	0
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
Later than two years but less than five years	0	0	0	0
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
Later than five years	0	0	0	0
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
	<u>0</u>	<u>0</u>	<u>0</u>	<u>230,000</u>

Fair Value of non-current borrowings - Council

	Carrying amounts		Fair Values	
	2009	2008	2009	2008
Secured Loans	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

	Overdraft Group	Secured Loans Council & Group	Overdraft Group	Secured Loans Council & Group
	2009	2009	2008	2008
Less than one year	0	555,456	56,864	665,392
<i>weighted average effective interest rate</i>	0.00%	9.20%	11.70%	7.26%
Later than one year but less than two years	0	453,221	0	476,772
<i>weighted average effective interest rate</i>	0.00%	7.85%	0.00%	10.19%
Later than two years but less than five years	0	596,137	0	827,741
<i>weighted average effective interest rate</i>	0.00%	9.65%	0.00%	10.57%
Later than five years	0	466,217	0	588,931
<i>weighted average effective interest rate</i>	0.00%	9.30%	0.00%	10.80%
	<u>0</u>	<u>2,071,031</u>	<u>56,864</u>	<u>2,558,836</u>

Fair Value of non-current borrowings - Group

	Carrying amounts		Fair Values	
	2009	2008	2009	2008
Secured Loans	1,515,575	1,893,464	1,393,248	1,725,391
	<u>1,515,575</u>	<u>1,893,464</u>	<u>1,393,248</u>	<u>1,725,391</u>

The fair values are based on cash flows discounted using a rate based on the borrowing rate of 8.78% (2008 9.74%).

The carrying amounts of borrowings repayable within one year approximate their fair value.

WDC's public debt of \$nil (2008 \$230,000) is issued at fixed rates of interest.

WDC does not have any floating rate debt.

Security

WDC's Loans are secured over either separate or general rates of the district.

Our Subsidiary Company Quality Roading and Services (Wairoa) Limited has term loans secured over various plant items financed through the loan facility.

WDC has sinking funds in respect of loans, with a carrying amount of \$nil (2008 \$67,687) maturing on the dates that the individual loans mature, with the intention of repaying all or most of the principal outstanding on due date. The amount held in sinking funds is shown in note 13.

WDC 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 the WDC's Long-Term Council Community Plan.

Note 11 Intangible Assets

	Council Computer Software	Group Computer Software	Council Computer Software	Group Computer Software
	2009	2009	2008	2008
Opening balance				
Cost	275,400	388,647	224,572	332,597
Accumulated amortisation and impairment	-223,176	-329,219	-195,968	-293,816
Opening carrying value	<u>52,224</u>	<u>59,428</u>	<u>28,604</u>	<u>38,781</u>
Year Ended 30 June 2009				
Additions	13,643	193,628	53,000	56,050
Amortisation charge	-26,257	-30,028	-29,380	-35,403
Closing carrying amount	<u>39,610</u>	<u>223,028</u>	<u>52,224</u>	<u>59,428</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 12

Property, Plant & Equipment as at 30 June 2009 - Council

DESCRIPTION	COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT CHARGES 1/07/2008	CARRYING AMOUNT 1/07/2008	REVALUATION	CURRENT YEAR DISPOSALS	CURRENT YEAR ADDITIONS	DEPRECIATION & IMPAIRMENT CHARGES 30/06/2009	CARRYING AMOUNT 30/06/2009	CARRYING AMOUNT AT 30.06.09 REPRESENTED BY	
									COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT CHARGES
LAND	3,403,174	0	3,403,174	0	8,000	0	0	3,395,174	3,395,174	
BUILDINGS	4,447,422	540,336	3,907,086	0	0	0	111,186	3,795,900	4,447,422	651,522
	7,850,596	540,336	7,310,260	0	8,000	0	111,186	7,191,074	7,842,596	651,522
OTHER IMPROVEMENTS	1,877,086	439,137	1,437,949	0		81,345	78,219	1,441,075	1,958,431	517,366
VEHICLES	760,295	515,402	244,893	0	18,636	108,621	98,186	236,692	850,280	613,588
FURNITURE & OFFICE EQUIP	911,701	685,638	226,063	0	1,910	80,202	99,309	205,046	989,993	784,947
FIXTURES & FITTINGS	23,350	21,711	1,639	0	0	0	851	788	23,350	22,562
LIBRARY COLLECTIONS	844,965	704,885	140,080	0	0	44,769	25,407	159,442	889,734	730,292
	4,417,397	2,366,773	2,050,623	0	20,546	314,937	301,972	2,043,042	4,711,787	2,668,745
ROADING	103,344,113	0	103,344,113	0	620,247	3,179,011	1,600,293	104,302,584	105,902,877	1,600,293
LAND UNDER ROADS	5,344,000	0	5,344,000	0	0	0	0	5,344,000	5,344,000	0
BRIDGES	18,061,493	0	18,061,493	0	45,302	46,566	595,717	17,467,040	18,062,757	595,717
WATER SUPPLY	5,857,205	0	5,857,205	0	42,397	58,250	287,238	5,895,820	5,873,058	287,238
WATER RETICULATION	9,702,472	0	9,702,472	0	2,173	3,482	272,739	9,431,042	9,703,781	272,739
SEWERAGE	11,188,069	0	11,188,069	0	66,463	123,256	321,204	10,923,668	11,244,862	321,204
STORMWATER	4,701,562	0	4,701,562	0	12,481	685,942	164,655	5,210,368	5,375,023	164,655
PARKING	692,579	0	692,579	0	0	0	21,076	671,503	692,579	21,076
	158,891,493	0	158,891,493	0	789,063	4,066,507	3,262,922	158,936,015	162,198,937	3,262,922
TOTAL	171,159,486	2,907,109	168,252,376	0	817,609	4,411,444	3,676,080	168,170,131	174,753,320	6,583,189

Property, Plant & Equipment as at 30 June 2008 - Council

DESCRIPTION	COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT CHARGES 1/07/2007	CARRYING AMOUNT 1/07/2007	REVALUATION	CURRENT YEAR DISPOSALS	CURRENT YEAR ADDITIONS	DEPRECIATION & IMPAIRMENT CHARGES 30/06/2008	CARRYING AMOUNT 30/06/2008	CARRYING AMOUNT AT 30.06.08 REPRESENTED BY	
									COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT CHARGES
LAND	3,385,485	0	3,385,485	0	-16,689	1,000	0	3,403,174	3,403,174	0
BUILDINGS	4,446,489	429,164	4,017,325	0	0	933	111,172	3,907,086	4,447,422	540,336
	7,831,974	429,164	7,402,810	0	-16,689	1,933	111,172	7,310,260	7,850,596	540,336
OTHER IMPROVEMENTS	2,029,717	363,012	1,666,705	0	152,631	0	76,125	1,437,949	1,877,086	439,137
VEHICLES	691,841	405,211	286,630	-1,363	1,358	71,175	110,191	244,893	760,295	515,402
FURNITURE & OFFICE EQUIP	899,063	587,885	251,178	-5,753	0	78,391	97,753	226,063	911,701	685,638
FIXTURES & FITTINGS	23,350	20,860	2,490	0	0	0	851	1,639	23,350	21,711
LIBRARY COLLECTIONS	723,938	687,266	36,672	72,889	0	48,128	17,619	140,080	844,965	704,885
	4,307,909	2,064,234	2,243,675	65,783	153,989	197,694	302,540	2,050,623	4,417,397	2,366,773
ROADING	93,447,009	1,494,790	91,952,219	10,836,373	360,947	2,406,366	1,489,898	103,344,113	106,328,800	2,984,688
LAND UNDER ROADS	5,344,000	0	5,344,000	0	0	0	0	5,344,000	5,344,000	0
BRIDGES	17,720,174	491,357	17,228,817	829,412	231,815	689,270	454,191	18,061,493	19,007,041	945,548
WATER SUPPLY	5,463,789	1,296,848	4,166,941	1,924,960	2,201	39,860	272,345	5,857,205	7,426,398	1,569,193
WATER RETICULATION	9,932,863	268,429	9,674,434	251,449	17,475	52,908	268,844	9,702,472	10,219,745	517,273
SEWERAGE	9,430,290	343,395	9,086,895	2,366,684	0	78,580	344,090	11,188,069	11,875,554	687,485
STORMWATER	2,616,359	64,396	2,551,963	1,946,102	4,393	275,267	67,377	4,701,562	4,833,335	131,773
PARKING	722,519	20,723	701,796	11,506	0	0	20,723	692,579	734,025	41,446
	144,677,003	3,989,938	140,707,065	18,166,486	616,831	3,542,241	2,907,468	158,891,493	165,768,898	6,877,406
TOTAL	156,816,886	6,463,336	150,353,550	18,232,269	754,131	3,741,888	3,321,180	168,252,376	178,036,891	9,784,515

The Council considers the carrying amount of assets is an indication of their fair value.

NOTES TO THE FINANCIAL STATEMENTS

Note 12

Property, Plant & Equipment as at 30 June 2009 - Group

DESCRIPTION	COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT CHARGES 1/07/2008	CARRYING AMOUNT 1/07/2008	REVALUATION	CURRENT YEAR DISPOSALS	CURRENT YEAR ADDITIONS	DEPRECIATION & IMPAIRMENT CHARGES 30/06/2009	CARRYING AMOUNT AT 30.06.09 REPRESENTED BY		
								CARRYING AMOUNT 30.6.2009	COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT CHARGES
LAND & QUARRIES	3,415,141	5,696	3,409,485	0	8,000	0	403	3,401,082	3,407,141	6,049
BUILDINGS	4,966,552	719,989	4,246,583	0	0	0	126,709	4,119,874	4,966,552	846,678
	8,381,693	725,615	7,656,078	0	8,000	0	127,112	7,520,956	8,373,693	852,727
OTHER IMPROVEMENTS	1,906,775	439,137	1,467,638	0	0	81,345	78,219	1,470,764	1,988,120	517,366
VEHICLES	10,454,596	5,934,145	4,520,451	0	90,482	313,533	968,681	3,774,821	10,677,646	6,902,826
FURNITURE & OFFICE EQUIP	1,117,924	863,687	254,237	0	1,910	99,671	119,585	232,413	1,215,685	983,272
FIXTURES & FITTINGS	122,439	97,348	25,091	0	0	27,780	8,912	43,969	150,219	106,260
LIBRARY COLLECTIONS	844,965	704,886	140,079	0	0	44,769	25,407	159,441	889,734	730,293
	14,446,699	8,039,203	6,407,495	0	92,392	567,098	1,200,804	5,681,397	14,921,404	9,240,007
ROADING	102,981,904	0	102,981,904	0	620,248	3,401,845	1,600,293	104,163,208	105,763,501	1,600,293
LAND UNDER ROADS	5,344,000	0	5,344,000	0	0	0	0	5,344,000	5,344,000	0
BRIDGES	18,061,493	0	18,061,493	0	45,302	46,566	595,717	17,467,040	18,062,757	595,717
WATER SUPPLY	5,857,205	0	5,857,205	0	42,397	58,250	287,238	5,585,820	5,873,058	287,238
WATER RETICULATION	9,702,472	0	9,702,472	0	2,173	3,482	272,739	9,431,042	9,703,781	272,739
SEWERAGE	11,188,070	0	11,188,070	0	66,463	123,256	321,204	10,923,658	11,244,862	321,204
STORMWATER	4,701,562	0	4,701,562	0	12,481	685,942	164,655	5,210,388	5,375,023	164,655
PARKING	692,579	0	692,579	0	0	0	21,076	671,503	692,579	21,076
	158,529,285	0	158,529,285	0	789,064	4,319,341	3,262,922	158,796,699	162,059,561	3,262,922
TOTAL	181,357,677	8,764,818	172,592,858	0	889,456	4,886,439	4,590,838	171,999,002	185,354,658	13,355,656

Property, Plant & Equipment as at 30 June 2008 - Group

DESCRIPTION	COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT CHARGES 1/07/2007	CARRYING AMOUNT 1/07/2007	REVALUATION	CURRENT YEAR DISPOSALS	CURRENT YEAR ADDITIONS	DEPRECIATION & IMPAIRMENT CHARGES 30/06/2008	CARRYING AMOUNT AT 30.06.08 REPRESENTED BY		
								CARRYING AMOUNT 30.6.2008	COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT CHARGES
LAND & QUARRIES	3,427,141	5,243	3,421,898	0	13,000	1,000	403	3,409,496	3,415,141	5,646
BUILDINGS	4,965,619	593,274	4,372,345	0	0	933	126,695	4,246,583	4,966,552	719,989
	8,392,760	598,517	7,794,243	0	13,000	1,933	127,098	7,656,078	8,381,693	725,615
OTHER IMPROVEMENTS	2,029,717	363,012	1,666,705	0	122,942	0	76,125	1,467,638	1,906,775	439,137
VEHICLES	9,055,139	4,996,350	4,058,789	-1,363	172,955	1,573,785	937,795	4,520,451	10,454,596	5,934,145
FURNITURE & OFFICE EQUIP	1,020,379	741,286	279,143	-5,753	0	103,298	122,451	254,237	1,117,924	863,687
FIXTURES & FITTINGS	122,439	96,497	25,942	0	0	0	851	25,091	122,439	97,348
LIBRARY COLLECTIONS	723,938	687,267	36,671	72,899	0	48,128	17,619	140,079	844,965	704,886
	12,951,612	6,884,362	6,067,250	65,783	295,907	1,725,211	1,154,842	6,407,495	14,446,699	8,039,204
ROADING	93,184,909	1,494,790	91,690,119	10,836,373	360,947	2,306,257	1,489,898	102,981,904	105,966,582	2,984,688
LAND UNDER ROADS	5,344,000	0	5,344,000	0	0	0	0	5,344,000	5,344,000	0
BRIDGES	17,720,174	491,357	17,228,817	829,412	231,815	689,270	454,191	18,061,493	19,007,041	945,548
WATER SUPPLY	5,463,789	1,296,848	4,166,941	1,924,960	2,201	39,850	272,345	5,857,205	7,426,398	1,569,193
WATER RETICULATION	9,932,863	258,429	9,674,434	251,449	17,475	52,908	258,844	9,702,472	10,219,745	517,273
SEWERAGE	9,430,290	343,394	9,086,896	2,366,684	0	78,580	344,090	11,188,070	11,875,554	687,484
STORMWATER	2,616,359	64,336	2,551,963	1,946,102	4,393	275,267	67,377	4,701,562	4,833,335	131,773
PARKING	722,519	20,723	701,796	11,506	0	0	20,723	692,579	734,025	41,446
	144,414,903	3,969,987	140,444,966	18,166,486	616,891	3,442,132	2,907,468	158,529,285	165,406,680	6,877,405
TOTAL	165,759,275	11,452,816	154,306,459	18,232,269	925,798	5,169,276	4,189,408	172,592,858	188,235,082	15,642,224

The Council considers the carrying amount of assets is an indication of their fair value.

Note: Restricted Assets valued at \$1,652,400 are included in the total for Land and Quarries. This land is gazetted as "Reserve Land"

NOTES TO THE FINANCIAL STATEMENTS

Note 13	Loans and Other Receivables	Council	Group	Council	Group
		2009	2009	2008	2008
	Sinking Fund Investments @ start of year	67,787	67,787	318,703	318,703
	Plus interest & instalments	1,186	1,186	32,739	32,739
	Less withdrawals	68,973	68,973	283,655	283,655
	Sinking Fund Investments @ end of year	0	0	67,787	67,787
	Housing & Community Advances	16,864	16,864	24,886	24,886
		<u>16,864</u>	<u>16,864</u>	<u>92,683</u>	<u>92,683</u>

There were no impairment provisions for Loans and Other Receivables.

The fair value of sinking funds is determined by reference to published price quotations in an active market. Sinking fund investments are restricted in use to the repayment of associated borrowings and are administered by the sinking fund commissioners. Sinking Funds are held in cash. The carrying value of loans and other receivables approximate their fair value.

The sinking funds are invested by the Public Trustee. The sinking funds earn interest rates of 7.493% (8.47% 2008). Principal is payable in September and March, with the repayment of sinking funds in September 2008.

The fair value of community loans is \$16,864 (2008 \$24,886). Fair value has been determined using cash flows discounted at a rate based upon the loan recipient's financial risk factors of between 8 and 10% (2008 8 - 10%). The face value of community loans is \$76,864 (2008 \$84,895). The carrying value of loans and other receivables approximates their fair value.

Maturity Analysis and effective interest rates

The maturity dates for Loans and Investments are as follows:-

	Council	Group	Council	Group
	2009	2009	2008	2008
Less than one year	7,906	7,906	77,556	77,556
<i>weighted average effective interest rate</i>	10.75%	10.75%	14.13%	14.13%
Later than one year but less than two years	2,496	2,496	8,021	8,021
<i>weighted average effective interest rate</i>	10.70%	10.70%	10.70%	10.70%
Later than two years but less than five years	6,462	6,462	7,106	7,106
<i>weighted average effective interest rate</i>	10.35%	10.35%	10.54%	10.54%
Later than five years	0	0	0	0
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
	<u>16,864</u>	<u>16,864</u>	<u>92,683</u>	<u>92,683</u>

Note 14	Investment in Subsidiary	Council	Group	Council	Group
		2009	2009	2008	2008
	Quality Roving & Services (Wairoa) Ltd	1,250,000	0	1,250,000	0

WDC has a 100% interest in QRS Ltd, and its reporting date is 30 June.

The investment in subsidiary is carried at cost in WDC's (parent company) balance sheet.

QRS Ltd is an unlisted company and, accordingly, there are no published price quotations to determine the fair value of this investment.

Note 15	Investment Property	Council	Group	Council	Group
		2009	2009	2008	2008
	Information Centre				
	Balance at 1 July	277,000	277,000	260,000	260,000
	Additions from acquisitions	0	0	0	0
	Disposals	0	0	0	0
	Fair value gains/(losses) on valuation	0	0	17,000	17,000
	Balance at 30 June	<u>277,000</u>	<u>277,000</u>	<u>277,000</u>	<u>277,000</u>

WDC's investment properties are valued at fair value effective 30 June 2009. All investment properties were valued based on open market evidence. The valuation was performed by Registered Valuer M. I. Penrose of Telfer Young Hawkes Bay Ltd. Telfer Young Hawkes Bay Ltd. are experienced and independent valuers with extensive market knowledge in the types of investment properties owned by WDC.

The rental income from Investment Property is \$14,816 (2008 \$28,000), direct operating expenses are \$5,222 (2008 \$5,634), with a net return of \$9,594 (2008 \$22,366). Repairs and Maintenance of \$1,164 (2008 \$2,747) is included in the direct operating costs.

Note 16	Available for sale financial asset	Council	Group	Council	Group
		2009	2009	2008	2008
	NZ Local Government Insurance Corp Ltd	22,992	22,992	22,992	22,992

NOTES TO THE FINANCIAL STATEMENTS

Note 17	Biological Asset -Forestry	Council 2009	Group 2009	Council 2008	Group 2008
	Balance at 1 July	130,632	130,632	133,123	133,123
	Increases due to purchase	0	0	0	0
	Gains/losses arising from changes in fair value less estimated point of sale costs	-4,396	-4,396	-2,491	-2,491
	Decreases due to sales	8,289	8,289	0	0
	Decreases due to harvest	0	0	0	0
	Balance at 30 June	<u>117,947</u>	<u>117,947</u>	<u>130,632</u>	<u>130,632</u>

WDC owns 37.1 hectares (2008 38.6 hectares) of forest, mostly pinus radiata, which are at varying stages of maturity ranging from 5 to 33 years. No forest was harvested during the year. Independent valuers Ruru Willis & Co Ltd have valued forestry assets as at 30 June 2009. A pre-tax discount rate of 8.50 % (2008 8.50%) has been used in discounting the present value of expected cash flows.

Financial risk management strategies

WDC is exposed to financial risks arising from changes in timber prices. WDC is a long term forestry investor and 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. WDC reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Note 18	Reserves (Council only)	Balance 2008	Transfer to	Transfer from	Balance 2009
	a) Special Funds				
	District Development Fund	1,659,390	790,258	1,371,095	1,078,553
	Wairoa Urban Fund	184,809	0	0	184,809
	Retirement & Restructuring Reserve	347,964	0	2,000	345,964
	Asset & Vehicle Depreciation Reserve	778,854	179,722	101,752	856,824
	Tuairua Village Reserve	182,083	9,475	33,840	157,718
	Information Systems Renewal Reserve	156,105	82,101	71,151	167,055
	Disaster Recovery Reserve	500,000	0	0	500,000
	Water Production Reserve	198,312	86,408	0	284,720
	Water Production Depreciation Reserve	1,330,344	174,284	58,250	1,446,378
	Water Reticulation Depreciation Reserve Wairoa	2,633,184	363,912	3,482	2,993,614
	Water Reticulation Reserve - Wairoa	74,412	3,872	38,700	39,584
	Water Reticulation Depn Reserve - Peri Urban	43,379	21,519	0	64,898
	Water Reticulation Reserve Wairoa Peri Urban	205,458	11,552	0	217,010
	Water Reticulation Depreciation Reserve Tuairua	157,240	20,563	0	177,803
	Water Reticulation Depn Reserve - Frasertown	30,424	14,945	0	45,369
	Water Reticulation Reserve Frasertown	37,700	1,962	10,260	29,402
	Water Reticulation Depn Reserve - Mahanga	6,607	3,369	0	9,976
	Water Reticulation Reserve Mahanga	3,170	166	3,335	1
	Sewerage System Depreciation Reserve Wairoa	2,884,787	511,317	257,390	3,138,714
	Sewerage System Depreciation Reserve Tuairua	288,991	41,510	17,000	313,501
	Stormwater Reticulation Depreciation Reserve - Wairoa	679,126	205,988	21,620	863,494
	Stormwater Reticulation Depreciation Reserve - Mahia	105	6,488	0	6,593
	Library Book Stocks Depreciation Reserve	101,793	25,407	44,769	82,431
	Airport Runway Depreciation Reserve	46,200	4,922	0	51,122
	Landfill/RTS Depreciation Reserve	263,214	31,540	37,320	257,434
	Roading Depreciation Reserve	257,869	724,862	655,039	327,692
	Bridges Depreciation Reserve	1,127,529	217,946	15,833	1,329,642
	Footpaths Depreciation Reserve	153,742	88,593	27,080	215,255
	Parking Area Depreciation Reserve	197,578	21,077	0	218,655
	Pensioner Housing Depreciation Reserve	34,285	18,323	5,308	47,300
	Property Sales Reserve	33,500	0	33,500	0
	Parks and Reserves Depreciation Reserve		65,289		65,289
		<u>14,598,154</u>	<u>3,727,370</u>	<u>2,808,724</u>	<u>15,516,800</u>
	b) Sinking Funds	67,787	1,186	68,973	0
	Total special funds reserves				
	Sinking Funds are held for the purpose of repaying debt.				
		<u>14,665,941</u>	<u>3,728,556</u>	<u>2,877,697</u>	<u>15,516,800</u>
	c) Revaluation Reserves				
	The revaluation reserves reflect the net revaluations, above initial valuation, for Council assets and property investments.				
		2009	2009	2008	2008
		Council	Group	Council	Group
	Revaluation Reserve Infrastructural				
	As at 1 July	51,159,753	51,788,079	32,927,484	33,555,810
	Transfers to				
	Revaluations	0	362,208	18,232,269	18,232,269
	Transfer from:				
	Net Transfer from asset revaluation reserve on disposal	-403,223	-403,223	0	0
		<u>50,756,530</u>	<u>51,747,064</u>	<u>51,159,753</u>	<u>51,788,079</u>
		2009	2009	2008	2008
		Council	Group	Council	Group
	Retained Earnings				
	As at 1 July	121,664,010	124,094,985	123,235,074	125,578,442
	Transfers to				
	Restricted Reserves	-3,728,556	-3,728,556	-4,241,238	-4,241,238
	Transfer from:				
	Restricted Reserves	2,877,697	2,877,697	2,216,697	2,216,697
	Net Transfer from asset revaluation reserve on disposal	403,223	403,223	0	0
	Surplus (Deficit) for year	334,306	326,494	453,477	541,084
		<u>121,550,680</u>	<u>123,973,843</u>	<u>121,664,010</u>	<u>124,094,985</u>
	Equity is made up of:				
		2009	2009	2008	2008
		Council	Group	Council	Group
	Special fund reserves	15,516,800	15,516,800	14,598,154	14,598,154
	Sinking fund reserves	0	0	67,787	67,787
	Revaluation reserves	50,756,530	51,747,064	51,159,753	51,788,079
	Accumulated funds	121,550,680	123,973,843	121,664,010	124,094,985
		<u>187,824,010</u>	<u>191,237,707</u>	<u>187,489,704</u>	<u>190,549,005</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 19	Reconciliation of Operating Surplus with Net Cash Flow from Operating Activities	2009	2009	2008	2008
		Council	Group	Council	Group
	Net surplus/(deficit) for the year	334,306	326,494	453,477	541,084
	Add non-cash items:				
	Depreciation & loss on disposal of assets	3,676,080	4,590,838	3,936,911	4,905,247
	Amortisation	26,257	30,028	29,377	35,400
	Decrease/(Increase) in deferred taxation	0	-89,743	0	18,852
	Bad Debt written off	98,738	98,738	132,119	132,119
	Loss on Sale of Property, Plant & Equipment	776,605	759,218	827,925	761,643
	Revaluation of investment property and forestry	4,396	4,396	14,509	14,509
	Unrealised loss / (gain) on investments	282,945	282,945	235,953	235,953
	Interest unwind on landfill provision	20,907	20,907	0	0
		<u>5,220,234</u>	<u>6,023,821</u>	<u>5,630,271</u>	<u>6,644,807</u>
	Add/(Less) movement in other working capital items				
	(Increase)/decrease in trade & other receivables	398,979	1,965,521	357,930	-294,112
	Increase/(Decrease) in trade & other payables	444,187	-280,254	-1,407,157	-1,646,832
	Increase/(Decrease) in Quarry Aftercare	0	6,919	0	0
	Increase/(Decrease) in provision for aftercare	-16,048	-16,048	-111,763	-108,340
	Increase/(Decrease) in employee entitlements	-35,983	-47,200	17,650	-15,213
	Increase/(Decrease) in loans and other receivables	0	0	-258,754	-258,754
	Increase/(Decrease) in taxation payable	0	123,874	0	74,349
	(Increase)/decrease in inventories	-18,220	27,953	-5,410	54,033
		<u>5,993,149</u>	<u>7,804,586</u>	<u>4,222,767</u>	<u>4,449,938</u>
	Net cash inflow from operating activities	<u>5,993,149</u>	<u>7,804,586</u>	<u>4,222,767</u>	<u>4,449,938</u>

Note 20 Chief Executive Officer's Remuneration
The Chief Executive Officer of the Wairoa District Council is appointed under section 42 of the Local Government Act 2002. The annual salary package, including benefits, is as follows:

Annual Salary	Paid
	209,667
	<u>209,667</u>

Elected Representatives Remuneration

	2009	2008
Mayor	61,240	60,801
Deputy Mayor	33,083	33,148
Councillor	0	7,868
Councillor	22,146	22,675
Councillor	6,562	0
Councillor	0	9,476
Councillor	22,214	22,748
Councillor	0	9,148
Councillor	22,112	14,891
Councillor	22,790	15,566
Councillor	10,838	14,807
	<u>200,985</u>	<u>211,128</u>

Key management personnel compensation

	2009	2008
Salaries and other short term benefits	761,733	729,396
Post employment benefits	0	0
Other long term benefits	0	0
Termination benefits	0	0

Contributions to defined contribution plans are disclosed under other long term benefits, above.

Key Management personnel include the Mayor, Councillors, Chief Executive and other senior management personnel

	2009 Council	2009 Group	2008 Council
Employee benefit expenses			
Salaries and wages	2,840,618	6,897,256	2,423,456
Employer contributions to Superannuation	75,521	110,975	73,160
Increase/(decrease) in employee benefit liabilities	0	0	17,650
Total employee benefit expenses	<u>2,916,139</u>	<u>7,008,231</u>	<u>2,514,266</u>

Employee benefit liabilities

	2009 Council	2009 Group	2008 Council
Accrued pay		47,463	0
Annual leave	187,112	566,530	206,360
Long service leave	13,945	65,426	15,446
Retirement gratuities	230,879	298,198	265,361
Sick leave	3,887	7,140	8,369
Total employee benefit liabilities	<u>435,823</u>	<u>984,757</u>	<u>495,536</u>
Comprising:			
Current	190,999	634,098	214,729
Non-current	244,824	350,659	280,807
Total employee benefit liabilities	<u>435,823</u>	<u>984,757</u>	<u>495,536</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 21	Items included in net surplus	COUNCIL		COUNCIL	
		2009	2008	2009	2008
	a) Insurance premiums	137,400	135,532		
	b) Ex-gratia payments	0	0		
	c) Public ceremonies	6,749	8,989		
	d) Insignia and robes of office	0	0		
	e) Entertainment	0	0		
	f) Subscriptions, levies, grants & contributions	23,382	24,028		
	g) Unauthorised expenditure	0	0		
		2009	2009	2008	2008
		Council	Group	Council	Group
	Other disclosures				
	Depreciation - Infrastructural assets	3,262,922	3,262,922	2,907,468	2,907,468
	Depreciation - Operational assets	413,158	1,327,917	413,712	1,281,941
	Amortisation charge- Intangible assets	26,257	30,028	29,380	35,403
	Audit fees for financial statements audit	96,850	150,050	86,620	137,720
	Audit Fees for LTCCP	99,298	99,298	0	0
	Audit Fees for NZ IFRS transition	0	0	11,308	17,300
	Interest paid - bank borrowings	3,259	211,875	20,637	202,727
	Interest paid - discount rate	20,907	20,907	23,201	23,201
	Mayor and Councillors' fees	200,985	200,985	211,128	211,128
	Impairment of receivables (bad debts written off)	98,738	98,738	132,119	167,568
	Impairment of receivables (provision for doubtful debts) (Note 4)	130,031	132,622	32,350	96,275
	Impairment of non-current asset held for sale	0	0	0	0
	Lease expenses	72,363	72,363	56,628	232,647
	Loss on sale of assets	790,996	773,607	754,131	925,738
	Assets written off - impairment of Property, Plant & Equip	0	0	0	0
	Unrealised (gain) loss on investments	282,945	282,945	235,953	235,953
	Gain on sale of assets	14,391	14,391	35,600	35,600
	Directors Fees	0	74,747	0	67,912
	Donations	0	0	0	0
	Inventories recognised as expense	0	0	0	0

Note 22 Transactions with related parties

Council's purchase of services and sales income from Quality Roading and Services (Wairoa) Ltd were as follows: (inclusive of GST)

Purchase of services \$6,900,983 (2008: \$6,633,697)

Sales: \$114,839 (2008: \$28,553) Dividend \$80,000 (2008: \$50,712)

Amount owed by Quality Roading and Services (Wairoa) Ltd to Council at year end: \$1,644 (2008: \$7,725) which is receivable on normal trading terms

Amount owed by Council to Quality Roading and Services (Wairoa) Ltd at year end: \$834,270 (2008: \$901,355) which is payable on normal trading terms except for \$42,646 (2008: \$27,375) contract retentions payable at closure to defects liability period

Related party transactions of \$nil were forgiven or written off during the period

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with WDC (such as payment of rates, dog registration etc)

QRS Directors & CEO

Sales transacted during the year payable on normal trading terms were as follows:

	2009 Business Transacted	2009 Balance Owing	2008 Business Transacted	2008 Balance Owing
D L Murro (Director)	7,010	0	585	0
L A Aitken (CEO)	53,285	2,365	92,703	23,712
K M Burger (FC)	8,839	341	3,358	1,315
S J Cox (Manager)	0	0	9,628	2,604
A J O Sullivan (Manager)	7,048	0	1,768	0
L Evans (Manager)	0	0	10,936	123
P Murphy (Manager)	7,737	452		

C J Torrie, a Director, is part owner of MBE Ltd which has provided services to QRS on normal trading terms to the value of \$71,513 (2008: \$125,993)

Note 23 Interest Revenue

Council recognises interest income on an accrual basis with movements in fair value profits and losses disclosed in the overall income statement as interest on investments. Loss on revaluation of investments as at 30/06/09 was \$282,945 (2008: \$235,953).

NOTES TO THE FINANCIAL STATEMENTS

Note 24 FINANCIAL INSTRUMENTS RISKS

The Financial Instruments categories	2009 Council	2009 Group	2008 Council	2008 Group
FINANCIAL ASSETS				
Financial assets at fair value through profit and loss - upon initial recognition				
Shares and Debentures	12,720,367	12,720,367	11,944,597	11,944,597
Loans and Receivables				
Cash and Cash Equivalents	6,470,220	7,763,452	6,065,762	6,008,898
Trade and Other receivables	2,562,180	4,001,797	2,986,056	5,992,215
Other Financial Assets				
Striking Fund investments	0	0	67,787	67,787
Housing and Community Advances	16,864	16,864	24,896	24,896
	9,049,264	11,782,113	9,144,501	12,093,796
Available for Sale Financial Assets				
NZ Local Government Insurance Corporation Limited	22,992	22,992	22,992	22,992
	22,992	22,992	22,992	22,992
Total Financial Assets	21,792,623	24,525,472	21,112,090	24,061,365
FINANCIAL LIABILITIES				
Financial Liabilities at Amortised Cost				
Trade and Other Payables	3,026,801	3,446,596	2,558,884	3,542,388
Borrowings				
Bank Overdraft	0	0	0	0
Secured Loans	0	2,071,031	230,000	2,558,836
Total financial liabilities at amortised cost	3,026,801	5,517,627	2,788,884	6,101,224

Financial instrument risks

WDC has a series of policies to manage the risks associated with financial instruments. WDC is risk averse and seeks to minimise exposure from its treasury activities. WDC has approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market Risk

Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. WDC is exposed to securities price risk on its investments, which are classified as financial assets held at fair value through profit or loss. The price risk arises due to market movements in listed securities. The price risk is managed by diversification of WDC's investment portfolio in accordance with the limits set out in WDC's Investment policy.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. WDC is not exposed to currency risk, as it does not enter into foreign exchange transactions.

Interest Rate Risk

The interest rates on WDC's investments are disclosed in note 6 and on WDC's borrowings in note 10.

Fair value interest rate risk

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 issued at fixed rates expose the WDC to fair value interest rate risk. WDC's Liability Management policy outlines the level of borrowing that is secured using fixed rate instruments.

Cash flow interest rate risk

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 WDC to cash flow interest rate risk.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to WDC, causing WDC to incur a loss. WDC has no significant concentration of credit risk, as it has a large number of credit customers, mainly ratepayers, and WDC has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

WDC restricts its investments to government or state owned enterprises, registered banks, local authorities and approved corporate investments. Investments are only made with institutions with a high credit rating, and exposure is limited by spreading investments, and limiting the amount of each investment. Accordingly WDC does not require any collateral or security to support these financial instruments.

Financial instruments which potentially subject Council to credit risk principally consist of bank balances, accounts receivable and investments.

WDC has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

Note 24 FINANCIAL INSTRUMENTS RISKS

WDC'S maximum credit exposure for each class of financial instrument is as follows:-

	2009 Council	2009 Group	2008 Council	2008 Group
Cash at bank, short term deposits and sinking funds	6,470,220	7,763,452	6,133,549	6,076,685
Trade and Other receivables	2,562,180	4,001,797	2,986,056	5,992,215
Housing and Community Advances	16,864	16,864	24,896	24,896
Shares and Debentures	12,743,359	12,743,359	11,967,589	11,967,589
Land and Buildings	0	0	0	0
Total Credit Risk	<u>21,792,623</u>	<u>24,525,472</u>	<u>21,112,090</u>	<u>24,061,385</u>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poors credit ratings (if available) or to historical information about counterparty default rates:-

COUNTERPARTIES WITH CREDIT RATINGS

	2009 Council	2009 Group	2008 Council	2008 Group
Cash at Bank and Short Term Deposits				
AA	6,470,220	7,763,452	6,133,549	6,076,685
Shares and Debentures				
A-1 or better	12,743,359	12,743,359	11,967,589	11,967,589

COUNTERPARTIES WITHOUT CREDIT RATINGS

	2009 Council	2009 Group	2008 Council	2008 Group
Housing and Community Advances				
Existing counterparty with no defaults in the past	16,864	16,864	24,896	24,896
Existing counterparty with defaults in the past	0	0	0	0

Debtors and other receivables mainly arise from WDC'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. WDC has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and WDC has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Issuers	Instruments	Limits
Risk Free		
NZ Government guaranteed	Treasury Government stock	100%
Near Risk Free		
Local authorities and other institutions with the ability to levy rates or taxes	Local authority stock	Up to 100% subject to not more than \$2 million with one issuer
Local Authority Bond Trust	Bonds	Up to 100% subject to not more than \$2 million in any one issue
Low Risk		
ANZ Bank; ASB Bank; Bank of New Zealand	Money market call deposits	Up to 80% but no more than \$2 million with one issuer
National Bank; WestpacTrust	Money market term deposits	
	Transferable certificates of deposits	
	Negotiable certificates of deposits	
	Registered certificates of deposits	
	Bank bills	
Corporate and SOEs as long as they have a short term credit rating of at least A-1 or better and a long term rating of A or better as determined by Standard and Poors	Promissory Notes Corporate Bonds	Up to 40% but not more than \$1 million with one issuer

Liquidity Risk

Liquidity Risk is the risk that WDC will encounter difficulties in raising liquid funds to meet commitments as they fall due. Prudent liquidity 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. WDC aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, WDC maintains a target level of investments that must mature within the next 12 months.

WDC maintains its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy. These policies have been adopted as part of the WDC's Long Term Council Community Plan.

The maturity profiles of WDC's interest bearing investments and borrowings are disclosed in notes 6 and 10 respectively.

The table below analyses WDC's financial liabilities into relevant maturity groupings based upon the remaining period at the balance date to the contracted maturity date.

Council 2009

	Carrying Amount	Contractual Cash Flow	Less Than 1 year	1 - 2 years	2-5 years	more than 5 years
Trade and Other Payables	3,026,801	3,026,801	3,026,801	0	0	0
Borrowings						
Bank Overdraft	0	0	0	0	0	0
Secured Loans	0	0	0	0	0	0
Total	<u>3,026,801</u>	<u>3,026,801</u>	<u>3,026,801</u>	<u>0</u>	<u>0</u>	<u>0</u>

Group 2009

	Carrying Amount	Contractual Cash Flow	Less Than 1 year	1 - 2 years	2-5 years	more than 5 years
Trade and Other Payables	3,446,596	3,446,596	3,446,596	0	0	0
Borrowings						
Bank Overdraft	0	0	0	0	0	0
Secured Loans	2,071,031	2,252,625	606,555	488,783	647,712	509,575
Total	<u>5,517,627</u>	<u>5,699,221</u>	<u>4,053,151</u>	<u>488,783</u>	<u>647,712</u>	<u>509,575</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 24 FINANCIAL INSTRUMENTS RISKS

Council 2008

	Carrying Amount	Contractual Cash Flow	Less Than 1 year	1 - 2 years	2 - 5 years	more than 5 years
Trade and Other Payables	2,558,884	2,558,884	2,558,884	0	0	0
Borrowings						
Bank Overdraft	0	0	0	0	0	0
Secured Loans	230,000	233,971	233,971	0	0	0
Total	2,788,884	2,792,855	2,792,855	0	0	0

Group 2008

Trade and Other Payables	3,542,388	3,542,388	3,542,388	0	0	0
Borrowings						
Bank Overdraft	0	0	0	0	0	0
Secured Loans	2,558,836	2,806,905	713,729	525,368	915,272	652,536
Total	6,101,224	6,349,293	4,256,117	525,368	915,272	652,536

The table below analyses WDC's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contracted maturity date.

	Carrying Amount	Contractual Cash Flow	Less Than 1 year	1 - 2 years	2 - 5 years	more than 5 years
Council 2009						
Cash and Cash Equivalents	6,470,220	6,470,220	6,470,220	0	0	0
Trade and Other receivables	2,562,180	2,562,180	2,562,180	0	0	0
Other financial assets						
- Housing and Community Advances	16,864	19,321	8,987	3,069	7,265	0
-Shares and Debentures	12,743,359	13,769,296	504,704	490,138	6,005,265	6,769,189
Sinking Funds	0	0	0	0	0	0
Total	21,792,623	22,821,017	9,546,091	493,207	6,012,530	6,769,189

Group 2009

Cash and Cash Equivalents	7,763,452	7,763,452	7,763,452	0	0	0
Trade and Other receivables	4,001,797	4,001,797	4,001,797	0	0	0
Other financial assets						
- Housing and Community Advances	16,864	19,321	8,987	3,069	7,265	0
-Shares and Debentures	12,743,359	13,769,296	504,704	490,138	6,005,265	6,769,189
Sinking Funds	0	0	0	0	0	0
Total	24,525,472	25,553,866	12,278,940	493,207	6,012,530	6,769,189

Council 2008

Cash and Cash Equivalents	6,065,762	6,065,762	6,065,762	0	0	0
Trade and Other receivables	3,344,931	3,344,931	3,344,931	0	0	0
Other financial assets						
- Housing and Community Advances	24,896	30,018	10,261	9,751	10,006	0
-Shares and Debentures	11,967,590	13,113,508	3,121,800	416,500	3,468,908	6,106,300
Sinking Funds	67,787	69,234	69,234	0	0	0
Total	21,470,966	22,623,453	12,611,988	426,251	3,478,914	6,106,300

Group 2008

Cash and Cash Equivalents	6,008,898	6,008,898	6,008,898	0	0	0
Trade and Other receivables	6,351,090	6,351,090	6,351,090	0	0	0
Other financial assets						
- Housing and Community Advances	24,896	30,018	10,261	9,751	10,006	0
-Shares and Debentures	11,967,590	13,113,508	3,121,800	416,500	3,468,908	6,106,300
Sinking Funds	67,787	69,234	69,234	0	0	0
Total	24,420,261	25,572,748	15,561,283	426,251	3,478,914	6,106,300

Sensitivity Analysis

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on WDC's financial instrument exposures at the balance date.

COUNCIL	2009 -100 bps Profit	2009 -100 bps Other Equity	2009 +100 bps Profit	2009 +100 bps Other Equity
INTEREST RATE RISK				
Financial Assets				
Cash and Cash Equivalents	-64,702	0	64,702	0
Other financial assets				
-Shares and Debentures	-334,400	0	334,400	0
Financial Liabilities				
Borrowings				
Bank Overdraft	0	0	0	0
Secured Loans	0	0	0	0
Debentures	0	0	0	0
Total sensitivity to interest rate risk	-399,102	0	399,102	0

COUNCIL	2008 -100 bps Profit	2008 -100 bps Other Equity	2008 +100 bps Profit	2008 +100 bps Other Equity
INTEREST RATE RISK				
Financial Assets				
Cash and Cash Equivalents	-60,660	0	60,660	0
Other financial assets				
-Shares and Debentures	-116,044	0	116,044	0
Financial Liabilities				
Borrowings				
Bank Overdraft	0	0	0	0
Secured Loans	575	0	-575	0
Total sensitivity to interest rate risk	-176,129	0	176,129	0

NOTES TO THE FINANCIAL STATEMENTS

Note 24 FINANCIAL INSTRUMENTS RISKS

GROUP	2009 -100 bps Profit	2009 -100 bps Other Equity	2009 +100 bps Profit	2009 +100 bps Other Equity
INTEREST RATE RISK				
Financial Assets				
Cash and Cash Equivalents	-77,630	0	77,630	0
Other financial assets				
-Shares and Debentures	-334,400	0	334,400	0
Financial Liabilities				
Borrowings				
Bank Overdraft	0	0	0	0
Secured Loans	-20,710	0	20,710	0
Total sensitivity to interest rate risk	-432,740	0	432,740	0

GROUP	2008 -100 bps Profit	2008 -100 bps Other Equity	2008 +100 bps Profit	2008 +100 bps Other Equity
INTEREST RATE RISK				
Financial Assets				
Cash and Cash Equivalents	-53,880	0	53,880	0
Other financial assets				
-Shares and Debentures	-116,044	0	116,044	0
Financial Liabilities				
Borrowings				
Bank Overdraft	570	0	-570	0
Secured Loans	15,061	0	-15,061	0
Total sensitivity to interest rate risk	-154,293	0	154,293	0

Note 25 Events subsequent to balance date

Council has filed a claim for flood damage of \$5 million with Land Transport New Zealand due to adverse weather conditions. There have been no other events subsequent to balance date that would have a material effect on the 30 June 2009 Annual Report.

Note	Contingencies:	2009 Council	2009 Group	2008 Council	2008 Group
	Contingent Liabilities	0	0	0	0
	Performance bonds with ANZ Banking Group (NZ) Ltd	0	248,000	0	143,000

Guarantees
Nil (2008: Nil)

Note 27 Long Term Council Community Plan 2006-2016

Council adopted a Long Term Council Community Plan on 30th August 2006 which is reflected in this report. The Long Term Council Community Plan for 2009-19 was adopted on 23rd July 2009.

Note 28 Landfill aftercare provision

The council has provided for aftercare of the Wairoa and Mahia landfills where such a liability exists. Council has a liability under the resource consent issued by the Hawkes Bay Regional Council until 2031. This provides for ongoing maintenance and monitoring of the Wairoa Landfill until 2031.

The cash outflows for landfill post closure are expected to occur within the next 25 years. There are inherent uncertainties due to the long term nature of the liability. The costs have been estimated using existing technology with a discount rate of 3%.

	2009 Council	2009 Group	2008 Council	2008 Group
Balance at 1 July	696,908	696,908	808,671	808,671
Provided (released) during the year - Wairoa	23,281	23,281	-128,958	-128,958
Provided (released) during the year - Mahia	-7,199	-7,199	45,445	45,445
Expenditure during the period	-32,131	-32,131	-57,344	-57,344
Unwind of discount	20,907	20,907	29,094	29,094
Balance at 30 June	<u>701,766</u>	<u>701,766</u>	<u>696,908</u>	<u>696,908</u>

Note 29 Quarry aftercare provision

Quality Roading and Services (Wairoa) Ltd have provided for the reinstatement of Quarries where such a liability exists. The costs have been estimated using existing technology at current prices

	2009 Council	2009 Group	2008 Council	2008 Group
Balance at 1 July	0	106,097	0	102,674
Provided during the year	0	6,919	0	3,423
Expenditure during the period	0	0	0	0
Balance at 30 June	<u>0</u>	<u>113,016</u>	<u>0</u>	<u>106,097</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 30

STATEMENT OF COMMITMENTS AS AT 30 JUNE 2009

	2009 Council	2009 Group	2008 Council	2008 Group
Capital commitments approved and contracted	0	95,000	0	0

WDC leases 5 photocopy machines in the ordinary course of its business. The majority of these have a non-cancellable term of 60 months. The future aggregate minimum lease payments to be made under non-cancellable operating leases are as follows:-

	2009 Council	2009 Group	2008 Council	2008 Group
Non-cancellable operating lease commitments				
Office equipment				
Up to one year	70,702	187,486	72,263	165,767
one to five years	154,720	307,464	289,052	488,596
over five years	0	0	0	0

The lease does not transfer substantially all the risks and rewards incidental to ownership.
The lease does not transfer ownership to WDC at the end of the lease term.
The leased asset is not of a specialised nature that only the lessee can use without modifications.
The lessee cannot cancel the lease unilaterally unless the lessor is in material breach of contract, and gains and losses in value do not accrue to lessee.

WDC received lease income from the Enterprise building, staff housing and pensioner housing.

Future minimum rentals receivable under non-cancellable operating leases are as follows:-

	2009 Council	2009 Group	2008 Council	2008 Group
Up to one year	117,054	233,838	133,500	133,500
one to five years	435,759	588,503	534,000	534,000
over five years	0	0	0	0

Note 31

STATEMENT OF FINANCIAL INVOLVEMENT IN CCTCs AND OTHER COMPANIES OR ORGANISATIONS

Wairoa District Council has control over the following entities:
Quality Roadng and Services (Wairoa) Ltd

The cost to the above enterprise for the financial interests, finance or financial assistance of the Council is as follows:

Dividends	Dividends
2009	2008
80,000	50,712

Note 32 Government Grants & Subsidies

WDC receives government grants from Land Transport New Zealand, which subsidises part of the costs in maintaining the local roadng infrastructure. The subsidies are recognised as revenue upon entitlement as conditions relating to eligible expenditure are fulfilled. WDC has received \$7,370,599 in government subsidies for the year ended 30 June 2009 (2008 \$6,686,703) \$7,214,366 was received from Land Transport New Zealand in transport subsidies, (2008 \$6,565,805) \$2,625 in Veteran Affairs (2008 \$2,625) \$10,217 from Creative New Zealand (2008 \$13,568), \$9,174 from SPARC's rural travel fund (2008 \$10,444) \$127,138 from Ministry of Internal Affairs (2008 \$89,678) and \$7,078 for Civil Defence (2008 \$4,583). WDC has fulfilled all conditions attaching to the government assistance.

Revenue from Government grants and subsidies (and hence operating surplus) includes \$3,006,503 (2008 \$3,095,633) relating to grants received where the associated expenditure has been capitalised. Expenditure relating to these projects will be recognised (primarily as depreciation) over the life of the capitalised assets.

Cashflow from Government grants and subsidies (and hence operating cash inflows) includes \$3,006,503 (2008 \$3,095,633) with respect to these capital grants where the associated cash outflows are recognised as investing activities.

NOTES TO THE FINANCIAL STATEMENTS

Note 33 Segmental Reporting

The group operates in one geographic segment (New Zealand) and in two industries, being that of local government and construction and maintenance activities (operated by the 100% owned subsidiary Quality Roading and Services (Wairoa) Ltd).

Note 34 Explanation of major variances against budget

Explanation for major variations from WDC's estimated figures in the 2006/2016 Long Term Council Community Plan and the 2008/2009 Annual Plan are as follows:-

	2009 LTCCP	2009 Annual Plan
Income Statement		
2009 plan net surplus	4,167,220	5,782,928
Higher (lower) subsidy revenue (regional projects, emergency works)	-1,627,917	-3,774,911
Higher (lower) income from investments	-229,617	-280,001
Higher (lower) income from fees & charges (water production, waste management)	250,904	39,402
Lower income from rates due to reserve funding & projects deferred	-613,186	-120,641
Increase in costs due to additional roading work and addition of Information Centre	-1,616,682	-1,321,655
Capital gain on asset sales	14,391	14,391
Other	-10,807	-5,207
2009 actual net surplus	<u>334,306</u>	<u>334,306</u>
Capital expenditure		
2009 plan	11,971,568	14,617,782
Projects deferred or cancelled	-9,680,179	-11,018,650
Additional projects approved	1,355,946	48,203
Projects under/over spent	764,109	764,109
Actual expenditure 2009	<u>4,411,444</u>	<u>4,411,444</u>

Note 35 Capital management

The Council's capital is its equity (or ratepayer's funds), which comprises retained earnings 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. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, 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 (LTCCP) and in its annual plan to meet the expenditure needs identified in those plans. 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 LTCCP.

WDC has the following Council created reserves:

- reserves for different areas of benefit
- self-insurance reserves

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit to the 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 can only be approved by Council.

STATEMENT OF ACCOUNTING POLICIES

Reporting entity

Wairoa District Council (WDC) is a territorial local authority in New Zealand governed by the Local Government Act 2002. The Council group consists of Wairoa District Council and its 100% owned subsidiary, Quality Roading and Services (Wairoa) Ltd (QRS Ltd).

The primary objective of WDC is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly WDC 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 financial statements of WDC are for the year ended 30 June 2009. The financial statements were authorised for issue by Council on 30 October 2009.

Basis of Preparation

The financial statements of the Wairoa District Council 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 the 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.

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, certain infrastructure assets, investment property, biological assets and financial instruments.

The financial statements have been presented in New Zealand dollars. Foreign exchange transactions are translated into New Zealand dollars using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of financial performance.

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

Basis of consolidation

The consolidated financial statements include the Council and its subsidiary QRS Ltd. The financial statements of QRS Ltd are accounted for using the purchase method, which involves adding together corresponding assets, liabilities, revenue and expenses on a line-by-line basis. All significant inter-entity transactions, balances and unrealised gains are eliminated on consolidation. Accounting policies of QRS Ltd have been changed to ensure consistency with the policies adopted by the group.

WDC's investment in its subsidiary is carried at cost in WDC's own "parent entity" financial statements.

Revenue

Revenue is measured at the fair value of consideration received.

Rates revenue

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

Interest revenue

Interest income is recognised in the period in which it is earned.

Dividend revenue

Revenue is recognised when the right to receive payment is established.

Other Revenue

Water billing revenue is recognised on an accrual basis. Unbilled usage as a result of unread meters at year-end, is accrued on an average usage basis.

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

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 service to be provided.

Sales of goods are recognised when a product is sold to the customer.

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 WDC are recognised as revenue when control over the asset is obtained.

Revenue on construction contracts is recognised progressively over the period of each contract. The amount included in the statement of financial performance, and the value of the contract work in progress are established by assessment of the individual contracts taking into account the proportion of work completed, cost analysis and estimated final results.

When the contract income cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

Income Tax

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arose from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Current and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is charged or credited directly to equity.

LEASES

Operating Lease

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 or cash equivalents

Cash or cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less.

Trade and Other Receivables

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method less an allowance for any uncollectible amounts.

An allowance for uncollectible receivables is established when there is objective evidence that WDC will not be able to collect all amounts due according to the original terms of receivables.

Inventories

Inventories are stated at the lower of cost (on a first in first out basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Financial Assets

Wairoa District Council classifies its financial assets into the three categories as detailed under A, B and C below. The classification depends on the purpose for which the financial assets were acquired.

Management determines the classification of its financial assets at initial recognition and re-evaluates this classification at each reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss in which case the transaction costs are recognised in the statement of financial performance.

Purchases and sales of financial assets are recognised on trade-date, the date on which WDC 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 WDC has transferred substantially the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on the quoted market prices at the balance sheet date. The quoted price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. WDC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

A. Financial assets at fair value through profit and loss

This category has two sub categories: financial assets held for trading, and those designated at fair value through profit and loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Included in this category are short-term investments, which are valued at fair value.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the statement of financial performance

Council has classified its investments as financial assets at fair value through profit and loss. The portfolio includes investments in local authority and government stock, registered bank bills and bonds, and corporate stocks and bonds. The reason for the classification is that the investments were acquired for the purpose of selling and trading in the near term, and they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a pattern of short-term profit-taking. In addition, there is a quoted market price in an active market where fair value can be reliably measured.

B. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Included in this category are sinking funds that are valued at amortised cost. Community loans are included at amortised cost.

Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

C. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available for sale or not designated in any of the other categories. Available for sale financial assets are held at fair value with gains or losses recognised directly in equity with the exception of impairment losses that are recognised in the statement of financial performance. In the event of impairment, any cumulative losses previously recognised in equity, will be removed from equity and recognised in the statement of financial performance, even though the asset has not been derecognised.

Impairment of Financial Assets

At each balance date WDC 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 income statement.

Loans and Other Receivables

Impairment of a loan or receivable is established when there is objective evidence that WDC will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer 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 trade and other receivables, the carrying amount of the asset is reduced through the use of a doubtful debt account, and the amount of the loss is recognised in the statement of financial performance. When the receivable is uncollectible, it is written off against the debtor 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 is established when there is objective evidence that that WDC will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Quoted and unquoted equity investments

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 the cumulative loss is removed from equity and recognised in the statement of financial performance. Impairment losses recognised in the statement of financial performance are not reversed through the statement of financial performance.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Non-current assets held for sale

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

An impairment loss is recognised for any write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets held for sale are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Property, Plant & Equipment

Property, Plant & Equipment consists of:

Operational Assets – These include land, buildings, library books, plant and equipment and motor vehicles

Restricted assets – Restricted assets are parks and reserves owned by WDC that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets - Infrastructure assets are the fixed utility systems owned by WDC. 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.

Property, Plant & Equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

Additions of an item of property, plant and equipment are recognised at 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 disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the statement of financial performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that the future economic benefits or service potential associated with the item will flow to WDC 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 for WDC 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. Our subsidiary company QRS Ltd. uses the diminishing value basis for depreciating plant, equipment and motor vehicles, office equipment and furniture, and computer hardware.

The useful lives and associated depreciation rates of major assets have been estimated as follows:

Property, Plant & Equipment

Estimated Life	Years
Quarries	30-40
Buildings	30-40
Other Improvements	10-50
Plant, Equipment & Vehicles	4-10
Library Collection	2-10
Office Equipment, Furniture & Fittings	5-10
Computer Equipment	4-5

SEWERAGE	Life years	STORMWATER	Life years
Structures	50	Reticulation piping	50-100
Oxidation ponds	40	Culverts	50-100
Pipes	80-100	Manholes/Sumps	50-100
Manholes	100	Open Drains	Not depreciated
Pumps	10-15		
Plant	10-15		
Resource Consents	25		

WATER SUPPLY	Life years	ROADS	Life years
Structures	50	Top Surface (seal)	13
Pumps	15-20	Basecourse (sealed roads)	60
Reticulation Piping	60-100	Formation	Not depreciated
Meters	20	Unsealed Roads	Not depreciated
Hydrants	40	Bridges	20-80
Resource Consents	20-25	Footpaths	15-40
Reservoirs	80	Kerbs	50
		Streetlights (Poles)	50

Application of the estimated useful economic lives of assets are subject to change depending on the individual circumstances of the asset, particularly when assets are revalued and the valuers provide an annual depreciation figure.

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

Revaluation

Those assets classes that are revalued are valued on a five yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If there is a material difference then a revaluation is performed.

Increases in asset carrying amounts, due to revaluation, increase revaluation reserves in equity. Decreases in asset carrying amount decrease revaluation reserves in equity only to the extent that the class of asset has sufficient reserves to absorb the reduction. All other decreases are charged to the income statement. If a revaluation increase reverses a decrease previously recognised in the statement of financial performance, the increase is recognised first in the statement of financial performance to reverse any previous reduction.

Operational land and buildings

Operational land and buildings were valued at fair value effective from 30 June 2005. Under NZ IFRS, WDC has elected to use the fair value of operational land and buildings as at 30 June 2005 as deemed cost. Operational land and buildings are no longer revalued.

Restricted land and buildings

Restricted land and buildings were valued at fair value effective from 30 June 2005. Under NZ IFRS, WDC has elected to use the fair value of restricted land and buildings as at 30 June 2005 as deemed cost. Restricted land and buildings are no longer revalued.

Infrastructure asset classes: roads, water reticulation, sewerage reticulation and stormwater systems:

Infrastructure assets are carried at fair value on a depreciated replacement cost basis as assessed by an independent valuer. At balance date WDC assesses the carrying values of its infrastructure assets to ensure that they do not differ materially from the assets' fair value. If there is a material difference, then the off-cycle asset classes are revalued. Any additions since valuation are carried at depreciated cost.

Land under Roads

Land under roads was valued on the basis of fair value of adjacent land as at 30 June 2005. Under NZ IFRS, WDC has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost.

Intangible Assets

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 associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by WDC are recognised as an intangible asset. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

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 the statement of financial performance.

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

Computer software	3 years	33%
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Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or are not yet available for use, 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 asset's 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 asset's ability to generate net cash flows and where the entity would, if deprived of the asset, replace its 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 statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

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 statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the statement of financial performance.

Forestry Assets

Forestry assets are independently valued 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 pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and taking into consideration environmental, operational and market restrictions.

Gains or losses arising on the initial recognition of biological 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 statement of financial performance. The costs to maintain forestry assets are included in the statement of financial performance.

Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Investment property is measured initially at its cost including transaction costs.

After initial recognition, WDC measures all investment property at fair value as determined annually by an independent valuer. Gains or losses arising from changes in fair values of investment properties are included in the statement of financial performance.

Investment properties are derecognised when they have been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

Any gains or losses on derecognition of an investment property are recognised in the statement of financial performance in the year of derecognition.

Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.

For a revalued asset, the impairment loss is recognised in the revaluation reserve for that class of asset. For an asset carried at cost, the impairment loss is recognised in the statement of financial performance.

Trade and Other Payables

Trade and Other Payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

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 WDC has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Employee Benefits

Short-term benefits

Employee benefits which WDC expects 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, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months and sick leave.

WDC recognises a liability for sick leave based on entitlements accrued at balance date, which WDC expects employees to use in future periods. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that WDC anticipates it will be used by staff to cover for future absences.

Long – Term Employee Entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:-

Likely future entitlements accruing to staff, based upon 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

The discount rate is based upon the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based upon the expected long-term increase in remuneration for employees.

Superannuation

Defined Contribution Pension Plan obligations are recognised as an expense in the Statement of Financial Performance as incurred.

Provisions

WDC 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 obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they occur.

Equity

Equity is the community's interest in WDC 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 the reserves are:

- Retained earnings
- Restricted reserves
- Property plant and equipment reserves
- Fair value through equity reserves

Restricted & Council Created Reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by WDC.

Restricted reserves are those subject to specific conditions accepted as binding by WDC and which may not be revised by WDC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to or from these reserves are at the discretion of the Council.

WDC's objectives, policies, and processes for managing capital are described in note 36.

Goods and Services Tax (GST)

All amounts in the financial statements are exclusive of GST, with the exception of receivables and payables that are stated at GST-inclusive amounts. When GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, 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 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 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by WDC for the preparation of the financial statements.

Overhead Cost allocation

WDC has derived the cost of service for each significant activity using cost allocation systems 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 activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Critical Accounting Estimates and Assumptions

In preparing these financial statements WDC 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 on 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

Note 29 discloses an analysis of the exposure of WDC in relation to the estimates and uncertainties surrounding the landfill aftercare provision. WDC has assumed that the aftercare provision for Wairoa Landfill is operative until 2031, based upon the resource consent issued by the Hawke's Bay Regional Council. WDC has a responsibility under the resource consent to provide for ongoing maintenance and monitoring of the landfill site.

The cash outflows for landfill post-closure are expected to occur within the next 25 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 existing technology and using a discount rate of 3%.

Infrastructure Assets

There are a number of assumptions and estimates used when performing DRC valuations over infrastructure 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, wastewater 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 WDC could be over or under estimating the annual depreciation charge

recognised as an expense in the statement of financial performance. To minimise this risk WDC'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 WDC's asset management planning activities, which give WDC further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

Critical Judgements in applying WDC's Accounting Policies

Management has exercised the following critical judgements in applying the WDC's accounting policies for the period ended 30 June 2009:

Classification of Property

Council owns a number of properties, including the Information Centre. The Information Centre is classified as an investment property and the increase in fair value from revaluation for the Information Centre has been credited to the Statement of Financial Performance.

Changes in Accounting Policies:

All accounting policies have been applied on a consistent basis throughout the year.

Application of New Standards

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to WDC include:

- NZ IAS 1 Presentation of Financial Statements (revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The revised standard gives the WDC the option of presenting items of income and expenditure and components of other comprehensive income either in a single statement of comprehensive income with sub-totals, or in two separate statements. WDC intends to adopt the standard for year ended 30 June 2010.
- NZ IAS 23 Borrowing Costs (revised 2007) replaces NZ IAS 23 Borrowing Costs (revised 2004) and is effective for reporting periods on or after 1 January 2009. The revised standard requires all borrowing costs to be capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset. The revised standard will also require borrowing costs to be considered when revaluing property, plant and equipment to fair value based on depreciated replacement cost. Any necessary adjustments to depreciated replacement cost carrying values will have flow on effects to depreciation expense. The WDC intends to adopt this standard for the year ended 30 June 2010 and has not yet quantified the potential impact of the standard.
- NZ IFRS 3 Business Combinations (revised 2008) and the amended NZ IAS 27 Consolidated and Separate Financial Statements are effective for reporting periods beginning on or after 1 July 2009 and must be applied prospectively from that date. The main changes are:
 - Partial acquisitions – Non-controlling interests are measured either as their proportionate interest in net identifiable assets (which is the original NZ IFRS 3 requirement) or at fair value
 - Step acquisitions – The requirement to measure at fair value every asset and liability at every step to calculate goodwill has been removed. Instead goodwill is measured at the difference at acquisition date between the fair value of any investment in the business held before the acquisition, the consideration transferred and the net assets acquired.
 - Contingent consideration - Contingent consideration must be recognised and measured at fair value at the acquisition date. Subsequent changes in fair value are recognised in accordance with other NZ IFRSs, usually in profit or loss (rather than adjusting the cost of acquisition)

WDC will adopt the revised NZ IFRS 3 and NZ IAS 27 for the year ended 30 June 2010, which will impact on business combinations that occur after 1 July 2009.

**Policy on Replacement of Assets
Compliance with Local Government Act 2002**

The following policy was consulted on in 1999 and reconfirmed on 30th August, 2006

Depreciation:

The Local Government Act 2002 requires all Territorial Local Authorities to fund the loss of service potential (i.e. depreciation). Wairoa District Council has reviewed its assets and advises that the following assets will be depreciated but not funded for replacement.

1. Community Halls
2. Housing
3. Rural fire appliances
5. Camping Ground
6. Water Production (associated with Affco Ltd supply agreement)
7. Roothing (Transfund subsidised portion of roading)

The above assets will be maintained on an ongoing basis at a level that meets the needs of the community. Where appropriate Council will cover each asset with an insurance cover for fire, earthquake and natural catastrophe. Non-funding of depreciation associated with (6) is in line with an agreement entered into between Council and Affco in 1984.

The effects of this decision are that:

1. The current assets will be available for many years to come.
2. Once an asset reaches the point where it is considered unsafe to use then that asset will be removed. Any decision to provide a replacement service will be considered as a new service at that time and will be the subject of consultation.
3. Should any asset under this policy be the subject of an insurance claim then, prior to reinstatement, Council will decide whether reinstatement of the asset should proceed or whether the service should be discontinued at the time of loss.
4. By not funding loss of service potential (depreciation) there is a reduction in rates payable by the present ratepayers. This reduction is as listed below.
5. In respect of (6) above the effect would be that in the event of asset renewal, Council would only be required to rebuild an asset that can produce 50% of the existing facility, unless Affco wished to participate in a further joint venture.

Depreciation not funded:

	BUDGET \$	ACTUAL \$
1. Community Halls	7,500	5,690
2. Housing	5,100	5,050
4. Rural fire appliances	39,900	39,881
5. Camping Ground	7,900	8,815
6. Water Production	131,328	164,261
7. Roothing	1,310,760	1,830,651
Total	<u>\$1,502,488</u>	<u>\$2,054,338</u>

OFFICIAL INFORMATION

Wairoa District Council, P.O. Box 54, Coronation Square, Wairoa
Phone (06) 8387309 Fax (06) 8388874
e-mail: @wairoadc.govt.nz

DOCUMENTS HELD BY COUNCIL

The Council holds a variety of documents spread between its departments. All requests for Official Information in the first instance should be addressed to:

Administration Manager, Wairoa District Council, Wairoa

POLICY MANUALS/DOCUMENTS

The following documents contain policies, principles, rules or guidelines under which the Council makes recommendations and decisions:

District Plans

Council's planning documents consist of the Wairoa District Plan - Urban Sector and Wairoa District Plan - Rural Sector. These have been reviewed and the result is the adopted Wairoa District Plan.

Local Government Act 2002 and Amendments

This Act sets out the powers and functions of Regional Councils and Territorial Local Authorities.

Local Government Official Information and Meetings Act 1987

This Act sets out the regulations relating to Official Information and Meeting Procedures for Local Bodies.

Long Term Council Community Plan 2009-2019

Annual Plan 2008/09

Wairoa District Policy Manual (currently under review)

This contains the policy decisions of Council.

Civil Defence Plan

The Civil Defence Plan is a management plan for Civil Defence emergencies within the Community. It is designed to minimise the effect of a major disaster on the population and to restore normal services back to the Community as soon as possible.

Rural Fire Plan

The Rural Fire Plan is a management plan for Rural Fire emergencies within the Community. It is designed to provide the necessary procedures and co-ordination to effectively respond and deal with fires in the rural area of the District.

Standing Orders (NZS 9202 - 2001)

Rules of conduct and standards for debate at meetings of Council.

Asset Management Plans

- a Sewerage Systems
- b Stormwater Systems
- c Water Production Systems
- d Water Reticulation Systems
- e Roading

COUNCIL DIRECTORY AS AT 30 JUNE 2009

EXECUTIVE STAFF

Chief Executive Officer	P.J. Freeman
Manager Administration	J. Baty
Manager Engineering	N.Cook
Manager Finance	R. Snow

POSTAL ADDRESS

P.O. Box 54
Wairoa 4160

LOCATION

Coronation Square
Queen Street
Wairoa

TELEPHONE

(06) 838 7309

FACSIMILE

(06) 838 8874

EMAIL

@wairoadc.govt.nz

WEB

www.wairoadc.govt.nz

AUDITORS

Ernst & Young
P O Box 490, Wellington
On behalf of the Auditor-General

BANKERS

Westpac Banking Corporation
Marine Parade, Wairoa

SOLICITORS

I. R. McDonald
Barristers & Solicitors
Locke Street, Wairoa

INSURANCE BROKERS

Jardine Risk Consultants Ltd
P.O. Box 11145, Wellington

**AUDIT REPORT
TO THE READERS OF
WAIROA DISTRICT COUNCIL AND GROUP'S
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION
FOR THE YEAR ENDED 30 JUNE 2009**

The Auditor-General is the auditor of Wairoa District Council (the District Council) and group. The Auditor-General has appointed me, Marcus Henry, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements and service provision information of the District Council for the year ended 30 June 2009. The audit also covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council and group.

Unqualified Opinion

In our opinion:

- ▶ The financial statements of the District Council and group on pages 67 to 97:
 - ▶ comply with generally accepted accounting practice in New Zealand; and
 - ▶ fairly reflect :
 - ▶ the District Council and group's financial position as at 30 June 2009; and
 - ▶ the results of their operations and cash flows for the year ended on that date.
- ▶ The service provision information of the District Council and group on pages 17 to 66 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- ▶ The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 30 October 2009, and 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 the Auditor, and explain our independence.

Basis of Opinion

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

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

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

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

Audit procedures generally include:

- ▶ determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- ▶ verifying samples of transactions and account balances;
- ▶ performing analyses to identify anomalies in the reported data;
- ▶ reviewing significant estimates and judgements made by the Council;
- ▶ confirming year-end balances;
- ▶ determining whether accounting policies are appropriate and consistently applied; and
- ▶ determining whether all required disclosures are adequate.

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

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

Responsibilities of the Council and the Auditor

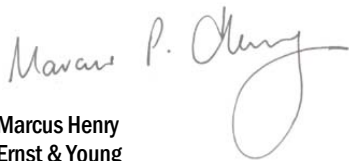
The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2009. They must also fairly reflect the results of their operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

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

Independence

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

Other than the audit and in conducting the audit of the Long Term Council Community Plan, we have no relationship with or interests in the District Council or any of its subsidiaries.



Marcus Henry
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand

