


Wairoa District Council

ANNUAL REPORT

For the year ending 30 June 2011



 *Te Wairoa Hōpūpū Hōnengenenge
Matangirau*

Adopted 22 December 2011



Wairoa District Council 2011 ©

2010/2011 ANNUAL REPORT

CONTENTS	PAGE
Joint Statement from the Mayor and the Chief Executive Officer	3
Relationship between Council's Policies and Plans	4
Council Structure	5
Management Structure	6
Statement of Compliance and Responsibility	7
Community Outcomes	8
Key Activity Areas	9
Report on Development of Maori Capacity to Contribute to the Decision Making Process	12
Activity Group 1—Water Services	13
Activity Group 2—Waste Management	18
Activity Group 3—Transport	21
Activity Group 4—Community Facilities	26
Activity Group 5—Planning and Regulatory	32
Activity Group 2 Leadership and Governance	42
Activity Group 7—Corporate Functions	47
Activity Group 8—Trading Activities	52
Financial Statements	53
Statement of Accounting Policies	89
Official Information	102
Council Directory	103
Audit Report	104

JOINT STATEMENT FROM THE MAYOR AND THE CHIEF EXECUTIVE OFFICER

Welcome to readers of the Wairoa District Council Annual Report.

The delay in adopting these accounts is sincerely regretted.

Overall Council completed the year with a deficit of \$310,000 (2010 - \$916,000 surplus).

A 7.5% increase in rates revenue (\$658,000), increase in subsidies (\$757,000) were offset by increases in operating costs (\$2,329,000), reduced investment income (\$455,000) and reduced fees and charges (\$72,000).

Working capital has reduced from \$18,766,426 to \$18,456,000, while net cashflow from Operations has reduced from \$5,993,000 to \$2,350,000.

Capital Expenditure decreased to \$5,601,000 (2010 - \$5,804,000) and there was a net decrease in financial assets of \$1,601,000.

All the above led to a decrease in cash balances of \$1,891,000.

Performance Management

Of the 176 identified service levels and targets, 134 were achieved, a score of 76% compared with 78% last year.

Quality Roothing and Services (Wairoa) Limited

Quality Roothing and Services (Wairoa) Limited Annual Report shows an operating surplus before tax of \$445,000. The after tax profit was \$312,000 which represents a 6% return on equity of \$5.23 million. A dividend of \$200,000 has been provisionally declared.

Mahia Community Waste Water Scheme

Has been approved and confirmed by the Environment Court.

Work on these projects is still in the implementation phase with physical work due to commence this summer construction season.

Roothing

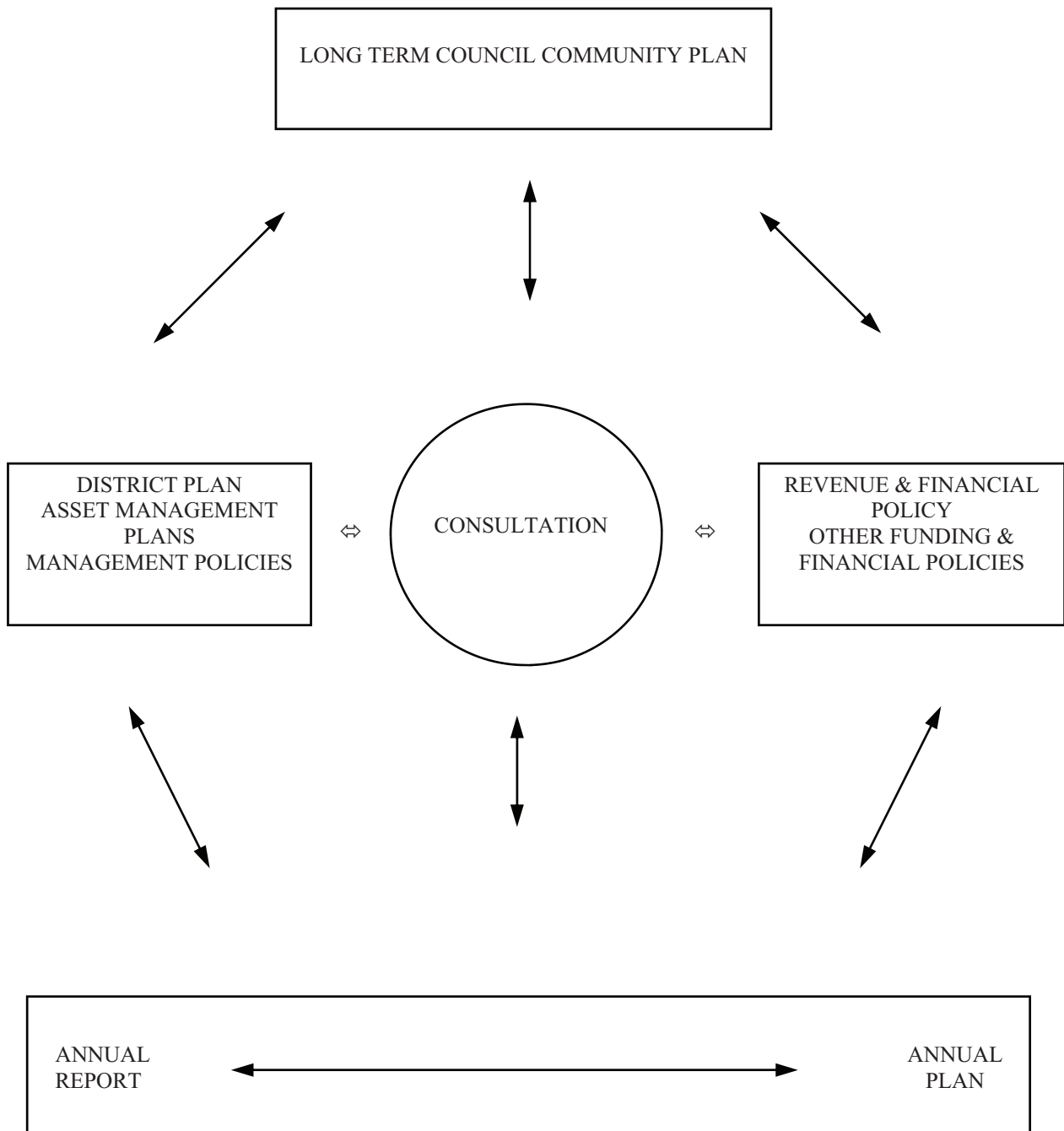
784m	new roads added to inventory
940m	rehabilitated roads
18.389km	resurfaced roads
21.033km	unsealed road metal buildup

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



WAIROA DISTRICT COUNCIL 30 JUNE 2011

Mayor

Les Probert J.P.

Councillors

Benita Cairns

Denys Caves J.P

Denise Eaglesome

Dave Evans

Min Johansen

Craig Little

COMMITTEES

INTERIM MAORI COMMITTEE

Chairperson: G Symes

Members: T Quenneville
G Cooper
N Lambert
C Smith
H Keefe
P Kelly
H Nissen

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	FINANCE	ADMINISTRATION AND CIVIC	COMMUNITY/REGULATORY SERVICES
NEIL COOK	DAVID STEED	JAMES BATY	PETER FREEMAN
MANAGER: ENGINEERING	MANAGER: FINANCE	MANAGER: ADMINISTRATION	MANAGER: REGULATORY
Roads, Streets & Bridges	Accounting Services	Secretarial Services	Subdivision
Cemeteries	Elections	Social Services	Resource Planning
Sports Grounds	Information Services	Library	Building Control
Reserves	Financial Management	Public Halls	Environmental Health
Airport Control	Revenue Collection	Pensioner Housing	Liquor Licensing
Water Supply	Rating	Recreation	Animal Control
Sewage Management	Risk Management	Official Information	Bylaws
Stormwater Drainage	Property Management	Information Centre	Economic Development
Waste Management		Maori Liaison	Emergency Management
Street Lighting		Records and Archives	
Traffic Management		Human Resources	
Asset Management		Tourism	
		Elections	

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 2011 fairly reflect the financial position and operations of Wairoa District Council.



Mayor

L. Probert

22 December 2011



Chief Executive

P J Freeman

22 December 2011

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 2009-2019 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	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	Roads Parking Airport	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 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 Building Inspection Liquor Licensing Bylaw Control Emergency Management	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 Visitor Information Centre	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	Support Services Funds Management		
8. Trading Activities	Council Controlled Organisations	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)

	2007	2008	2009	2010	2011
Yes	36%	33%	38%	31%	32%
The same	49%	53%	51%	54%	53%
Worse	9%	8%	6%	12%	13%
Unable to comment	6%	6%	5%	4%	2%

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

	2007	2008	2009	2010	2011
Yes, definitely	27%	41%	36%	33%	39%
Yes, mostly	67%	50%	54%	58%	50%
Not really	4%	7%	8%	6%	9%
No, definitely not	2%	1%		1%	1%
Unsure		1%	2%	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)

	2007	2008	2009	2010	2011
Very satisfied	6%	7%	10%	11%	14%
Satisfied	42%	52%	44%	53%	55%
Neither satisfied or dissatisfied	25%	24%	26%	21%	14%
Dissatisfied	18%	14%	9%	9%	7%
Very dissatisfied	4%	2%	4%	3%	5%
Don't know	5%	1%	7%	4%	6%

Quality of Life (All Outcomes)

	2007	2008	2009	2010	2011
Very good	30%	38%	35%	38%	37%
Good	56%	45%	50%	44%	41%
Fair	11%	14%	13%	13%	16%
Poor	3%	3%	2%	4%	5%
Don't know				1%	1%

Community Spirit (Supportive, caring and valued communities)

	2007	2008	2009	2010	2011
Very good	26%	33%	36%	32%	35%
Good	51%	42%	46%	45%	44%
Neither good nor bad	17%	20%	15%	17%	13%
Not very good	4%	2%	3%	5%	6%
Poor	2%	1%		1%	1%
Don't know		2%			

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

	2007	2008	2009	2010	2011
Very satisfied	15%	25%	23%	23%	21%
Satisfied	53%	46%	53%	54%	56%
Neither satisfied nor dissatisfied	20%	13%	9%	11%	13%
Dissatisfied	8%	13%	8%	9%	7%
Very dissatisfied	4%	3%	4%	1%	
Don't know			3%	2%	2%

Health Services (A lifetime of good health and wellbeing)

	2007	2008	2009	2010*	2011*
Very satisfied	17%	23%	26%		
Satisfied	42%	44%	37%		
Neither satisfied nor dissatisfied	16%	12%	13%		
Dissatisfied	19%	14%	16%		
Very dissatisfied	5%	6%	4%		
Don't know	1%	1%	4%		

Education Services (A Strong, thriving and prosperous economy)

	2007	2008	2009	2010*	2011*
Very satisfied	11%	12%	10%		
Satisfied	38%	46%	46%		
Neither satisfied nor dissatisfied	20%	9%	12%		
Dissatisfied	19%	13%	14%		
Very dissatisfied	3%	4%	5%		
Don't know	9%	16%	13%		

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

	2007	2008	2009	2010	2011
More than enough	24%	25%	27%	32%	29%
Enough	42%	38%	40%	42%	45%
Not enough	14%	14%	16%	9%	10%
Nowhere near enough	8%	6%	8%	3%	5%
Don't know	12%	17%	9%	14%	12%

* Satisfaction levels not monitored in 2010-2011

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 Tuhoe 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.

Activity Group One

WATER SERVICES

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

Water Reticulation & Production

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
Water treatment, storage and reticulation systems are operational and there are no interruptions of more than eight hours	Not achieved—Water main failure behind Putani Marae caused a 3 day interruption to Wairoa town supply. (Achieved in 2009/10).
Water quality meets Health Act requirements. Public Health Risk Management Plan for Wairoa supply audited and approved by District Health Board assessors	Achieved—Plans prepared and audited/approved for Wairoa/Tuai/Mahanga (Achieved in 2009/10)
Council has current consents, where required, and there is full compliance with all consent conditions throughout the year.	Not achieved—Discharges from the water treatment plant is not compliant with consent conditions (Achieved in 2009/10)
An annually reducing trend in the volume of water lost in the system	Trend not monitored annually due to associated costs (Not monitored 2009/10)
An annually reducing trend in the volume of domestic water use per connection	Trend per connection not monitored (Not monitored 2009/10)

Service Levels and Targets	Performance Achieved
No safety incidents reported through the CSR system	Achieved—No safety incidents reported (Achieved 2009/10)
Fire hydrants maintained to meet the Fire Service code of practice	Not Achieved—Have not determined requirements to meet Fire Service code of practice (not achieved 2009//10)
Budgeted net cost of water production (including any Council approved additional expenditure) not exceeded	Not achieved—Net cost of \$573,490 is greater than budget of \$139,050 (Not achieved in 2009/10, net cost of \$437,687 greater than budget of \$134,400)
Budgeted net cost of water reticulation (including any Council approved additional expenditure) not exceeded	Not achieved—Net cost of \$1,056,248 is greater than budget of \$887,940 (Achieved in 2010/11, net cost of \$753,780 is less than budget of \$841,351)
Not less than 80% of the respondents rate the service as “ <i>fairly good or better</i> ” in the annual public satisfaction survey	Achieved—88% of all respondents are satisfied with their water supply (84% in 2009/10)
A reducing number of complaints received through the Customer Service Request system	Achieved—Total complaints reduced from 306 in 2009/10 to 118 in 2010/11 (Not achieved in 2009/10 with 13% increase in CSRs)

COMMUNITY SURVEY—PERFORMANCE RATING									
Water Supply (Users)	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Very satisfied/fairly satisfied	86%	90%	97%	89%	90%	90%	91%	84%	88%
Not very satisfied	14%	10%	2%	11%	8%	7%	6%	15%	9%
Don't know/NA	-	-	1%	-	2%	3%	3%	2%	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
Stormwater systems functioning to the satisfaction of customers. Target for 2009/10 of 55% customer satisfaction	Achieved—72% satisfaction level (Achieved 63% satisfaction 20010/11)
The number of known incidences of flooding due to inadequacies in the system reducing over time	Not achieved.—35 complaints received in total, but not all necessarily attributable directly to inadequacies in the system (Achieved in 2009/10 with 23 valid complaints)
The number of known incidences of flooding due to lack of maintenance reducing over time	Not Achieved— 45 complaints received, but not necessarily directly attributable to lack of maintenance (Achieved in 2009/10 with 23 complaints)
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— Activity has not been fully compliant with consent conditions throughout the year (Not achieved in 2009/10)
There are no reported safety incidents through the Customer Service Report system	Achieved—No safety incidents reported through the Customer Service Report system (Not achieved in 2009/10)
Budgeted expenditure (including any Council approved additional expenditure) not exceeded	Achieved—Net cost of \$324,249 is less than budget of \$360,400 (Not achieved in 2009/10, Net cost of \$293,155 higher than budget of \$269,120).
Not less than 80% of the respondents rate the service as "fairly good or better" in the annual public survey	Not achieved—72% of all respondents rate the service fairly good or better (2009/10 Not achieved with 63% result)

COMMUNITY SURVEY—PERFORMANCE RATING

Stormwater (those connected)	2006/07	2007/08	2008/09	2009/10	2010/11
Very satisfied/fairly satisfied	56%	42%	57%	63%	72%
Not very satisfied	29%	42%	35%	37%	26%
Don't know/NA	15%	16%	8%		2%

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
Sewerage systems operational at Wairoa and Tuai . All blockages to be rectified within 8 hours	Not achieved—A number of blockages were not rectified within 8 hours (Not achieved in 2009/10)
No significant overflows due to inadequate maintenance, measured through compliance with Regional Council consents	Not achieved—A number of overflows were not compliant with Regional Council consents (Achieved in 2009/10)
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—Infiltration issues are significant, but exact numbers have not been monitored (Not achieved in 2009/10)
There are no reported safety incidents through the Customer Service Request system	Achieved—No safety incidents reported though Customer Service Request system (Not achieved in 2009/10)
Budgeted net cost (including any Council approved additional expenditure) not exceeded	Not achieved—Net cost of \$1,211,848 is greater than budget of \$844,540. (Not achieved in 2009/10, Net cost of \$973,754 is greater than \$901,410)
Not less than 80% of the respondents rate the service as <i>"fairly good or better"</i> in the annual public satisfaction survey	Achieved 88% of all respondents were satisfied with District's sewerage system (Achieved 83% in 2009/10)
A reducing number of complaints received through the CSR system	Achieved—Complaints reduced from 57 in 2009/10 to 49. Complaints relate to flood events (Not Achieved in 2009/10 with a 12.5% increase in CSRs).

COMMUNITY SURVEY—PERFORMANCE RATING									
Sewerage (Users)	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Very satisfied/fairly satisfied	96%	94%	96%	82%	92%	87%	93%	83%	88%
Not very satisfied	3%	5%	4%	11%	7%	7%	4%	12%	10%
Don't know/NA	1%	1%		7%	1%	6%	3%	5%	2%

WATER SERVICES

Statement of Cost of Service for the year ended 30 June 2011

	COSTS	REVENUE	NET COST	BUDGET	LTP	ACTUAL
	2010/11	2010/11	2010/11	2010/11	2010/11	2009/10
Water Reticulation	1,223,216	166,968	1,056,248	887,940	773,999	753,780
Water Production	1,093,536	520,046	573,490	139,050	143,424	437,687
Stormwater and Drainage	324,360	111	324,249	360,400	292,469	293,155
Sewerage	1,226,792	14,944	1,211,848	844,540	951,536	973,754
	<u>3,867,904</u>	<u>702,069</u>	<u>3,165,835</u>	<u>2,231,930</u>	<u>2,161,428</u>	<u>2,458,376</u>
Less internal allocation	<u>316,282</u>	<u>316,282</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	3,551,622	385,787	3,165,835	2,231,930	2,161,428	2,458,396
Interest Received	<u>0</u>	<u>657,297</u>	<u>657,297</u>	<u>0</u>	<u>0</u>	<u>492,933</u>
	<u>3,551,622</u>	<u>1,043,084</u>	<u>2,508,538</u>	<u>2,231,930</u>	<u>2,161,428</u>	<u>1,965,443</u>

Projects

Water Reticulation	201,173	0	201,173	239,980	96,985	32,674
Water Production	469,815	0	469,815	408,100	456,179	231,633
Stormwater & Drainage	72,962	0	72,962	132,200	132,180	65,998
Stormwater & Drainage - Loan Payment	0	0	0	5,800	5,800	0
Sewerage Mahia, Opoutama	1,196,168	0	1,196,168	4,523,213	3,000,000	0
Sewerage Other	654,270	0	654,270	582,200	349,335	1,065,146
	<u>2,594,388</u>	<u>0</u>	<u>2,594,388</u>	<u>5,891,493</u>	<u>4,040,479</u>	<u>1,395,451</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. Target—no valid complaints received	Not achieved—One valid complaint of non-collection (Not achieved in 2009/10 with several valid complaints)
Changes to collection days are notified in the Wairoa Star in the week prior to the changed day	Achieved—All changes to collection days were notified in the Wairoa Star in the week prior to any change (Achieved in 2009/10)
All approved recyclable material deposited kerbside in approved bins is collected weekly on the designated day. Target—no valid complaints received	Not achieved—One valid complaint received (Achieved in 2009/10)
Reduction in the total volume of waste. Target—not more than 3000 Tonnes going into the landfill in 2009/10	Achieved—1970 Tonnes recorded (Achieved in 2009/10 with 2215 recorded)
Council has current consents for all required purposes and there has been full compliance with all conditions of them during the year	Achieved—The Council was fully compliant with all consents during the year (Achieved in 2009/10)
Every rural school will have the opportunity to be involved in waste reduction, reuse, recycling and recovery	Not achieved—Educational programme has been changed (Achieved in 2009/10)
A bi-annual newsletter for waste education to be published	Achieved—Relevant articles incorporated into Wairoa District Council news publications in Wairoa Star (Not achieved in 2009/10)
Litter control bylaw in place	Achieved (Achieved in 2009/10)

Service Levels and Targets	Performance Achieved
Fencing and screen planting along Fraser St will be maintained	Achieved—Fencing and screed planting maintained (Achieved in 2009/10)
Vegetation clearance within the landfill will be undertaken twice annually	Achieved—Vegetation clearance undertaken twice during the period (Achieved in 2009/10)
At least the current number of bins to be maintained and emptied frequently. Target—no complaints received	Achieved—No complaints received (Not achieved in 2009/10)
No safety issues reported	Achieved—No safety issues reported (Achieved in 2009/10)
Budgeted net cost (including any Council approved additional expenditure) not exceeded	Achieved—Net cost of \$681,055 is less than budget of \$740,700 (Achieved in 2009/10, with Net cost of \$671,940 less than budget of \$686,700).
Council will arrange for the removal of spilt refuse and will take action as provided for under litter control bylaws	Achieved—Frequency not monitored (Achieved in 2009/10)
Improve the satisfaction rating each year from 2007 score of 50% up to 80% by 2012 and maintain at 80% or above thereafter	Not achieved—Satisfaction level increased from 64% in 2009/10 to 69% in 2010/11 (Not Achieved in 2009/2010)

COMMUNITY SURVEY—PERFORMANCE RATING									
Waste Management	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Very satisfied/fairly satisfied	49%	58%	56%	47%	47%	49%	66%	64%	69%
Not very satisfied	42%	34%	36%	43%	49%	48%	31%	30%	24%
Don't know/NA	9%	8%	8%	10%	4%	3%	3%	7%	7%

WASTE MANAGEMENT

Statement of Cost of Service for the year ended 30 June 2011

	COSTS	REVENUE	NET	BUDGET	LTP	ACTUAL
	2010/11	2010/11	COST	2010/11	2010/11	2009/10
			2010/11			
Waste Management	<u>998,654</u>	<u>317,599</u>	<u>681,055</u>	<u>740,700</u>	<u>747,353</u>	<u>569,194</u>
	998,654	317,599	681,055	740,700	747,353	569,194
Projects						
Waste Management - New Cell	268,198	0	268,198	0	0	251,820
Waste Management - loan paymt	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,500</u>	<u>5,500</u>	<u>0</u>
	268,198	0	268,198	5,500	5,500	251,820

Activity Group Three

TRANSPORT

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

Roads (District funded & NZ Transport Agency 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	Not achieved—One planned roading project not completed (Not achieved in 2009/10)
No more than 20 complaints received regarding sub-standard maintenance of footpaths or sub-standard cleaning of CBD area	Achieved—8 complaints received (Achieved in 2009/10 with 16 complaints received)
Walking and Cycling Strategy in place and programme for implementation included in long term planning	Achieved and additional walkway/cycleway construction strategy in place, (Achieved in 2009/10)
All necessary resource consents obtained and all conditions complied with	Achieved—All resource consents obtained and all conditions complied with (Achieved in 2009/10)

Service Levels and Targets	Performance Achieved
The network will be accessible at all times other than when closed by slips or other natural events except when closed in accordance with approved notice	Not achieved—Two instances of road closure (Achieved in 2009/10)
Road closures for events will be notified through Public Notices and residents of affected roads will be directly consulted	Achieved (Achieved in 2009/10)
Average NAASRA counts across sealed road network to be less than 100 (i.e. a “fair” ride quality)	Achieved—Average NAASRA = 94 (Fair = 80-110) (Achieved 94 in 2008/09)
No more than 10% of the sealed road network to be assessed as “very poor”	Achieved—5.6% of network above NAASRA 150 (Achieved 5.6% in 2009/10)
A reducing number of accidents in each consequence category (fatal, injury, minor)	Not achieved—Increase in fatal category and decrease in injury and minor accidents (Not achieved in 2009/10)
No accidents attributable to “engineering” aspects of the road network (e.g. loose chip from reseals)	Achieved—No accident attributable to the road network (Achieved in 2009/10)
Budgeted net cost (including any Council approved additional expenditure) not exceeded	Achieved—NZTA and District funded roading net cost of \$3,056,363 and \$380,445 were cumulatively less than the respective budgets of \$4,647,058 and \$472,300. (Achieved in 2009/10)
Long term target is to have no less than 75% of the respondents consider the land transport service to be “fairly good, very good or better” as measured by the annual public satisfaction survey. 70% target for 2009/10	Not achieved—69% (69% in 2009/10)

COMMUNITY SURVEY—PERFORMANCE RATING									
Roads	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Very satisfied/fairly satisfied	67%	66%	67%	58%	73%	68%	81%	69%	69%
Not very satisfied	32%	32%	32%	41%	27%	32%	17%	30%	29%
Don’t know/NA	1%	2%	1%	1%			2%	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—Additional / improved parking provided at Mahia Beach (Not achieved in 2009/10)
No more than 10 complaints received regarding sub-standard maintenance of carparks	Achieved—1 complaint received (Achieved in 2009/10)
Budgeted net cost (including any Council approved additional expenditure) not exceeded	Achieved—Net cost of \$36,087 is less than budget of \$50,700 (achieved in 2009/10)
Long term target is to have no less than 75% of the respondents consider the land transport service to be “fairly good, very good or better” as measured by the annual public satisfaction survey. 70% target for 2009/10	Achieved—89% (Not achieved in 2009/10 with 69%)

COMMUNITY SURVEY—PERFORMANCE RATING									
Parking	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Very satisfied/fairly satisfied	75%	83%	85%	80%	78%	86%	82%	86%	89%
Not very satisfied	23%	16%	14%	20%	22%	13%	17%	14%	10%
Don’t know/NA	2%	1%	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
The airport is maintained and available for use with no more than 10 closures per year	Achieved (Achieved in 2009/10)
No health or safety incidents recorded at airport	Not achieved—Concerns regarding birds on the runway (Not achieved in 2009/10)
All necessary resource consents obtained and all conditions complied with	Achieved—None required (Achieved in 2009/10)
Airport remains in Council ownership to provide a "lifeline" in time of need	Achieved (Achieved in 2009/10)
Budgeted expenditure (including any Council approved additional expenditure) not exceeded	Achieved—Net cost of \$5,939 is less than budget of \$24,040 (achieved in 2009/10)
Not more than the number of complaints and requests for service received than the previous year	Achieved—No complaints in 2010 or 2011 (Achieved in 2009/10)

TRANSPORT

Statement of Cost of Service for the year ended 30 June 2011

	COSTS 2010/11	REVENUE 2010/11	NET COST 2010/11	BUDGET 2010/11	LTP 2010/11	ACTUAL 2009/10
Airport	49,419	43,480	5,939	24,040	24,895	27,545
Roading - Transfund assisted	12,840,519	9,784,156	3,056,363	4,647,058	4,517,077	2,534,080
Roading - District funded	386,467	6,022	380,445	472,300	456,370	348,165
Parking	36,087	0	36,087	50,700	51,356	40,814
	<u>13,312,492</u>	<u>9,833,658</u>	<u>3,478,834</u>	<u>5,194,098</u>	<u>5,049,698</u>	<u>2,950,604</u>
Projects						
Airport	0	0	0	0	0	0
Roading	3,306,787	0	3,306,787	2,744,500	2,744,472	3,845,288
Roading - District funded	0	0	0	39,500	149,420	64,140
Infrastructural Business Unit	<u>220,651</u>	<u>0</u>	<u>220,651</u>	<u>0</u>	<u>0</u>	<u>800</u>
	<u>3,527,438</u>	<u>0</u>	<u>3,527,438</u>	<u>2,784,000</u>	<u>2,893,892</u>	<u>3,910,228</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
Plots available at Nuhaka, Wairoa and Ruakituri	Achieved (Achieved in 2009/10)
Budgeted expenditure (including any Council approved additional expenditure) not exceeded	Achieved (Achieved in 2009/10)
Not less than 80% of the respondents rate the service as "fairly good or better" in the annual public satisfaction survey	Not Achieved—75% (80% in 2009/10)

COMMUNITY SURVEY—PERFORMANCE RATING									
Cemetery	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Very satisfied/fairly satisfied	76%	84%	80%	65%	72%	69%	80%	80%	75%
Not very satisfied	4%	2%	3%	6%	7%	6%	4%	2%	5%
Don't know/NA	20%	14%	17%	29%	21%	25%	16%	18%	20%

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
No sales of reserves or sports grounds	Achieved—No sales during the period (Achieved 2009/10)
Public toilets continue to be available in the same locations as they are now	Achieved—No closures during the period (Achieved 2009/10)
No parks closures	Achieved —No closures during the period (Achieved 2009/10)
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—82% (Not achieved with 79% in 2009/10)
Playground safety standards fully met for all playgrounds	Achieved—No valid complaints received—existing unmodified playgrounds not subject to changes in safety standards (Achieved in 2009/10).
No complaints of inadequate lighting	Achieved—No complaints during the period (Achieved in 2009/10)
Budgeted net cost (including any Council approved additional expenditure) not exceeded	Achieved—Net cost of \$628,947 less than budget of \$700,100 (Achieved in 2009/10, Net cost of \$609,856 less than budget of \$699,270)

COMMUNITY SURVEY—PERFORMANCE RATING

Parks & Reserves (Users)	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Very satisfied/fairly satisfied	77%	76%	80%	87%	83%	80%	83%	84%	88%
Not very satisfied	15%	21%	17%	11%	13%	15%	12%	11%	8%
Don't know/NA	8%	3%	3%	2%	4%	5%	5%	5%	4%

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
A maintained or increased number of library members	Achieved (Achieved in 2009/10)
A maintained or increased number of library visits	Not achieved (Not achieved in 2009/10)
A maintained or increased number of items issued	Not achieved (Not achieved in 2009/10)
The library is accessible to users during displayed opening hours	Achieved—The library was open during the hours displayed except for notified closures on public holidays (Achieved in 2009/10)
Opportunities are provided to participate in the annual Eastern & Central Region Summer Reading Programme	Achieved Winter Warmers registrants = 92 The Big Bush Read Registrants = 152 Read Plus (Summer Reading Programme) registrants = 20 (Achieved in 2009/10)
All preventative maintenance, renewals and other programmed works are completed on time and within budget	Achieved (Achieved in 2009/10)
Level of customer satisfaction through survey indicates a "fairly good, very good or better" minimum 80% approval rating	Achieved—93% (Achieved 95% in 2009/10)

COMMUNITY SURVEY—PERFORMANCE RATING

Library (Users)	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Very satisfied/fairly satisfied	96%	94%	96%	94%	91%	96%	96%	95%	93%
Not very satisfied	-	2%	2%	3%	6%	2%	2%	2%	1%
Don't know/NA	4%	4%	2%	3%	3%	2%	2%	3%	7%

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
The number of customers visiting the Visitor Information Centre and level of customer satisfaction are the same or better than that of the previous year	Achieved (Achieved in 2009/10)
Overall user satisfaction of community halls and facilities through survey indicates a " <i>fairly good, very good or better</i> " approval rating of not less than 80%	Achieved—95% (Achieved 97% in 2009/10)
Council grants to funded organisations are paid in accordance with funding contracts/agreements	Achieved—All grants paid in accordance with contracts/agreements (Achieved in 2009/10)
Funding contracts/agreements are reviewed annually/triennially in accordance with existing funding contract specifications	Achieved—All agreements reviewed (Achieved in 2009/10)
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—51% (Not achieved in 2009/10 with 51%)

COMMUNITY SURVEY—PERFORMANCE RATING			
Community Facilities Support	2008/09	2009/10	2010/11
Very satisfied/fairly satisfied	50%	51%	51%
Neither satisfied/dissatisfied	25%	24%	24%
Dissatisfied/very dissatisfied	16%	20%	17%
Don't know	9%	6%	8%

COMMUNITY SURVEY—PERFORMANCE RATING		
Community Facilities Satisfaction	2009/10	2010/11
Very satisfied/fairly satisfied	97%	95%
Neither satisfied/dissatisfied		
Dissatisfied/very dissatisfied	2%	5%
Don't know	1%	

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
Level of occupancy of the existing units. Target—not less than 75%. Occupancy annually	Achieved, 95% occupancy (97% in 2009/10)
All renewal and new capital work planned for the year completed to the predetermined standards required within the year	Achieved (Achieved in 2009/10)
Annual inspections are conducted to identify any internal or external maintenance issues	Achieved (Achieved in 2009/10)
100% compliance with relevant legislation and Council policy	Achieved (Achieved in 2009/10)
The number of reported health or safety incidents is the same or less than the previous year	Achieved (Achieved in 2009/10)
The cost related to this activity did not exceed the approved budget	Achieved—Net cost of \$40,658 less than budgeted profit of \$17,000 (Achieved in 2009/10)
95% of all requests for service and complaints dealt with within the specified timeframes	Achieved (Achieved in 2009/10)
Less than 10 complaints from tenants per annum	Achieved (Achieved in 2009/10)
No Tenancy Tribunal related disputes with any of the tenants	Achieved (Achieved in 2009/10)

COMMUNITY FACILITIES

Statement of Cost of Service for the year ended 30 June 2011

	COSTS 2010/11	REVENUE 2010/11	NET COST 2010/11	BUDGET 2010/11	LTP 2010/11	ACTUAL 2009/10
Parks and Reserves	655,864	26,917	628,947	700,100	739,835	609,856
Library	324,792	22,527	302,265	301,953	325,865	303,836
Visitor Information Centre	268,751	150,882	117,869	132,523	77,006	131,354
Museum	95,000	0	95,000	95,340	90,000	88,653
Community Support	183,248	98,287	84,961	131,400	49,200	66,049
Community Centre	242,980	0	242,980	242,980	240,000	243,637
Community Halls	54,268	0	54,268	34,400	18,768	20,614
Pensioner Housing	128,975	88,317	40,658	-17,000	-8,580	22,311
Cemeteries	109,419	21,796	87,623	94,100	89,639	83,940
	<u>2,063,297</u>	<u>408,726</u>	<u>1,654,571</u>	<u>1,715,796</u>	<u>1,621,733</u>	<u>1,570,251</u>
Projects						
Parks & Reserves	32,155	0	32,155	20,000	0	76,577
Library	47,920	0	47,920	35,000	35,000	49,082
Cemetery	0	0	0	26,000	33,270	0
Pensioner Housing	0	0	0	35,488	35,488	40,608
	<u>80,075</u>	<u>0</u>	<u>80,075</u>	<u>116,488</u>	<u>103,758</u>	<u>166,267</u>

Activity Group Five

PLANNING & REGULATORY

1. **Resource Planning**
2. **Environmental Health**
3. **Bylaw Enforcement**
 - **Dog Control**
 - **Livestock Control**
 - **General**
4. **Building Inspection**
5. **Liquor Licensing**
6. **Safer Communities**
7. **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 (Achieved in 2009/10)
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 (Achieved in 2009/10)
No actual or potential claims that have had to be notified to Council's insurers	Achieved (Achieved in 2009/10)

Service Levels and Targets	Performance Achieved
No health or safety incidents	Achieved (Achieved in 2009/10)
The cost related to this activity did not exceed the approved budget	Achieved (Achieved in 2009/10)
100% of applications for consent dealt with within specified timeframes	Achieved (Not achieved in 2009/10)

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—All registered premises inspected (Achieved in 2009/10)
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—Measure not actively monitored, but no incidents were reported during the period by either local General Practitioner or the Hawkes Bay District Board (Not achieved in 2009/10)
100% of all complaints about unreasonable noise are responded to in accordance with legislation, regulations and Council policy	Achieved—All complaints resolved (Achieved in 2009/2010)
No health or safety incidents	Not achieved—A couple of minor health and safety incidents reported during the year (Achieved in 2009/10)
The net cost related to this activity did not exceed the approved budget	Achieved—Net cost of \$93,797 is less than budget of \$126,938 (Achieved in 2009/10)
Not less than 95% of all complaints dealt with within the specified timeframes	Achieved—153 of 157 total complaints dealt with within specified timeframes (Achieved in 2009/10)

Bylaw Compliance—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	Not achieved—2161 of 3826 registered (Achieved in 2009/10 with 3346 dogs registered). Target not achieved due to decision to extend due date for dog registrations to 29 August 2011.
Annual Report about the administration of the Council's policy and dog control practices adopted by 30th August each year	Not achieved—New Policy on dog control practices open to discussions and submissions (Achieved in 2009/10)
Council responds in accordance with legislation to 100% of complaints in relation to: Dogs attacking persons or animals Dogs rushing at persons, animals or vehicles Dogs causing serious injury Dogs at large and an immediate disturbance or threat to wildlife	Achieved—100% response to 27 complaints (Achieved 100% to 7 complaints 2009/10)
No health or safety incidents	Achieved—No health or safety incidents recorded (Achieved in 2009/10)
The cost relates to this activity did not exceed the approved budget	Achieved—Net cost of \$98,086 is less than budget of \$102,975 (Achieved in 2009/10)
Not less than 95% of all complaints dealt with within the specified timeframe	Achieved—All complaints dealt with within specified timeframe (Achieved in 2009/10)
Not less than 70% of the respondents rate the service as "fairly good, or better" in the annual public satisfaction survey	Not achieved—66% (not achieved in 2009/10 with 56% satisfaction result)

COMMUNITY SURVEY—PERFORMANCE RATING									
Dog Control	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Very satisfied/fairly satisfied	61%	62%	60%	58%	51%	56%	62%	56%	66%
Not very satisfied	35%	30%	34%	38%	44%	36%	33%	42%	30%
Don't know/NA	4%	8%	6%	4%	5%	8%	5%	3%	3%

Bylaw Compliance—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	
At least 10% less complaints received about wandering stock than in the previous year	Achieved—45 complaints received 2010/11 compared to 82 in 2009/10 (Achieved in 2009/10)
At least 10% less stock impounded than in the previous year	Not achieved—6 stock impounded 2010/11 (Achieved in 2009/10 with 5 stock impounded)
No complaints received about the manner in which the Council has carried out its "Livestock Control" responsibilities	Achieved—No complaints received (Achieved in 2009/10)
The number of reported health or safety incidents are the same or less than the previous year	Achieved—No health or safety issues recorded (Achieved in 2009/10)
The cost related to this activity did not exceed the approved budget	Achieved—Net cost of \$98,086 is less than budget of \$102,975 (Achieved in 2009/10)
Not more than the number of complaints received in the previous year	Achieved—45 complaints received 2010/11 (Achieved in 2009/10 with 82 complaints)
Not less than 95% of all complaints dealt with within the specified timeframe	Achieved—All complaints dealt with within specified timeframes (Achieved in 2009/10)
Not less than 70% of the respondents rate the service as "fairly good, or better" in the annual public satisfaction survey.	Achieved—83% (Achieved 78% in 2009/10)

COMMUNITY SURVEY—PERFORMANCE RATING

Livestock Control	2007/08	2008/09	2009/10	2010/11
Very satisfied/fairly satisfied	69%	79%	78%	83%
Not very satisfied	20%	13%	12%	11%
Don't know/NA	11%	8%	10%	7%

Bylaw Compliance—General

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

An environment that is appreciated, protected and maintained 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	
No occasions when Council has had to formally enforce compliance with any of its bylaws, or institute legal action under them during the year	Achieved (Achieved in 2009/10)
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	Achieved (Achieved in 2009/10)
The cost related to this activity did not exceed the approved budget	Achieved (Achieved in 2009/10)
Not less than 95% of all complaints dealt with within the specified timeframe	Achieved (Achieved in 2009/10)

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 and no compliance issues raised by the Building Consents Authority subsequently	Achieved—Reassessed by IANZ March 2010—determined continued compliance with Regs 5-16 and Reg 17 (new) (Achieved in 2009/10)
No claims against the Council notified to Council's insurers during the year	Achieved—No claims notified to Wairoa District Council during the year (Achieved in 2009/10)
Number of consents still needing Code of Compliance Certificate. Target—10% reduction annually	Not achieved—395 as at 30 June 2011, compared to 512 as at 30 June 2010
No unfenced or non-complying swimming pools identified during the year	Not achieved—12 non-compliant fences identified (not achieved in 2009/10)
Council responds to 100% of all known illegal or unauthorised buildings or instances of illegal or unauthorised building work identified during the year	Achieved—12 illegal or unauthorised buildings brought to the Council's attention and 12 Notices to Fix issued or associated Building consent applications lodged. (Achieved 2009/10).
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	Achieved— No legal proceedings (Achieved in 2009/10)
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—Net cost of service of \$146,972 greater than budget of \$97,729 (Not achieved in 2009/10)
100% of consents processed within the prescribed times	Achieved—159 consents. 100% processed within 20 days (Achieved in 2009/10)

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—Operating policy is only to inspect upon renewal (Not achieved in 2009/10)
Council responds in accordance with legislation to 100% of all known unlicensed liquor premises or other activities in contravention of the requirements of the Sale of Liquor Act 1989	Achieved—No known unlicensed premises (Achieved in 2009/10)
Council responds in accordance with legislation to 100% of all situations where licenses have had to be suspended or revoked during the year	Achieved—No known unlicensed premises (Achieved in 2009/10)
The net cost related to this activity did not exceed the approved budget	Achieved—Net cost of service of \$17,457 less than budget of \$21,549 (Achieved in 2009/10)
Not less than 95% of all complaints dealt with within the specified timeframe	Achieved—No complaints (Achieved in 2009/10)

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	Achieved—Ten sectors in total (Achieved in 2008/09)
Rural Fire Plan maintained and meets statutory and local requirements	Achieved—Plan updated September 2009 (Achieved in 2009/10)
Response plans and SOP's are current and reflect perceived threats	Not achieved—Plans scheduled to be revised (Not achieved in 2009/10)
Non-declared and declared events are responded to and recovered from efficiently and effectively in accordance with Hawkes Bay Civil Defence Emergency Management plans	Achieved—One declared event on 28 February 2011 (Achieved in 2009/10)
All preventative maintenance, renewals and other programmed works are completed on time and within budget	Achieved—Net cost of \$240,388 is less than budget of \$316,003 (Achieved in 2009/10)
90% of rural fire costs recovered	Achieved—No claims required (Achieved in 2009/10)
100% of claims on the National Rural Fire-Fighting Fund are successful	Achieved—No claims required (Achieved in 2009/10)
A Duty Officer is on call 24/7 for 365 days of the year	Achieved—Always at least one employee of Council with a pager on call (Achieved in 2009/10)

PLANNING & REGULATORY

Statement of Cost of Service for the year ended 30 June 2011

	COSTS 2010/11	REVENUE 2010/11	NET COST 2010/11	BUDGET 2010/11	LTP 2010/11	ACTUAL 2009/10
Resource Planning	155,882	76,386	79,496	266,670	300,355	76,991
Environmental Health	107,679	13,882	93,797	126,938	120,887	100,079
Dog and Livestock Control	318,388	220,303	98,085	102,975	107,986	113,640
Building Inspection	505,447	358,475	146,972	97,729	72,847	120,381
Liquor Licensing	25,836	8,379	17,457	21,549	14,881	12,137
Safer Communities	160,835	160,835	0	0	0	31,198
Emergency Management	240,388	0	240,388	316,003	285,858	269,392
	<u>1,514,455</u>	<u>838,260</u>	<u>676,195</u>	<u>931,864</u>	<u>902,814</u>	<u>723,818</u>

Projects

Emergency Management	51,818	0	51,818	52,000	60,000	18,012
Regulatory - Vehicle Purchase	25,657	0	25,657	0	0	0
	<u>77,475</u>	<u>0</u>	<u>77,475</u>	<u>52,000</u>	<u>60,000</u>	<u>18,012</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
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	Achieved—Confidential items kept to a minimum (Achieved in 2009/10)
Council's Code of Conduct, Policies and other such documentation are available to the public on request and/or from Council's website	Achieved—All policies provided/available on request (Achieved in 2009/10)
Council's activities meet legislative requirements	Achieved—All activities performed in accordance with legislative requirements (Achieved in 2009/10)
The roles of Councillors, the Chief Executive Officer and all other officers of Council are clearly defined	Achieved—All roles clearly defined (Achieved in 2009/10)
Lines of accountability and delegation are defined	Achieved—Lines of accountability and delegation are clearly defined (Achieved in 2009/10)
No complaints are upheld against Council for not publicly consulting via the special consultative procedure when it was legally required to do so	Achieved—No complaints upheld (Achieved in 2009/10)

Service Levels and Targets	Performance Achieved
Opportunities are provided for community groups, ratepayers, tangata whenua and stakeholders to fully participate in consultation and the development and fostering of community outcomes	Achieved—Opportunities provided for all stakeholders to engage in consultation (Achieved in 2009/10)
The net costs related to this activity did not exceed the approved budget	Achieved—Net costs of \$1,126,217 less than budget of \$1,192,750 (Achieved in 2009/10)
Mayor and Councillors “not very good or poor” rating in annual survey is less than 10%	Achieved—8% rated performance not very good or poor (Achieved 9% in 2009/10)
Council staff “not very good or poor” rating in annual survey is less than 10%	Achieved—9% rated performance not very good or poor (Achieved 6% in 2009/10)

COMMUNITY SURVEY—PERFORMANCE RATING									
Mayor & Councillors	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Very good/fairly good	59%	69%	67%	46%	57%	54%	59%	61%	71%
Just acceptable	29%	21%	18%	34%	30%	31%	30%	28%	16%
Not very good/poor	8%	6%	11%	15%	10%	9%	8%	9%	8%
Don't know	4%	4%	4%	5%	3%	6%	3%	2%	5%

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
The required number of nominated representatives are received within established timeframes and appointments made to Council's Maori Committee	Achieved (Achieved in 2009/10)
No less than bi-monthly meetings of the Maori Committee are scheduled, advertised and conducted on the advertised day	Achieved, meetings held monthly (Achieved in 2009/10)
Maori Committee meetings, public meetings and special consultative meetings 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 (Achieved in 2009/10)
Consultation meetings and hui relating to Iwi, Hapu Marae and the wider community are scheduled as required	Achieved (Achieved in 2009/10)
Agreed levels of service are achieved within budget	Achieved (Achieved in 2009/10)
Council offices are open during the hours displayed	Achieved—Council offices were open during the hours displayed (Achieved in 2009/10)
All complaints are responded to within established timelines	Achieved—All complaints responded to within established timeframes (Achieved in 2009/10)

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 Māori 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
The number of new businesses that have been established in the District during the year	Five (Four in 2009/10)
The increased number of visitors to the Visitor Information Centre. Target—not less than 5% more p.a.	Achieved (Achieved in 2009/10)
An annual reduction in, or at least no increase in, the number of unemployed compared with the end of the previous year	Achieved (Not achieved in 2009/10)
The cost related to this activity did not exceed the proposed budget	Achieved (Achieved in 2009/10)
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	Achieved—Council believes that all financial assistance entitlements were received (Achieved in 2009/10)
All complaints dealt with within the prescribed timeframes	Achieved (Achieved in 2009/10)

LEADERSHIP & GOVERNANCE**Statement of Cost of Service for the year ended 30 June 2011**

	COSTS 2010/11	REVENUE 2010/11	NET COST 2010/11	BUDGET 2010/11	LTP 2010/11	ACTUAL 2009/10
Community Representation	1,185,664	59,447	1,126,217	1,192,750	1,209,228	1,035,290
Maori Liaison	115,718	5,720	109,998	146,248	128,481	104,886
Economic Development	28,157	0	28,157	173,300	91,165	49,300
	<u>1,329,539</u>	<u>65,167</u>	<u>1,264,372</u>	<u>1,512,298</u>	<u>1,428,874</u>	<u>1,189,476</u>

Activity Group Seven

CORPORATE FUNCTIONS

- 1. Support Services**
 - Management**
 - Administration**
 - Financial Management**
 - Information Management**
 - Asset Management**
- 2. Property Management**
- 3. Corporate & Funds 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

SUPPORT SERVICES

Statement of Cost of Service for the year ended 30 June 2011

	COSTS 2010/11	REVENUE 2010/11	NET COST 2010/11	BUDGET 2010/11	LTP 2010/11	ACTUAL 2009/10
Management	228,821	14,140	214,681	219,547	222,540	223,396
Administration	824,651	78,047	746,604	795,456	828,769	681,363
Finance	789,591	-41,369	830,960	776,713	811,844	757,461
Information Services	444,251	0	444,251	489,775	492,877	490,215
Engineering Services	223,863	65,150	158,713	622,278	709,186	623,323
Less Overhead Allocation	0	0	-2,395,209	-2,903,769	-3,065,216	-2,720,026
	<u>2,511,177</u>	<u>115,968</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>55,732</u>

Projects

Information Services	135,482	0	135,482	72,500	67,500	38,423
Vehicles	73,631	0	73,631	90,000	90,000	0
Asset Replacements	0	0	0	0	0	0
	<u>209,113</u>	<u>0</u>	<u>209,113</u>	<u>162,500</u>	<u>157,500</u>	<u>38,423</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

Property Management

Activity Goal and Principal Objectives

1. To ensure that Council retains property required to meet its needs
2. To maintain its property holdings in good condition to maintain the value of Council's investment

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
Report to Council on any new sales or purchases	Achieved (Achieved in 2009/10)
All maintenance and renewal work completed within budget and to agreed standard	Achieved (Achieved in 2009/10)
Compliance with all health and safety standards	Achieved (Achieved in 2009/10)
The level of service was achieved for not more than the approved budget for the year	Achieved (Achieved in 2009/10)
Not more than the number of requests for service than in the previous year	Achieved (Achieved in 2009/10)

Corporate and Funds Management

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	Not achieved (Not Achieved in 2009/10)
Regular reporting to Council on key investment targets	Not achieved (Not Achieved in 2009/10)
Interest income meets or exceeds budgeted level	Not achieved (Achieved in 2009/10)
The level of service was achieved for not more than the approved budget for the year	Achieved (Achieved in 2009/10)

INVESTMENTS & CORPORATE

Statement of Cost of Service for the year ended 30 June 2011

	COSTS	REVENUE	NET COST	BUDGET	LTP	ACTUAL
	2010/11	2010/11	2010/11	2010/11	2010/11	2009/10
Sundry Property	229,589	159,889	69,700	23,610	49,528	21,638
Funds Management	20,202	1,100,175	-1,079,973	-1,247,800	-1,018,528	-1,588,082
Dividends	0	200,000	-200,000	-125,000	-125,000	-141,747
Corporate	<u>87,076</u>	<u>84,178</u>	<u>2,898</u>	<u>-55,300</u>	<u>-55,300</u>	<u>-33,627</u>
	336,867	1,544,242	-1,207,375	-1,404,490	-1,149,300	-1,741,818
Less Internal Reallocation	125,124	125,124	0	0	0	0
Less Interest Received allocated to Water Services	<u>0</u>	<u>657,297</u>	<u>657,297</u>	<u>0</u>	<u>0</u>	<u>492,933</u>
	<u>211,743</u>	<u>761,821</u>	<u>-550,078</u>	<u>-1,404,490</u>	<u>-1,149,300</u>	<u>-1,248,884</u>
Projects						
Corporate Property	8,915	0	8,915	13,000	10,000	0
Sundry Property	<u>3,610</u>	<u>0</u>	<u>3,610</u>	<u>14,300</u>	<u>21,917</u>	<u>22,056</u>
	<u>12,525</u>	<u>0</u>	<u>12,525</u>	<u>27,300</u>	<u>31,917</u>	<u>22,056</u>

Activity Group Eight

TRADING ACTIVITIES

1. Council Controlled Organisations

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 target net profit, as per Statement of Intent	Not achieved (Achieved in 2009/10)
To provide a dividend of 50% of tax paid profit	Not achieved (Not achieved in 2009/10)
Maintain a return on equity as per Statement of Intent	Not achieved (Achieved in 2009/10)
Maintain a current ratio > 1 (current assets/current liabilities)	Achieved (Achieved in 2009/10)
Cost of debt servicing to be less than 20% of revenue (interest/total sales)	Achieved (Achieved in 2009/10)
Maintain a 45% equity ratio (equity/total assets)	Achieved (Achieved in 2009/10)

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

**STATEMENT OF COMPREHENSIVE
INCOME**

For the year ended 30 June 2011

		COUNCIL 2011	COUNCIL 2011	COUNCIL 2011	COUNCIL 2010	GROUP 2011	GROUP 2010
	Notes	ACTUAL	ANNUAL PLAN	LTP	ACTUAL	ACTUAL	ACTUAL
REVENUES							
Rates		9,402,675	9,244,169	9,528,902	8,744,342	9,402,675	8,744,342
Subsidies	32	10,043,277	7,545,479	9,002,731	9,285,325	10,043,277	9,285,325
Petrol Tax		70,168	70,000	70,000	67,206	70,168	67,206
Construction Revenue		0	0	0	0	3,745,989	5,638,089
Fees and Charges		1,805,919	1,956,591	1,958,894	1,733,801	1,607,825	1,592,875
Investment Income	3	1,334,941	1,432,500	1,205,028	1,790,313	1,163,092	1,662,043
Miscellaneous Income		14,010	0	0	444	14,655	1,937
		<u>22,670,990</u>	<u>20,248,739</u>	<u>21,765,555</u>	<u>21,621,431</u>	<u>26,047,681</u>	<u>26,991,817</u>
		<u>22,670,990</u>	<u>20,248,739</u>	<u>21,765,555</u>	<u>21,621,431</u>	<u>26,047,681</u>	<u>26,991,817</u>
EXPENDITURE							
Water Services		3,551,621	2,984,370	3,040,898	3,074,336	3,551,621	3,074,336
Waste Management		998,654	1,060,700	1,113,323	872,693	998,654	872,693
Transport		13,312,492	9,248,600	9,176,154	12,026,252	13,312,492	12,026,252
Community Facilities		2,063,297	2,037,772	1,930,806	1,969,727	2,063,297	1,969,727
Planning & Regulatory		1,514,454	1,496,755	1,393,108	1,342,706	1,514,454	1,342,706
Leadership & Governance		1,329,539	1,512,298	1,451,054	1,195,132	1,329,539	1,195,132
Investments		124,667	57,510	85,228	82,121	124,667	82,121
Corporate		87,076	40,500	74,612	89,759	87,076	89,759
Expenditure - QRS		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,233,403</u>	<u>4,812,680</u>
		<u>22,981,800</u>	<u>18,438,505</u>	<u>18,265,183</u>	<u>20,652,727</u>	<u>26,215,203</u>	<u>25,465,406</u>
Surplus(Deficit) before Capital gain		-310,810	1,810,234	3,500,372	968,704	-167,522	1,526,411
Capital gain/(loss) on sale of Assets		0	0	0	0	0	20,264
Plus increase/(decrease) in biological asset		<u>0</u>	<u>0</u>	<u>0</u>	<u>-53,001</u>	<u>0</u>	<u>-53,001</u>
Operating Surplus(Deficit) before taxation		-310,810	1,810,234	3,500,372	915,703	-167,522	1,493,674
Taxation	9	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>133,018</u>	<u>-272,605</u>
Net Surplus/(Deficit) after taxation		-310,810	1,810,234	3,500,372	915,703	-300,540	1,221,069
OTHER COMPREHENSIVE INCOME							
Property, Plant and Equipment— Increase/(decrease) in revaluation reserve		15,748,899	0	22,184,166	0	15,748,899	0
TOTAL COMPREHENSIVE INCOME		<u>15,438,089</u>	<u>1,810,234</u>	<u>25,684,538</u>	<u>915,703</u>	<u>15,448,359</u>	<u>1,221,069</u>

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2011

	Note s	COUNCIL 2011 ACTUAL	COUNCIL 2011 ANNUAL PLAN	COUNCIL 2011 LTP	COUNCIL 2010 ACTUAL	GROUP 2011 ACTUAL	GROUP 2010 ACTUAL
Equity at 1 July 2010		188,739,713	185,583,397	185,583,397	187,824,010	192,458,776	191,237,707
Net Surplus/(Deficit) for period		-310,810	1,810,234	3,500,372	915,703	-300,540	1,221,069
Other Comprehensive Income		<u>15,748,899</u>	<u>0</u>	<u>22,184,166</u>	<u>0</u>	<u>15,748,899</u>	<u>0</u>
Total Comprehensive Income		<u>15,438,089</u>	<u>1,810,234</u>	<u>25,684,538</u>	<u>915,703</u>	<u>15,448,359</u>	<u>1,221,069</u>
Equity at 30 June 2011		<u>204,177,802</u>	<u>187,393,631</u>	<u>211,267,935</u>	<u>188,739,713</u>	<u>207,907,135</u>	<u>192,458,776</u>

The accompanying notes form part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2011

		COUNCIL	COUNCIL	COUNCIL	COUNCIL	GROUP	GROUP
	Notes	2011	2011	2011	2010	2011	2010
		ACTUAL	ANNUAL PLAN	LTP	ACTUAL	ACTUAL	ACTUAL
CURRENT ASSETS							
Cash and Cash Equivalents	7	3,619,825	2,358,942	3,430,108	5,511,121	5,329,882	6,517,275
Inventories	5	48,513	38,000	38,000	44,590	903,710	994,680
Trade & other receivables	4	6,270,970	2,175,000	3,897,237	4,314,912	7,598,664	5,353,515
Financial assets at fair value	6	<u>12,512,160</u>	<u>13,233,133</u>	<u>11,603,336</u>	<u>14,113,538</u>	<u>12,512,160</u>	<u>14,113,538</u>
Total Current Assets		<u>22,451,468</u>	<u>17,805,075</u>	<u>18,968,681</u>	<u>23,984,161</u>	<u>26,344,416</u>	<u>26,979,008</u>
LESS CURRENT LIABILITIES							
Trade & other payables	8	3,995,163	4,063,000	4,807,637	5,217,735	5,079,175	4,987,174
Borrowings - Current Portion	10	0	0	0	0	431,559	531,367
Taxation		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>174,824</u>
Total Current Liabilities		<u>3,995,163</u>	<u>4,063,000</u>	<u>4,807,637</u>	<u>5,217,735</u>	<u>5,510,734</u>	<u>5,693,365</u>
Working Capital		18,456,305	13,742,075	14,161,044	18,766,426	20,833,682	21,285,643
NON CURRENT ASSETS							
Property, Plant & Equipment	12	184,831,884	176,248,163	198,248,978	169,180,878	188,200,229	172,820,858
Loans & other receivables	13	5,310	25,040	58,157	8,267	5,310	8,267
Investments in Subsidiary	14	1,250,000	1,250,000	1,250,000	1,250,000	0	0
Investment Property	15	277,000	0	0	277,000	277,000	277,000
Biological asset - Forestry	17	64,946	117,947	140,660	64,946	64,946	64,946
Available for sale financial assets	16	22,992	40,343	52,000	22,992	22,992	22,992
Intangible Assets	11	86,550	22,992	22,992	26,592	283,941	263,029
Deferred Taxation	9	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>309,002</u>	<u>305,548</u>
		186,538,682	177,704,485	199,772,787	170,830,675	189,163,420	173,762,640
NON CURRENT LIABILITIES							
Employee Entitlements	20	213,105	244,824	334,196	258,368	279,562	362,010
Landfill Aftercare	28	604,080	825,581	793,800	599,020	604,080	599,020
Quarry Aftercare	29	0	0	0	0	126,881	118,939
Borrowings	10	<u>0</u>	<u>2,923,000</u>	<u>1,537,900</u>	<u>0</u>	<u>1,079,444</u>	<u>1,509,538</u>
		817,185	3,993,405	2,665,896	857,388	2,089,967	2,589,507
Net Assets		<u>204,177,802</u>	<u>187,393,631</u>	<u>211,267,935</u>	<u>188,739,713</u>	<u>207,907,135</u>	<u>192,458,776</u>
Represented by							
Equity	18	<u>204,177,802</u>	<u>187,393,631</u>	<u>211,267,935</u>	<u>188,739,713</u>	<u>207,907,135</u>	<u>192,458,776</u>

The accompanying notes form part of the
Financial Statements

STATEMENT OF CASH FLOWS
For the year ended 30 June 2011

	Notes	COUNCIL 2011 ACTUAL	COUNCIL 2011 ANNUAL PLAN	COUNCIL 2011 LTP	COUNCIL 2010 ACTUAL	GROUP 2011 ACTUAL	GROUP 2010 ACTUAL
OPERATING ACTIVITIES							
Cash was provided from							
Rates received		9,511,035	10,369,169	9,528,902	8,788,070	9,511,035	8,788,070
Revenue from services provided and subsidies		9,903,723	9,606,770	11,068,125	9,289,871	13,313,799	15,045,683
Dividends received		200,000	125,000	125,000	141,747	0	1,747
Interest received		1,156,229	1,272,800	1,043,528	1,414,673	1,184,380	1,426,403
		<u>20,770,987</u>	<u>21,373,739</u>	<u>21,765,555</u>	<u>19,634,361</u>	<u>24,009,214</u>	<u>25,261,903</u>
Cash was applied to							
Payments to Suppliers & Employees		18,421,089	14,766,350	14,345,890	13,641,129	19,432,774	18,595,892
Taxation		0	0	0	0	278,224	203,790
Interest Paid		0	0	99,964	0	134,924	123,512
		<u>18,421,089</u>	<u>14,766,350</u>	<u>14,445,854</u>	<u>13,641,129</u>	<u>19,845,922</u>	<u>18,923,194</u>
Net Cash Flow from Operations	19	<u>2,349,898</u>	<u>6,607,389</u>	<u>7,319,701</u>	<u>5,993,232</u>	<u>4,163,292</u>	<u>6,338,709</u>
INVESTING ACTIVITIES							
Cash was provided from							
Decrease in Loans & Other Receivables		2,957	0	0	0	2,957	0
Sale of Property, Plant & Equipment		0	10,000	45,000	35,102	38,033	78,657
Sale of Financial Assets		<u>2,352,000</u>	<u>370,139</u>	<u>612,431</u>	<u>3,756,193</u>	<u>2,352,000</u>	<u>3,756,193</u>
		2,354,957	380,139	657,431	3,791,295	2,392,990	3,834,850
Cash was applied to							
Increase in loans & advances		0	0	33,117	0	0	0
Purchase of Intangibles		60,385	0	0	12,531	69,445	69,876
Purchase of Financial Assets		934,400	1,167,367	150,000	4,927,000	934,400	4,927,000
Purchase of Property, Plant & Equip- ment		<u>5,601,366</u>	<u>9,257,951</u>	<u>7,202,988</u>	<u>5,804,095</u>	<u>6,209,928</u>	<u>6,392,734</u>
		6,596,151	10,425,318	7,386,105	10,743,626	7,213,773	11,389,610
Net Cash Flows from Investing Activities		<u>-4,241,194</u>	<u>-10,045,179</u>	<u>-6,728,674</u>	<u>-6,952,331</u>	<u>-4,820,783</u>	<u>-7,554,760</u>
FINANCING ACTIVITIES							
Cash was provided from							
Loans Raised		<u>0</u>	<u>3,067,651</u>	<u>110,000</u>	<u>0</u>	<u>0</u>	<u>528,750</u>
		0	3,067,651	110,000	0	0	528,750
Cash was applied to							
Borrowings Repaid		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>529,902</u>	<u>558,876</u>
		0	0	0	0	529,902	558,876
Net Cash Flows from Financing Activities		<u>0</u>	<u>3,067,651</u>	<u>110,000</u>	<u>0</u>	<u>-529,902</u>	<u>-30,126</u>
Net Increase/(Decrease)		<u>-1,891,296</u>	<u>-370,139</u>	<u>701,027</u>	<u>-959,099</u>	<u>-1,187,393</u>	<u>-1,246,177</u>
Plus opening cash & cash equivalents		5,511,121	2,729,081	2,729,081	6,470,220	6,517,275	7,763,452
Cash & cash equivalents at end of year		<u>3,619,825</u>	<u>2,358,942</u>	<u>3,430,108</u>	<u>5,511,121</u>	<u>5,329,882</u>	<u>6,517,275</u>
Made up of:							
Cash		-39,378	0	0	412,962	1,670,679	1,419,116
Short Term Deposits		3,659,203	2,358,942	3,430,108	5,098,159	3,659,203	5,098,159
Bank Overdraft		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		<u>3,619,825</u>	<u>2,358,942</u>	<u>3,430,108</u>	<u>5,511,121</u>	<u>5,329,882</u>	<u>6,517,275</u>

The accompanying notes form part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1

STATEMENT OF RATES

	2011	2010
(a) Rate Debtors		
Balance of Rate Debtors at start of year	2,132,162	1,916,522
Add rates levied (current rates)	11,357,623	10,207,760
Penalties charged	189,038	156,954
Legal Costs	<u>12,524</u>	<u>49,868</u>
Total for collection	13,691,347	12,331,104
Less rates collected	10,782,187	9,849,026
Adjustments/write offs/discounts	592,340	267,314
Plus increase/(decrease) in rates paid in advance	<u>-14,578</u>	<u>-82,602</u>
	<u>2,302,242</u>	<u>2,132,162</u>
(b) Rates revenue		
Rates levied (incl GST)		
General Rates	2,640,206	2,382,278
Water	830,707	719,801
Sewerage	952,424	743,128
Waste Management	916,467	752,484
Stormwater/Drainage	383,956	275,824
Services	645,252	518,599
Roading	4,086,853	3,988,223
Recreation	942,377	827,423
Penalties charged	<u>189,038</u>	<u>156,955</u>
	11,587,280	10,364,715
Less adjustments/write offs/discounts	<u>616,671</u>	<u>235,156</u>
	10,970,609	10,129,559
Less GST	<u>1,382,725</u>	<u>1,125,849</u>
	9,587,884	9,003,710
Less increases (decreases) in doubtful debts	185,209	-259,368
Less Internal charges	<u>0</u>	<u>0</u>
Rating revenue per Income Statement	<u>9,402,675</u>	<u>8,744,342</u>

	2011	2010	2011	2010
Note 2 Other Income	Council	Council	Group	Group
Gain / (loss) on change in fair value of forestry assets	0	-53,001	0	-53,001
Net gain/ (loss) on disposal of property, plant and equipment	0	0	-1,740	20,264
Net gain/ (loss) on changes in fair value of investment property	0	0	0	0
	<u>0</u>	<u>-53,001</u>	<u>-1,740</u>	<u>-32,737</u>

	2011	2010	2011	2010
Note 3 Investment Income	Council	Council	Group	Group
Interest on Financial assets at fair value through Profit & Loss	1,156,229	1,414,673	1,184,380	1,426,403
Loss in market value of Bond portfolio	-56,053	167,752	-56,053	167,752
Dividends	200,000	141,747	0	1,747
Rental income from investment properties	0	25,291	0	0
Rental Income on other investments	34,765	40,631	34,765	40,631
Other Income	14,010	25,510	14,655	25,510
	<u>1,348,951</u>	<u>1,790,094</u>	<u>1,177,747</u>	<u>1,662,043</u>

Note 4 Trade and other Receivables

	2011	2010	2011	2010
	Council	Council	Group	Group
Rates debtors	2,302,242	2,132,162	2,302,242	2,132,162
Trade receivables	5,353,523	3,245,457	6,664,941	4,282,984
GST receivable	195,844	248,096	195,844	248,096
Other debtors	0	0	22,634	44,821
Less provision for impairment of receivables	<u>-1,580,639</u>	<u>-1,310,802</u>	<u>-1,586,997</u>	<u>-1,354,547</u>
	<u>6,270,970</u>	<u>4,314,912</u>	<u>7,598,664</u>	<u>5,353,515</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:-

	2011	2010	2011	2010
	Council	Council	Group	Group
Not past due	606,155	680,914	606,155	680,914
1 to 2 years	415,784	762,562	415,784	762,562
2 to 5 years	945,147	590,530	945,147	590,530
over 5 years	<u>335,156</u>	<u>98,156</u>	<u>335,156</u>	<u>98,156</u>
Total Rates Debtors	<u>2,302,242</u>	<u>2,132,162</u>	<u>2,302,242</u>	<u>2,132,162</u>

NOTES TO THE FINANCIAL STATEMENTS

	2010 Council and Group		
	Gross	Impairment	Net
Not past due	680,914	97,343	583,571
1 to 2 years	762,562	492,134	270,428
2 to 5 years	590,530	557,129	33,401
over 5 years	98,156	98,156	0
	<u>2,132,162</u>	<u>1,244,762</u>	<u>887,400</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:-

	2011 Council		
	Gross	Impairment	Net
Not past due	5,256,916	5,905	5,251,011
Past due 30 -60 days	43,159	0	43,159
Past due 60-90 days	1,188	0	1,188
Past due > 90 days	52,260	51,532	728
	<u>5,353,523</u>	<u>57,437</u>	<u>5,296,086</u>

	2011 Group		
	Gross	Impairment	Net
Not past due	6,568,334	0	6,568,334
Past due 30 -60 days	43,159	0	43,159
Past due 60-90 days	1,188	0	1,188
Past due > 90 days	52,260	57,890	-5,630
	<u>6,664,941</u>	<u>57,890</u>	<u>6,607,051</u>

	2011 Summary		
	Gross	Impairment	Net
Council	7,851,608	1,580,639	6,270,969
Group	6,708,062	1,581,092	5,126,970

	2010 Council		
	Gross	Impairment	Net
Not past due	3,131,693	0	3,131,693
Past due 30 -60 days	34,272	0	34,272
Past due 60-90 days	3,409	0	3,409
Past due > 90 days	76,084	66,040	10,044
	<u>3,245,458</u>	<u>66,040</u>	<u>3,179,418</u>

	2010 Group		
	Gross	Impairment	Net
Not past due	4,214,041	0	4,214,041
Past due 30 -60 days	34,272	0	34,272
Past due 60-90 days	3,409	0	3,409
Past due > 90 days	76,084	109,785	-33,701
	<u>4,327,806</u>	<u>109,785</u>	<u>4,218,021</u>

	2010 Summary		
	Gross	Impairment	Net
Council	5,625,716	1,310,802	4,314,914
Group	6,708,062	1,354,547	5,353,515

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:-

	2011 Council	2010 Council	2011 Group	2010 Group
At 1 July	1,310,802	1,002,465	1,354,547	1,042,445
Additional provisions made during the year	269,837	308,337	232,450	312,102
Receivables written off during period	0	0	0	0
At 30 June	<u>1,580,639</u>	<u>1,310,802</u>	<u>1,586,997</u>	<u>1,354,547</u>

Note 5	2011 Council	2010 Council	2011 Group	2010 Group
Inventories				
Metal stocks	0	0	729,112	663,151
Water reticulation spare parts	3,921	3,920	3,921	3,920
Water treatment chemicals	29,532	28,784	29,532	28,784
Other supplies	15,060	11,886	134,776	160,324
Work in progress	0	0	6,369	138,501
	<u>48,513</u>	<u>44,590</u>	<u>903,710</u>	<u>994,680</u>

The carrying amount of inventories held for distribution that are measured at lower of cost or net realisable value as at 30 June 2011 amounted to \$48,513 (2010 \$44,590). The write-down of inventories held for distribution amounted to \$nil (2010 \$nil), while reversal of writedowns amounted to \$nil. (2010 \$ nil). The carrying amount of inventories pledged as security is \$nil (2010 \$nil) for liabilities is \$nil (2010 \$nil).

NOTES TO THE FINANCIAL STATEMENTS

Note 6 Financial Assets at Fair Value

	2011	2010	2011	2010
	Council	Council	Group	Group
Stock & Debentures - Current Asset	12,512,160	14,113,538	12,512,160	14,113,538
	<u>12,512,160</u>	<u>14,113,538</u>	<u>12,512,160</u>	<u>14,113,538</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:-

	2011	2010	2011	2010
	Council	Council	Group	Group
Maturity				
One year or less	449,884	2,457,621	449,884	2,457,621
Weighted average interest rate	7.46%	6.93%	7.46%	6.93%
Between one and five years	6,950,004	10,949,859	6,950,004	10,949,859
Weighted average interest rate	7.49%	7.52%	7.49%	7.52%
Over five years	5,112,272	706,068	5,112,272	706,068
Weighted average interest rate	7.16%	7.00%	7.16%	7.00%
	<u>12,512,160</u>	<u>14,113,548</u>	<u>12,512,160</u>	<u>14,113,548</u>

The stocks and debentures are local authority stocks, and commercial bonds that are actively traded. The coupon rates vary from 3.58% to 10.04% with yields from 0.80% to 5.64%. 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

	2011	2010	2011	2010
	Council	Council	Group	Group
Cash at bank and in hand	-39,378	412,962	1,670,679	1,419,116
Short term deposits	<u>3,659,203</u>	<u>5,098,159</u>	<u>3,659,203</u>	<u>5,098,159</u>
Total Cash and cash equivalents	<u>3,619,825</u>	<u>5,511,121</u>	<u>5,329,882</u>	<u>6,517,275</u>

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

	2011	2010	2011	2010
	Council	Council	Group	Group
Note 8 Trade and other Payables				
Trade Payables	3,259,293	4,350,522	3,665,918	3,485,390
Employee entitlements	603,842	526,708	1,177,797	1,107,119
GST payable	0	0	169,889	157,801
Prepayments - Rates	165,126	179,706	165,126	179,706
Prepayments - Other debtors	<u>107,824</u>	<u>344,665</u>	<u>107,824</u>	<u>344,665</u>
	4,136,085	5,401,601	5,286,554	5,274,680
Less non-current portion of employee entitlements	<u>213,105</u>	<u>258,368</u>	<u>279,562</u>	<u>362,010</u>
	<u>3,922,980</u>	<u>5,143,232</u>	<u>5,006,992</u>	<u>4,912,671</u>
Trust funds and deposits				
Deposits	68,536	70,856	68,536	70,856
Trust funds	<u>3,647</u>	<u>3,647</u>	<u>3,647</u>	<u>3,647</u>
	<u>72,183</u>	<u>74,503</u>	<u>72,185</u>	<u>74,503</u>
Total Trade & Other Payables	<u>3,995,163</u>	<u>5,217,735</u>	<u>5,079,175</u>	<u>4,987,174</u>

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

Community Development trust	0	0	0	0
Safer Community Committee	<u>3,647</u>	<u>3,647</u>	<u>3,647</u>	<u>3,647</u>
	<u>3,647</u>	<u>3,647</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	2011 Group	2010 Group
	Current tax expense	136,472	321,464
	Adjustments to current tax in prior years	0	0
	Reduction in tax rate		21,826
	Deferred tax expense	-3,454	-70,685
	Income Tax expense	<u>133,018</u>	<u>272,605</u>
	Surplus (deficit) before tax	<u>444,567</u>	<u>841,552</u>
	Tax @ 28% (2010 30%)	133,370	252,465
	Plus taxation effect of permanent differences	0	20,140
	Imputation credit adjustment		
	Reduction in tax rate	0	0
	Non deductible expenses	-352	0
	Less prior period taxation	<u>0</u>	<u>0</u>
	Income tax expense at effective rate of 30% (2010 : 30%)	<u>133,018</u>	<u>272,605</u>

The major components of taxation expense are:-

Current taxation	136,472	321,465
Deferred taxation	-3,454	-48,860
Reduction in tax rate	<u>0</u>	<u>0</u>
	<u>133,018</u>	<u>272,605</u>

Imputation Credit Account

Balance as at 1 July 2010	2,097,905	1,906,801
Imputation Credits attaching to dividends paid in the year	-85,713	-65,756
Income tax payments during the year	330,917	253,009
Resident withholding tax on interest received	<u>8,693</u>	<u>3,851</u>
Balance as at 30 June 2011	<u>2,351,802</u>	<u>2,097,905</u>

Deferred Tax Asset

Opening balance	305,548	256,688
Current year charge	<u>3,454</u>	<u>48,860</u>
Closing balance	<u>309,002</u>	<u>305,548</u>

Deferred Income Tax as at 30 June 2011 relates to the following

	Balance Sheet - Group		Income Statement - Group	
	2011	2010	2011	2010
Deferred tax liabilities				
Contract retentions	38,116	50,556	12,440	47,049
Future amortisation	<u>2,872</u>	<u>273</u>	<u>-2,599</u>	<u>-44</u>
Gross deferred tax liabilities	40,988	50,829	9,841	47,005
Deferred tax assets				
Doubtful Debts	1,780	12,249	-10,469	255
<u>Provisions</u>			0	0
Annual Leave	76,694	78,960	-2,266	-8,561
Staff gratuities	21,407	20,172	1,235	-23
Sick leave	3,404	2,049	1,355	1,073
Time in lieu	10,154	19,633	-9,479	883
Long Service Leave	8,309	12,478	-4,169	-2,966
Staff bonus	0	5,600	-5,600	5,600
Aftercare	35,527	33,303	2,224	-602
ACC premiums	10,046	7,415	2,631	-2,545
Maintenance accruals	25,986	32,228	-6,242	25,178
Construction accruals	52,780	29,372	23,408	-8,066
Future depreciation	<u>103,903</u>	<u>102,918</u>	<u>985</u>	<u>-8,371</u>
Deferred tax assets	<u>349,990</u>	<u>356,377</u>	<u>-6,387</u>	<u>1,855</u>
Net deferred tax assets				
Deferred tax income / (expense)	309,002	305,548	3,454	48,860

	Council 2011	Council 2010	Group 2011	Group 2010
Note 10 Borrowings				
Current Portion				
Secured Loans	0	0	431,559	447,408
Debentures	<u>0</u>	<u>0</u>	<u>0</u>	<u>83,959</u>
Total Current Portion	<u>0</u>	<u>0</u>	<u>431,559</u>	<u>531,367</u>
Non-current Portion				
Secured Loans	0	0	1,079,444	1,509,538
Total Borrowings	<u>0</u>	<u>0</u>	<u>1,511,003</u>	<u>2,040,905</u>

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 2011	Secured Loans Council 2011	Overdraft Council 2010	Secured Loans Council 2010
Less than one year	0	0	0	0
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
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>0</u>

Fair Value of non-current borrowings - Council

	Carrying amounts		Fair Values	
	2011	2010	2011	2010
Secured Loans	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

	Overdraft Group 2011	Secured Loans Council & Group 2011	Overdraft Group 2010	Secured Loans Council & Group 2010
Less than one year	0	431,559	0	531,367
<i>weighted average effective interest rate</i>	0.00%	7.60%	0.00%	6.84%
Later than one year but less than two years	0	272,486	0	430,406
<i>weighted average effective interest rate</i>	0.00%	7.60%	0.00%	6.70%
Later than two years but less than five years	0	555,350	0	714,737
<i>weighted average effective interest rate</i>	0.00%	7.60%	0.00%	6.70%
Later than five years	0	251,608	0	364,395
<i>weighted average effective interest rate</i>	0.00%	7.60%	0.00%	6.70%
	<u>0</u>	<u>1,511,003</u>	<u>0</u>	<u>2,040,905</u>

Fair Value of non-current borrowings - Group

	Carrying amounts		Fair Values	
	2011	2010	2011	2010
Secured Loans	<u>1,079,444</u>	<u>1,509,538</u>	<u>1,079,444</u>	<u>1,515,575</u>
	<u>1,079,444</u>	<u>1,509,538</u>	<u>1,079,444</u>	<u>1,515,575</u>

The fair values are based on cash flows discounted using a rate based on the borrowing rate of 7.60% (2010 6.70%) The carrying amounts of borrowings repayable within one year approximate their fair value. 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 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 2011	Council Computer Software 2010	Group Computer Software 2011	Group Computer Software 2010
Opening balance				
Cost	301,574	289,043	652,151	582,275
Accumulated amortisation and impairment	-274,982	-249,433	-389,122	-359,247
Opening carrying value	<u>26,592</u>	<u>39,610</u>	<u>263,029</u>	<u>223,028</u>
Year Ended 30 June 2011				
Additions	60,385	12,531	69,446	69,876
Amortisation charge	-427	-25,549	-48,534	-29,875
Closing carrying amount	<u>86,550</u>	<u>26,592</u>	<u>283,941</u>	<u>263,029</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 12 Property, Plant & Equipment as at 30 June 2011 - Council

<u>DESCRIPTION</u>	<u>COST/</u> <u>REVALUATION</u> <u>30/06/2010</u>	<u>ACCUMULATED</u> <u>DEPRECIATION &</u> <u>IMPAIRMENT</u> <u>CHARGES</u> <u>30/06/2010</u>	<u>CARRYING</u> <u>AMOUNT</u> <u>30/06/2010</u>	<u>REVALUATION</u>	<u>CURRENT</u> <u>YEAR</u> <u>DISPOSALS</u>	<u>CURRENT YEAR</u> <u>ACCUM DEP</u> <u>DISPOSALS</u>	<u>CURRENT</u> <u>YEAR</u> <u>ADDITIONS</u>	<u>DEPRECIATION &</u> <u>IMPAIRMENT</u> <u>CHARGES</u> <u>30/06/2011</u>	<u>CARRYING</u> <u>AMOUNT</u> <u>30.6.2011</u>	<u>REVALUATION</u>	<u>CARRYING AMOUNT AT 30.06.11</u> <u>REPRESENTED BY</u>	
											<u>COST/</u>	<u>ACCUMULATED</u> <u>DEPRECIATION</u> <u>&</u> <u>IMPAIRMENT</u> <u>CHARGES</u>
LAND	3,395,174	0	3,395,174	0	2,050	-	247,754	73	3,640,805	3,640,878		73
BUILDINGS	4,409,533	751,649	3,657,884	0	10,390	-	22,910	110,414	3,559,991	4,422,054		862,063
	7,804,707	751,649	7,053,058	0	12,440		270,664	110,487	7,200,795	8,062,932		862,137
OTHER IMPROVEMENTS	2,207,909	604,134	1,603,775	0	0	-	29,689	119,647	1,513,817	2,237,598		723,781
VEHICLES	744,481	601,858	142,623	0	115,819	114,759	315,364	111,870	345,057	944,026		598,969
FURNITURE & OFFICE EQUIP	873,258	696,940	176,318	0	9,807	9,802	154,162	86,854	243,621	1,017,614		773,992
FIXTURES & FITTINGS	24,831	23,367	1,465	0	0	-	3,500	355	4,610	28,331		23,721
LIBRARY COLLECTIONS	247,458	71,082	176,376	0	0	-	44,777	30,692	190,461	292,234		101,773
	4,097,937	1,997,381	2,100,557	0	125,626	124,560	547,492	349,417	2,297,567	4,519,803		2,222,236
ROADING	108,656,564	3,156,372	105,500,195	15,159,407	2,653,429	-	2,792,031	1,607,599	120,798,200	120,798,200		0
LAND UNDER ROADS	5,344,000	0	5,344,000	0	0	-	0	0	5,344,000	5,344,000		0
BRIDGES	18,148,131	1,144,853	17,003,278	758,843	671,877	-	514,756	551,683	17,605,000	17,605,000		0
WATER SUPPLY	5,951,594	566,776	5,384,816	0	309,832	45,061	467,820	306,884	5,280,983	6,109,581		828,598
WATER RETICULATION	9,739,550	548,663	9,190,888	0	203,321	12,899	201,173	277,263	8,924,375	9,737,401		813,027
SEWERAGE	11,244,826	638,989	10,605,837	0	317,370	42,405	654,270	344,130	10,641,011	11,581,726		940,714
STORMWATER	5,425,175	331,082	5,094,093	0	22,420	2,721	72,962	168,373	4,978,983	5,475,717		496,734
PARKING	692,579	42,152	650,427	-169,350	21,076	-	0	21,076	460,000	460,000		0
	165,202,418	6,428,888	158,773,533	15,748,899	4,199,325	103,086	4,703,011	3,277,008	174,032,552	177,111,625		3,079,073
Capital work in progress	1,253,732	-	1,253,732	-	22,761	-	69,999	-	1,300,970	1,300,970		-
TOTAL	178,358,795	9,177,918	169,180,880	15,748,899	4,360,151	227,646	5,591,166	3,736,912	184,831,884	190,995,330		6,163,446

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 2011 - Group

<u>DESCRIPTION</u>	<u>COST/</u> <u>REVALUATION</u>	<u>ACCUMULATED</u> <u>DEPRECIATION &</u> <u>IMPAIRMENT</u> <u>CHARGES</u> <u>1/07/2010</u>	<u>CARRYING</u> <u>AMOUNT</u> <u>1/07/2009</u>	<u>REVALUATION</u>	<u>CURRENT</u> <u>YEAR</u> <u>DISPOSALS</u>	<u>CURRENT YEAR</u> <u>ACCUM DEP</u> <u>DISPOSALS</u>	<u>CURRENT</u> <u>YEAR</u> <u>ADDITIONS</u>	<u>DEPRECIATION &</u> <u>IMPAIRMENT</u> <u>CHARGES</u> <u>30/06/2011</u>	<u>CARRYING</u> <u>AMOUNT</u> <u>30.6.2011</u>	<u>REPRESENTED BY</u>	
										<u>COST/</u> <u>REVALUATION</u>	<u>ACCUMULATED</u> <u>DEPRECIATION</u> <u>&</u> <u>IMPAIRMENT</u> <u>CHARGES</u>
LAND & QUARRIES	3,407,141	6,452	3,400,689	-	2,050	-	247,754	443	3,646,171	3,653,101	6,930
BUILDINGS	4,939,649	973,313	3,966,336	-	21,376	-	22,910	125,937	3,852,920	4,941,183	1,088,264
	8,346,790	979,765	7,367,025	-	23,426	-	270,664	126,380	7,499,091	8,594,285	1,095,194
OTHER IMPROVEMENTS	2,237,599	604,134	1,633,465	-	-	-	29,689	119,647	1,543,250	2,267,031	723,781
VEHICLES	11,136,651	7,502,535	3,634,116	-	760,973	917,610	734,623	831,952	3,693,424	11,110,301	7,416,877
FURNITURE & OFFICE EQUIP	1,116,522	913,274	203,248	-	7,288	9,802	154,162	94,472	263,709	1,263,397	999,687
FIXTURES & FITTINGS	157,962	115,638	42,324	-	-	-	11,344	14,412	41,007	169,306	128,299
LIBRARY COLLECTIONS	247,458	71,083	176,375	-	-	-	44,777	30,692	190,461	292,234	101,773
	14,896,192	9,206,664	5,689,528	-	768,261	927,412	974,595	1,091,175	5,731,851	15,102,269	9,370,417
ROADING	108,393,609	3,156,372	105,237,237	15,159,407	2,653,429	-	2,690,753	1,607,599	120,433,964	120,433,964	-
LAND UNDER ROADS	5,344,000	-	5,344,000	-	-	-	-	-	5,344,000	5,344,000	-
BRIDGES	18,148,130	1,144,852	17,003,278	758,843	671,877	-	514,756	551,683	17,605,000	17,605,000	-
WATER SUPPLY	5,964,539	579,723	5,384,816	-	309,832	45,061	467,820	306,884	5,280,983	6,109,581	828,598
WATER RETICULATION	9,736,455	545,567	9,190,888	-	203,321	12,899	201,173	277,263	8,924,375	9,737,401	813,027
SEWERAGE	11,250,884	645,048	10,605,836	-	317,370	42,405	654,270	344,130	10,641,011	11,581,726	940,714
STORMWATER	5,425,483	331,390	5,094,093	-	22,420	2,721	72,962	168,373	4,978,983	5,475,717	496,734
PARKING	692,579	42,152	650,427	169,350	21,076	-	-	21,076	460,000	460,000	-
	164,955,679	6,445,104	158,510,575	15,748,900	4,199,325	103,086	4,601,734	3,277,008	173,668,316	176,747,389	3,079,073
	1,253,730	-	1,253,730	-	22,761	-	69,999	-	1,300,970	1,300,970	-
TOTAL	189,452,391	16,631,533	172,820,858	15,748,900	5,013,773	1,030,498	5,916,992	4,494,562	188,200,228	201,744,913	13,544,685

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

Note 12 **Property, Plant & Equipment as at 30 June 2010 - Council**

DESCRIPTION	CARRYING AMOUNT AT 30.06.10 REPRESENTED BY									
	COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT CHARGES	CARRYING AMOUNT 1/07/2009	REVALUA- TION	CURRENT YEAR DISPOSALS	CURRENT YEAR ADDITIONS	DEPRECIATION & IMPAIRMENT CHARGES 30/06/2010	CARRYING AMOUNT 30.6.2010	COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT CHARGES
LAND	3,395,174	0	3,395,174	0	0	0	0	3,395,174	3,395,174	0
BUILDINGS	4,447,421	651,522	3,795,899	0	40,279	13,376	111,112	3,657,884	4,420,518	762,634
	7,842,595	651,522	7,191,073	0	40,279	13,376	111,112	7,053,058	7,815,692	762,634
OTHER IMPROVEMENTS	1,958,430	517,356	1,441,075	0	0	249,479	86,778	1,603,775	2,207,909	604,134
VEHICLES	850,280	613,586	236,694	0	10,213	10,212	94,070	142,623	850,279	707,656
FURNITURE & OFFICE EQUIP	989,994	784,948	205,046	0	0	54,285	83,013	176,318	1,044,279	867,961
FIXTURES & FITTINGS	23,350	22,563	787	0	0	1,481	804	1,465	24,831	23,367
LIBRARY COLLECTIONS	889,734	730,292	159,442	0	0	44,988	28,055	176,376	934,723	758,347
	4,711,789	2,668,745	2,043,044	0	10,213	360,446	292,720	2,100,557	5,062,021	2,961,465
ROADING	105,902,877	1,600,293	104,302,584	0	879,994	3,633,684	1,556,079	105,500,195	108,656,567	3,156,372
LAND UNDER ROADS	5,344,000	0	5,344,000	0	0	0	0	5,344,000	5,344,000	0
BRIDGES	18,062,757	595,717	17,467,040	0	120,883	206,256	549,135	17,003,278	18,148,130	1,144,852
WATER SUPPLY	5,873,058	287,238	5,585,820	0	126,175	217,656	292,485	5,384,816	5,964,539	579,723
WATER RETICULATION	9,703,781	272,739	9,431,042	0	0	32,674	272,828	9,190,888	9,736,455	545,567
SEWERAGE	11,244,862	321,204	10,923,658	0	29,337	35,359	323,844	10,605,837	11,250,884	645,048
STORMWATER	5,375,023	164,655	5,210,368	0	453	50,912	166,735	5,094,093	5,425,483	331,390
PARKING	692,579	21,076	671,503	0	0	0	21,076	650,427	692,579	42,152
	162,198,937	3,262,922	158,936,015	0	1,156,843	4,176,541	3,182,182	158,773,533	165,218,637	6,445,104
Capital Work in Progress	0	0	0	0	0	1,253,732	0	1,253,732	1,253,732	0
TOTAL	174,753,321	6,583,189	168,170,131	0	1,207,335	5,804,095	3,586,013	169,180,880	179,350,081	10,169,202

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

Note 12 **Property, Plant & Equipment as at 30 June 2010 - Group**

DESCRIPTION	<u>COST/</u> <u>REVALUATION</u>	<u>ACCUMULATED</u> <u>DEPRECIATION &</u> <u>IMPAIRMENT</u> <u>CHARGES</u> <u>1/07/2009</u>	<u>CARRYING</u> <u>AMOUNT</u> <u>1/07/2009</u>	<u>REVALUA-</u> <u>TION</u>	<u>CURRENT</u> <u>YEAR</u> <u>DISPOSALS</u>	<u>CURRENT</u> <u>YEAR</u> <u>ADDITIONS</u>	<u>DEPRECIATION &</u> <u>IMPAIRMENT</u> <u>CHARGES</u> <u>30/06/2010</u>	<u>CARRYING</u> <u>AMOUNT</u> <u>30.6.2010</u>	<u>COST/</u> <u>REVALUATION</u>	<u>ACCUMULATED</u> <u>DEPRECIATION</u> <u>&</u> <u>IMPAIRMENT</u> <u>CHARGES</u>
LAND	3,407,141	6,049	3,401,092	0	0	0	403	3,400,689	3,407,141	6,452
BUILDINGS	4,966,552	846,678	4,119,874	0	40,279	13,376	126,635	3,966,336	4,939,649	973,313
	8,373,693	852,727	7,520,966	0	40,279	13,376	127,038	7,367,025	8,346,790	979,765
OTHER IMPROVEMENTS	1,988,120	517,356	1,470,764	0	0	249,479	86,778	1,633,464	2,237,599	604,134
VEHICLES	10,677,646	6,902,826	3,774,820	0	10,213	575,016	705,507	3,634,116	11,242,449	7,608,333
FURNITURE & OFFICE EQUIP	1,215,685	983,272	232,413	0	0	71,858	101,023	203,248	1,287,543	1,084,295
FIXTURES & FITTINGS	150,219	106,260	43,959	0	0	7,743	9,378	42,325	157,962	115,638
LIBRARY COLLECTIONS	889,734	730,293	159,441	0	0	44,988	28,055	176,375	934,723	758,348
	14,921,405	9,240,007	5,681,397	0	10,213	949,085	930,740	5,689,528	15,860,276	10,170,748
ROADING	105,763,501	1,600,293	104,163,208	0	879,994	3,510,102	1,556,079	105,237,237	108,393,609	3,156,372
LAND UNDER ROADS	5,344,000	0	5,344,000	0	0	0	0	5,344,000	5,344,000	0
BRIDGES	18,062,757	595,717	17,467,040	0	120,883	206,256	549,135	17,003,278	18,148,130	1,144,852
WATER SUPPLY	5,873,058	287,238	5,585,820	0	126,175	217,656	292,485	5,384,816	5,964,539	579,723
WATER RETICULATION	9,703,781	272,739	9,431,042	0	0	32,674	272,828	9,190,888	9,736,455	545,567
SEWERAGE	11,244,862	321,204	10,923,658	0	29,337	35,359	323,844	10,605,837	11,250,884	645,048
STORMWATER	5,375,023	164,655	5,210,368	0	453	50,912	166,735	5,094,093	5,425,483	331,390
PARKING	692,579	21,076	671,503	0	0	0	21,076	650,427	692,579	42,152
	162,059,561	3,262,922	158,796,639	0	1,156,843	4,052,960	3,182,181	158,510,575	164,955,678	6,445,103
Capital Work in Progress	0	0	0	0	0	1,253,730	0	1,253,730	1,253,730	0
TOTAL	185,354,659	13,355,656	171,999,002	0	1,207,335	6,269,150	4,239,960	172,820,858	190,416,475	17,595,616

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

NOTES TO THE FINANCIAL STATEMENTS

	Council 2011	Council 2010	Group 2011	Group 2010
Note 13 Loans and Other Receivables				
Sinking Fund Investments @ start of year	0	0	0	0
Plus interest & instalments	0	0	0	0
Less withdrawals	0	0	0	0
Sinking Fund Investments @ end of year	0	0	0	0
Housing & Community Advances	5,310	8,267	5,310	8,267
	<u>5,310</u>	<u>8,267</u>	<u>5,310</u>	<u>8,267</u>

There were no impairment provisions for Loans and Other Receivables.

The fair value of community loans is \$5310
(2010 \$8,267).

The carrying value of community loans approximates their fair value.

Maturity Analysis and effective interest rates

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

	Council 2011	Council 2010	Group 2011	Group 2010
Less than one year	0	3,058	0	3,058
<i>weighted average effective interest rate</i>	0.00%	8.05%	0.00%	8.05%
Later than one year but less than two years	5,310	3,313	5,310	3,313
<i>weighted average effective interest rate</i>	8.05%	8.05%	8.05%	8.05%
Later than two years but less than five years	0	1,896	0	1,896
<i>weighted average effective interest rate</i>	0.00%	8.05%	0.00%	8.05%
Later than five years	0	0	0	0
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
	<u>5,310</u>	<u>8,267</u>	<u>5,310</u>	<u>8,267</u>

Note 14 Investment in Subsidiary	Council 2011	Council 2010	Group 2011	Group 2010
Quality Roding & Services (Wairoa) Ltd	1,250,000	1,250,000	0	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 2011	Council 2010	Group 2011	Group 2010
Information Centre				
Balance at 1 July	277,000	277,000	277,000	277,000
Additions from acquisitions	0	0	0	0
Disposals	0	0	0	0
Fair value gains/(losses) on valuation	0	0	0	0
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 \$12,675 (2010 \$9,750), direct operating expenses are \$4929 (2010 \$7,143), with a net return of \$7,745 (2010 \$2,607), Repairs and Maintenance of \$3,136 (2010 \$4,736) is included in the direct operating costs.

	Council 2011	Council 2010	Group 2011	Group 2010
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Note 16 Available for sale financial assets

NZ Local Government Insurance Ltd	<u>22,992</u>	<u>22,992</u>	<u>22,992</u>	<u>22,992</u>
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	Council 2011	Council 2010	Group 2011	Group 2010
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Note 17 Biological Asset -Forestry

Balance at 1 July	64,946	117,947	64,946	117,947
Increases due to purchase	0	0	0	0
Gains/losses arising from changes in fair value less estimated point of sale costs	0	-53,001	0	-53,001
Decreases due to sales	0	0	0	0
Decreases due to harvest	0	0	0	0
Balance at 30 June	<u>64,946</u>	<u>64,946</u>	<u>64,946</u>	<u>64,946</u>

WDC owns 37.1 hectares (2010 37.1 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 P.F.Olsen have valued forestry assets as at 30 June 2010.

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			Balance
a) Special Funds		2010	Transfer to	Transfer from	2011
EQ9801	District Development Fund	781,736	52,058	329,191	504,603
EQ9818	Wairoa Urban Fund	194,504	12,952	0	207,456
EQ9805	Retirement & Restructuring Reserve	364,113	24,247	0	388,360
EQ9806	Asset & Vehicle Depreciation Reserve	981,540	301,074	369,424	913,190
EQ9803	Information Systems Renewal Reserve	193,285	129,596	181,201	141,680
EQ9802	Disaster Recovery Reserve	510,049	51,224	0	561,273
EQ9807	Tuai Village Reserve	238,038	-59,099	0	178,939
EQ9808	Water Production Reserve	299,656	19,955	0	319,611
EQ9810	Water Production Depreciation Reserve	1,162,451	384,519	467,820	1,079,151
EQ9831	Water Reticulation Reserve - Wairoa	276,389	-234,169	0	42,220
EQ9811	Water Reticulation Depreciation Reserve Wairoa	2,995,691	680,496	201,173	3,475,014
EQ9825	Water Reticulation Reserve Wairoa Peri Urban	238,265	23,189	0	261,454
EQ9829	Water Reticulation Depn Reserve - Peri Urban	76,282	47,403	0	123,685
EQ9812	Water Reticulation Depreciation Reserve Tuai	199,510	25,667	0	225,177
EQ9813	Water Reticulation Reserve Frasertown	45,143	-11,568	0	33,575
EQ9828	Water Reticulation Depn Reserve - Frasertown	46,911	1,479	0	48,390
EQ9826	Water Reticulation Reserve Mahanga	3,550	-3,549	0	1
EQ9827	Water Reticulation Depn Reserve - Mahanga	9,976	7,476	0	17,452
EQ9814	Sewerage System Depreciation Reserve Wairoa	3,179,162	513,401	156,168	3,536,394
EQ9815	Sewerage System Depreciation Reserve Tuai	355,789	48,643	20,742	383,690
EQ9816	Stormwater Reticulation Depreciation Reserve - Wairoa	969,926	232,963	21,852	1,181,037
EQ9832	Stormwater Reticulation Depreciation Reserve - Mahia	11,700	779	0	12,479
EQ9822	Parking Area Depreciation Reserve	208,394	80,611	0	289,005
EQ9823	Bridges Depreciation Reserve	1,001,950	1,404,742	452,693	1,953,999
EQ9824	Landfill/RTS Depreciation Reserve	310,898	94,648	257,469	148,077
EQ9819	Airport Runway Depreciation Reserve	463,753	-396,193	0	67,560
EQ9820	Roading Depreciation Reserve	335,297	1,181,804	1,517,101	0
EQ9821	Footpaths Depreciation Reserve	332,423	115,921	101,184	347,160
EQ9817	Library Book Stocks Depreciation Reserve	114,978	-7,309	44,777	62,892
EQ9830	Pensioner Housing Depreciation Reserve	67,897	4,522	0	72,419
EQ9833	Parks and Reserves Depreciation Reserve	133,655	73,907	32,155	175,407
		<u>16,102,911</u>	<u>4,801,391</u>	<u>4,152,950</u>	<u>16,751,352</u>
b) Sinking Funds		0	0	0	0
Total special funds reserves					
Sinking Funds are held for the purpose of repaying debt.					
		<u>16,102,911</u>	<u>4,801,391</u>	<u>4,152,950</u>	<u>16,751,352</u>

c) Revaluation Reserves

The revaluation reserves reflect the net revaluations, above initial valuation, for

Council assets and property investments.

	2011 Council	2010 Council	2011 Group	2010 Group
Revaluation Reserve Infrastructural				
As at 1 July	50,528,245	50,756,530	51,518,779	51,747,064
Transfers to				
Revaluations	16,417,287	0	16,417,287	0
Transfer from:				
Net Transfer from asset revaluation reserve on disposal	-668,388	-228,285	-668,388	-228,285
	<u>66,277,144</u>	<u>50,528,245</u>	<u>67,267,678</u>	<u>51,518,779</u>

	2011 Council	2010 Council	2011 Group	2010 Group
Retained Earnings				
As at 1 July	122,108,556	121,550,680	124,837,085	123,973,843
Transfers to				
Restricted Reserves	-4,801,391	-5,174,047	-4,801,391	-5,174,047
Transfer from:				
Restricted Reserves	4,152,950	4,587,935	4,152,950	4,587,935
Net Transfer from asset revaluation reserve on disposal	0	228,285		228,285
Surplus (Deficit) for year	-310,810	915,703	-300,540	1,221,069
	<u>121,149,305</u>	<u>122,108,556</u>	<u>123,888,104</u>	<u>124,837,085</u>

Equity is made up of:	2011 Council	2010 Council	2011 Group	2010 Group
Special fund reserves	16,751,352	16,102,911	16,751,352	16,102,913
Sinking fund reserves	0	0	0	0
Revaluation reserves	66,277,144	50,528,245	67,267,678	51,518,779
Accumulated funds	<u>121,149,305</u>	<u>122,108,556</u>	<u>123,888,103</u>	<u>124,837,085</u>
	<u>204,177,801</u>	<u>188,739,712</u>	<u>207,907,133</u>	<u>192,458,777</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 19	Reconciliation of Operating Surplus with Net Cash Flow from Operating Activities	2011 Council	2010 Council	2011 Group	2010 Group
	Net surplus/(deficit) for the year	-310,810	915,703	-300,540	1,221,069
	Add non-cash items:				
	Depreciation	3,724,294	3,586,013	4,481,944	4,239,960
	Loss on disposal of assets	1,974,964	1,207,335	1,999,959	1,217,886
	Amortisation	0	25,549	48,106	29,875
	Decrease/(Increase) in deferred taxation	0	0	-3,454	-48,860
	Increase/(Decrease) in employee benefit provision	-45,263	90,885	-6,455	122,361
	Increase in Bad Debts provision	269,836	308,337	269,836	312,102
	Revaluation of investment property and forestry	0	53,001	0	53,001
	Unrealised loss / (gain) on investments	171,247	-167,751	171,247	-167,751
	Increase in Landfill aftercare provision	5,060	-102,746	5,060	-102,746
	Quarry Aftercare Provision			<u>7,942</u>	<u>5,923</u>
		<u>5,789,328</u>	<u>5,916,326</u>	<u>6,673,645</u>	<u>6,882,820</u>
	Add/(Less) movement in other working capital items				
	(Increase)/decrease in rates receivables	-170,080	-215,640	-170,080	-215,640
	(Increase)/decrease in trade & other receivables	-2,108,064	-1,615,327	-2,349,121	-1,200,085
	Increase/(Decrease) in trade & other payables	-1,211,880	1,859,470	48,732	783,829
	Increase/(Decrease) in Quarry Aftercare	0	0	0	0
	Increase/(Decrease) in loans and other receivables	0	0	0	0
	Decrease in GST Receivable/ Increase in GST Payable	52,252	36,938	64,340	36,938
	Increase/(Decrease) in taxation payable	0	0	-197,458	68,815
	(Increase)/decrease in inventories	<u>-1,658</u>	<u>11,465</u>	<u>93,234</u>	<u>-17,968</u>
		<u>2,349,898</u>	<u>5,993,232</u>	<u>4,163,292</u>	<u>6,338,709</u>
	Net cash inflow from operating activities	<u>2,349,898</u>	<u>5,993,232</u>	<u>4,163,292</u>	<u>6,338,709</u>

NOTES TO THE FINANCIAL STATEMENTS

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:

	Paid
Annual Salary	188,479
	<u>188,479</u>

Elected Representatives Remuneration

		2011	2010
Mayor	L. Probert	61,344	63,148
Deputy Mayor	D. Eaglesome	33,015	34,480
Councillor	D. Caves	22,212	22,985
Councillor	D. Evans	22,212	22,985
Councillor	A. McKinnon	7,443	22,985
Councillor	B. Cairns	23,234	23,314
Councillor	J. Heron	7,611	23,992
Councillor	M. Johansen	14,944	
Councillor	C. Little	14,769	
		<u>206,784</u>	<u>213,889</u>

Key management personnel compensation

	2011	2010
Salaries and other short term benefits	736,359	753,845
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

	2011 Council	2010 Council	2011 Group	2010 Group
Employee benefit expenses				
Salaries and wages	3,609,196	3,014,249	7,444,480	7,126,148
Employer contributions to Superannuation	98,556	78,416	154,053	119,751
Increase/(decrease) in employee benefit liabilities	<u>77,134</u>	<u>90,885</u>	<u>70,679</u>	<u>122,361</u>
Total employee benefit expenses	<u>3,784,886</u>	<u>3,183,550</u>	<u>7,669,212</u>	<u>7,368,260</u>
	2011 Council	2010 Council	2011 Group	2010 Group
Employee benefit liabilities				
Accrued pay	113,687		230,871	145,271
Annual leave	271,869	256,490	610,352	567,703
Long service leave	12,070	11,851	41,745	56,414
Retirement gratuities	201,035	253,186	277,490	325,230
Sick leave	<u>5,181</u>	<u>5,181</u>	<u>17,339</u>	<u>12,500</u>
Total employee benefit liabilities	<u>603,842</u>	<u>526,708</u>	<u>1,177,797</u>	<u>1,107,118</u>
Comprising:				
Current	390,737	268,341	898,235	738,439
Non-current	<u>213,105</u>	<u>258,367</u>	<u>279,562</u>	<u>368,679</u>
Total employee benefit liabilities	<u>603,842</u>	<u>526,708</u>	<u>1,177,797</u>	<u>1,107,118</u>

NOTE 21 NOTES TO THE FINANCIAL STATEMENTS

Items included in net surplus

- a) Insurance premiums
- b) Ex-gratia payments
- c) Public ceremonies
- d) Insignia and robes of office
- e) Entertainment
- f) Subscriptions, levies, grants & contributions
- g) Unauthorised expenditure

COUNCIL

2011

124,040
0
19,183
0
0
590,568
0

COUNCIL

2010

133,302
0
9,180
0
0
516,209
0

Other disclosures

	2011	2010	2011	2010
	Council	Council	Group	Group
Depreciation - Infrastructural assets	3,259,521	3,182,181	3,259,521	3,182,181
Depreciation - Operational assets	459,904	403,831	1,217,554	1,057,778
Amortisation charge - Intangible assets	427	25,549	14,484	29,875
Audit fees for financial statements audit	105,124	84,255	159,266	145,396
Audit Fees for LTCCP	0	0	0	0
Interest paid - bank borrowings	0	0	134,924	123,512
Interest paid - discount rate	0	0	0	0
Mayor and Councillors' fees	206,784	213,889	206,784	213,889
Impairment of receivables (bad debts written off)	-72,049	105,418	-72,049	105,418
Impairment of receivables (provision for doubtful debts) (Note 4)	269,836	308,337	254,879	312,102
Lease expenses	60,833	55,196	204,825	254,122
Loss on disposal of Property, Plant, and Equipment	1,974,964	1,207,335	1,999,959	1,207,335
Unrealised (gain) loss on investments	171,247	-167,751	56,053	-167,751
Gain on sale of assets	0	0	18,502	20,264
Directors Fees	0	0	78,544	65,632
Donations	0	10,070	0	10,070

Note 22 Transactions with related parties

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

Purchase of services \$9,431,132(2010: \$9,036,872)

Sales: \$226,569 (2010:\$158,542) Dividend \$200,000 (2010: \$140,000)

Amount owed by Quality Roothing and Services (Wairoa) Ltd to Council at year end: \$nil (2010: \$1,318) which is receivable on normal trading terms

Amount owed by Council to Quality Roothing and Services (Wairoa) Ltd at year end: \$1,031,416 (2010: \$2,311,693) which is payable on normal trading terms except for \$62,569 (2010: \$53,108) contract retentions payable at closure of 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:

	2011	2011	2010	2010
	Business	Balance	Business	Balance
	Transacted	Owing	Transacted	Owing
D L Munro (Director)	2,370	0	0	0
L A Aitken (CEO)	8,409	1,846	44,782	2,365
K M Burger (FC)	11,199	2,299	16,844	341
A J O'Sullivan (Manager)	1,504	87	8,855	0
P Murphy (Manager)	0	0	7,313	452

C J Torrie, a Director, is part owner of MBE Ltd, which provided services to QRS on normal trade terms to the value of \$4,534 (2010: \$13,117)

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 30/06/11 was \$171,247 (2010: \$167,751 gain).

NOTES TO THE FINANCIAL STATEMENTS

Note 24 FINANCIAL INSTRUMENTS RISKS

The Financial Instruments categories

	2011 Council	2010 Council	2011 Group	2010 Group
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FINANCIAL ASSETS

Financial assets at fair value through profit and loss - upon initial recognition

Shares and Debentures	12,512,160	14,113,538	12,512,160	14,113,538
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Loans and Receivables

Cash and Cash Equivalents	3,619,825	5,511,121	5,329,882	6,517,275
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Trade and Other receivables	6,075,126	4,066,817	7,402,820	5,105,420
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Other Financial Assets

Sinking Fund investments	0	0	0	0
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Housing and Community Advances	5,310	8,267	5,310	8,267
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	9,700,261	9,586,204	12,738,012	11,630,962
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Available for Sale Financial Assets

NZ Local Government Insurance Corporation Limited	22,992	22,992	22,992	22,992
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	22,992	22,992	22,992	22,992
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Total Financial Assets	22,235,413	23,722,734	25,273,164	25,767,492
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FINANCIAL LIABILITIES

Financial Liabilities at Amortised Cost

Trade and Other Payables	3,995,163	5,217,735	5,079,175	4,353,076
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Borrowings

Bank Overdraft	0	0	0	0
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Secured Loans	0	0	1,511,003	2,040,905
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Total financial liabilities at amortised cost	3,995,163	5,217,735	6,590,178	6,393,981
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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

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.

Note 24 FINANCIAL INSTRUMENTS RISKS

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

	2011	2010	2011	2010
	Council	Council	Group	Group
Cash at bank, short term deposits and sinking funds	3,619,825	5,511,121	5,329,882	6,517,275
Trade and Other receivables	6,075,126	4,066,817	7,402,820	5,105,420
Housing and Community Advances	5,310	8,267	5,310	8,267
Shares and Debentures	12,535,152	14,136,530	12,535,152	14,136,530
Land and Buildings	0	0	0	0
Total Credit Risk	22,235,413	23,722,735	25,273,164	25,767,492

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

Cash at Bank and Short Term Deposits

AA	3,619,825	5,511,121	5,329,882	6,517,275
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Shares and Debentures

A-1 or better	12,535,152	14,136,530	12,535,152	14,136,530
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COUNTERPARTIES WITHOUT CREDIT RATINGS

Housing and Community Advances

Existing counterparty with no defaults in the past	5,310	8,267	5,310	8,267
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

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
National Bank; WestpacTrust	Money market term deposits	\$2 million with one issuer
	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	Up to 40% but not more than
	Corporate Bonds	\$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.

NOTES TO THE FINANCIAL STATEMENTS

Note 24 FINANCIAL INSTRUMENTS RISKS

Council 2011

	Carrying Amount	Contractual Cash Flow	Less Than 1 year	1 - 2 years	2 -5 years	more than 5 years
Trade and Other Payables	3,995,163	3,995,163	3,995,163	0	0	0
Borrowings						
Bank Overdraft	0	0	0	0	0	0
Secured Loans	0	0	0	0	0	0
Total	3,995,163	3,995,163	3,995,163	0	0	0

Group 2011

Trade and Other Payables	5,079,175	5,079,175	5,079,175	0	0	0
Borrowings						
Bank Overdraft	0	0	0	0	0	0
Secured Loans	1,511,003	1,511,003	431,559	272,486	555,350	251,608
Total	6,590,178	6,590,178	5,510,734	272,486	555,350	251,608

Council 2010

	Carrying Amount	Contractual Cash Flow	Less Than 1 year	1 - 2 years	2 -5 years	more than 5 years
Trade and Other Payables	5,217,735	5,217,735	5,217,735	0	0	0
Borrowings						
Bank Overdraft	0	0	0	0	0	0
Secured Loans	0	0	0	0	0	0
Total	5,217,735	5,217,735	5,217,735	0	0	0

Group 2010

Trade and Other Payables	4,353,076	4,353,076	4,353,076	0	0	0
Borrowings						
Bank Overdraft	0	0	0	0	0	0
Secured Loans	2,040,905	2,040,905	531,367	430,406	714,737	364,395
Total	6,393,981	6,393,981	4,884,443	430,406	714,737	364,395

NOTES TO THE FINANCIAL STATEMENTS

Note 24 FINANCIAL INSTRUMENT RISKS

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 2011						
Cash and Cash Equivalents	3,619,825	3,619,825	3,619,825	0	0	0
Trade and Other receivables	6,075,126	6,075,126	6,075,127	0	0	0
Other financial assets						
- Housing and Community Advances	5,310	5,310	5,310			0
-Shares and Debentures	12,535,152	12,535,152	2,664,301	5,365,135	3,642,077	911,156
Sinking Funds	0	0	0	0	0	0
Total	22,235,413	22,282,931	12,364,563	5,365,135	3,642,077	911,156
Group 2011						
Cash and Cash Equivalents	5,329,882	5,329,882	5,329,882	0	0	0
Trade and Other receivables	7,598,663	7,598,663	7,598,663	0	0	0
Other financial assets						
- Housing and Community Advances	5,310	8,267	3,058	3,313	1,896	0
-Shares and Debentures	12,535,152	12,535,152	2,664,301	5,365,135	3,642,077	911,156
Sinking Funds	0	0				
Total	25,469,008	25,323,638	15,595,904	5,368,448	3,643,973	911,156
Council 2010						
Cash and Cash Equivalents	5,511,121	5,511,121	5,511,121	0	0	0
Trade and Other receivables	4,066,817	4,066,817	4,066,817	0	0	0
Other financial assets						
- Housing and Community Advances	8,267	8,267	8,267			0
-Shares and Debentures	14,136,530	14,136,530	2,457,584	1,283,731	9,666,126	729,089
Sinking Funds	0	0	0	0	0	0
Total	23,722,735	23,722,735	12,043,789	1,283,731	9,666,126	729,089
Group 2010						
Cash and Cash Equivalents	6,517,275	6,517,275	6,517,275	0	0	0
Trade and Other receivables	5,105,420	5,105,420	5,105,420	0	0	0
Other financial assets						
- Housing and Community Advances	8,267	8,267	3,058	3,313	1,896	0
-Shares and Debentures	14,136,530	14,136,530	2,457,584	1,283,731	9,666,126	729,089
Sinking Funds	0	0				
Total	25,767,492	25,767,492	14,083,337	1,287,044	9,668,022	729,089

Note 24 FINANCIAL INSTRUMENTS RISKS

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 constant, based on WDC's financial instrument exposures at the balance date.

COUNCIL	2011 -100 bps	2011 -100 bps	2011 +100 bps	2011 +100 bps
INTEREST RATE RISK	Profit	Other	Profit	Other
Financial Assets		Equity		Equity
Cash and Cash Equivalents	-12,532	0	12,532	0
Other financial assets				
-Shares and Debentures	852,236	0	-525,093	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	839,704	0	-512,561	0

COUNCIL	2010 -100 bps	2010 -100 bps	2010 +100 bps	2010 +100 bps
INTEREST RATE RISK	Profit	Other	Profit	Other
Financial Assets		Equity		Equity
Cash and Cash Equivalents	-13,227	0	11,301	0
Other financial assets				
-Shares and Debentures	-333,087	0	333,087	0
Financial Liabilities				
Borrowings				
Bank Overdraft	0	0	0	0
Secured Loans	0	0	0	0
Total sensitivity to interest rate risk	-346,314	0	344,388	0

GROUP	2011 -100 bps	2011 -100 bps	2011 +100 bps	2011 +100 bps
INTEREST RATE RISK	Profit	Other	Profit	Other
Financial Assets		Equity		Equity
Cash and Cash Equivalents	-12,532	0	12,532	0
Other financial assets				
-Shares and Debentures	852,236	0	-525,093	0
Financial Liabilities				
Borrowings				
Bank Overdraft	0	0	0	0
Secured Loans	13,492	0	-13,492	0
Total sensitivity to interest rate risk	853,196	0	-526,053	0

GROUP	2010 -100 bps	2010 -100 bps	2010 +100 bps	2010 +100 bps
INTEREST RATE RISK	Profit	Other	Profit	Other
Financial Assets		Equity		Equity
Cash and Cash Equivalents	-13,227	0	13,227	0
Other financial assets				
-Shares and Debentures	-333,087	0	333,087	0
Financial Liabilities				
Borrowings				
Bank Overdraft	0	0	0	0
Secured Loans	13,674	0	-13,674	0
Total sensitivity to interest rate risk	-332,640	0	-332,640	0

NOTES TO THE FINANCIAL STATEMENTS

Note 25 Events subsequent to balance date

There have been no other events subsequent to balance date that would have a material effect on the 30 June 2011 Annual Report.

	2011 Council	2010 Council	2011 Group	2010 Group
Note 26 Contingencies:				
Contingent Liabilities	0	0	0	0
Performance bonds with ANZ Banking Group (NZ) Ltd	0	0	336,000	248,000

Guarantees

\$336,000 (2009 : \$248,000)

Note 27 Long Term Council Community Plan 2009-2019

The Long Term Council Community Plan for 2009-19 was adopted by Council on 23rd July 2009. The second year of this Plan is reported in these Financial Statement as Annual Plan 2011

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%.

	2011 Council	2010 Council	2011 Group	2010 Group
Balance at 1 July	599,020	701,766	599,020	701,766
Provided (released) during the year - Wairoa	0	-87,253	0	-87,253
Provided (released) during the year - Mahia	0	0	0	0
Expenditure during the period	0	-35,106	0	-35,106
Amortisation	5,060	19,613	5,060	19,613
Balance at 30 June	<u>604,080</u>	<u>599,020</u>	<u>604,080</u>	<u>599,020</u>

Note 29 Quarry aftercare provision

Quality Roding 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

	2011 Council	2010 Council	2011 Group	2010 Group
Balance at 1 July	0	0	118,939	113,016
Provided during the year	0	0	7,942	5,923
Expenditure during the period	0	0	0	0
Balance at 30 June	<u>0</u>	<u>0</u>	<u>126,881</u>	<u>118,939</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 30 STATEMENT OF COMMITMENTS AS AT 30 JUNE 2010

	2011 Council	2010 Council	2011 Group	2010 Group
Capital commitments approved and contracted	196,056	179,175	196,056	179,175

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 :-

	2011 Council	2010 Council	2011 Group	2010 Group
Non cancellable operating lease commitments				
Office equipment				
Up to one year		55,196	139,940	160,892
one to five years	243,334	220,786	441,046	435,730
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.

Note 31 STATEMENT OF FINANCIAL INVOLVEMENT IN CCTOs

AND OTHER COMPANIES OR ORGANISATIONS

Wairoa District Council has control over the following entities:

Quality Rooding 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
2011	2010
200,000	140,000

Note 32 Government Grants & Subsidies

WDC receives government grants from Land Transport New Zealand, which subsidises part of the costs in maintaining the local roading infrastructure. The subsidies are recognized as revenue upon entitlement as conditions relating to eligible expenditure are fulfilled. WDC has received \$10,043,277 in government subsidies for the year ended 30 June 2011, (2010 \$9,285,325). \$9,784,156 was received from Land Transport New Zealand in transport subsidies, (2010 \$9,036,998), \$2,568 in Veteran Affairs, (2010 \$2,625), \$10,384 from Creative New Zealand (2010 \$15,550), \$8577 from SPARC'S rural travel fund, (2010 \$8,677), \$74,882 funding YROA YNOT funding, \$151,464 from Ministry of Internal Affairs (2010 \$152,392) and \$Nil from Civil Defence , (2010 \$3,217). WDC has fulfilled all conditions attaching to the government assistance.

Revenue received from Government grants and subsidies (and hence operating surplus) includes \$1,856,880 (2010 \$3,839,940) relating to grants received where the associated expenditure has been capitalized. Expenditure relating to these projects will be recognized (primarily as depreciation) over the life of the capitalized assets.

Cashflow from Government grants and subsidies (and hence operating cash inflows) includes \$1,856,880 (2010 \$3,839,940) with respect to these capital grants where the associated cash out flows are recognized 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 Financial Accounts

Explanations for major variations from WDC's estimated figures in the 2009/2019 Long Term Council Community Plan and the 2009/2010 Annual Plan are as follows:-

	2011	2010
Income Statement	Annual Plan	Annual Plan
2011 plan net surplus	1,810,234	819,081
Higher (lower) subsidy revenue (regional projects, emergency works)	2,497,798	2,777,111
Higher (lower) income from investments	-97,559	636,478
Higher (lower) income from fees & charges (water production, waste management)	-150,672	-26,994
Higher income from rates	158,506	45,404
Increase in costs due to additional roading work, operating deficits from production of water and sewerage	-4,543,296	-3,382,772
Capital gain on asset sales		
Loss on revaluation of woodlots	0	-53,001
Gain on revaluation of Wairoa Landfill Aftercare provision	0	102,746
Other	14,179	-2,350
2011 actual net surplus	<u>-310,810</u>	<u>915,703</u>
Capital expenditure		
2011 plan	9,257,951	5,655,837
Projects deferred or cancelled		
Additional projects approved	-3,656,585	148,029
Projects under/over spent		
Actual expenditure 2009	<u>5,601,366</u>	<u>5,803,866</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.

Note 36 Adoption of Annual Report

Council adopted the Annual Report on the 22 December 2011.

The statutory deadline to adopt the Annual Report for the year ended 30 June 2011 was 31st October 2011.

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 Roothing 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 2011. The financial statements were authorised for issue by Council on 22 December 2011.

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 2011:

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 and effective, 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 adopted 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 adopt ed this standard for the year ended 30 June 2010.
- 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 adopted the revised NZ IFRS 3 and NZ IAS 27 for the year ended 30 June 2011.

- **NZ IFRS 7 – Financial Instrument disclosures (amended December 2008)**

The amended IFRS 7 is effective for reporting periods beginning on or after 1 July 2009 and must be applied prospectively from that date. The main changes the amended NZ IFRS 7 will make to existing requirements or practice are:

Quoted prices in active markets for identical assets or liabilities (Level 1).

Inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and inputs for the asset or liability that are not based on observable market data or observable inputs) (Level 3).

- **NZ IFRS 8 – Operating Segments**

Public benefit entities are not required to comply with the requirements of NZ IFRS 8.

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

- **NZ IFRS 9– Financial Instruments**

This was issued November 2009 and is effective for reporting periods beginning on or after 1 January 2013. This standard requires all assets within the scope of NZ IAS 39 to be classified on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Council has not yet quantified the potential impact of the new standard

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	5,500	5,690
2. Housing	5,100	3,924
4. Rural fire appliances	45,600	26,506
5. Camping Ground	8,800	8,573
6. Water Production	147,385	153,554
7. Roothing	1,363,229	1,463,550
Total	<u>\$1,575,614</u>	<u>\$1,661,796</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 2010/11

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 2011

EXECUTIVE STAFF

Chief Executive Officer	P.J. Freeman
Manager Administration	J. Baty
Manager Engineering	N. Cook
Manager Finance	D. Steed

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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

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WAIROA DISTRICT COUNCIL ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

The Auditor-General is the auditor of Wairoa District Council (the District Council). The Auditor-General has appointed me, Grant Taylor, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements, service provision information and other information required by schedule 10 of the Local Government Act 2002 (other information) of the District Council on her behalf.

We have audited:

- the financial statements of the District Council on pages 53 to 100, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies, explanatory information and other information required by schedule 10 of the Local Government Act 2002; and
- the service provision information of the District Council on pages 13 to 52 that includes other information required by schedule 10 of the Local Government Act 2002.

Unqualified opinion

In our opinion:

- The financial statements of the District Council on pages 53 to 100
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council's financial position as at 30 June 2011; and
 - the results of its operations and cash flows for the year ended on that date.
- The service provision information of the District Council on pages 13 to 52
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service for the year ended 30 June 2011, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term council community plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- The other information of the District Council contained in the financial statements and service provision information, complies with the requirements of Schedule 10 of the Local Government Act 2002 applicable to the annual report and fairly reflects the required information.

Our audit was completed on 22 December 2011. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements, service provision information and other information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, service provision information and other information whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the financial statements, service provision information and other information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

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

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

Responsibilities of the Council

The Council is responsible for preparing:

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

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

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements, service provision information and other information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

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

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

A handwritten signature in blue ink, appearing to read 'Grant Taylor', with a long horizontal flourish extending to the right.

Grant Taylor
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand