


Wairoa District Council

SUMMARY ANNUAL REPORT

2008-2009



 *Te Wairoa Hōpūpū Hōnengenenge
Matangirau*

Adopted 30 October 2009



Wairoa District Council 2009 ©

JOINT STATEMENT FROM THE MAYOR AND THE CHIEF EXECUTIVE OFFICER

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

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

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

Performance Management

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

Quality Rooding and Services (Wairoa) Limited

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

Building Accreditation

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

Mahia Community Waste Water Scheme

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

Planning

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

Rooding

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

Stormwater – Wairoa

414m open drains piped

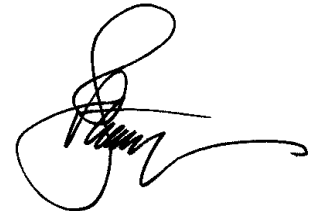
Stormwater – Mahia – Major stormwater works undertaken

255m new pipes
410m flood berm

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



L. Probert, JP
MAYOR



P J Freeman
CHIEF EXECUTIVE OFFICER

HIGHLIGHTS

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

Long Term Council Community Plan:

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

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

Mahia Community Wastewater Scheme:

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

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

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

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

Waste Management:

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

Mahia Stormwater Improvements:

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

New Capital Work in Wairoa:

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

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

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

Reserves Management Plans:

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

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

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

Additional Projects—

Upgrading Ngati Pahauwera Netball Courts at Raupunga

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

Contributing to the HB Healthy Homes Project

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

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

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

COMMUNITY OUTCOMES

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)				Is Wairoa District generally a safe place to live? (A safe and secure community)			
	2007	2008	2009		2007	2008	2009
Yes	36%	33%	38%	Yes, definitely	27%	41%	36%
The Same	49%	53%	51%	Yes, mostly	67%	50%	54%
Worse	9%	8%	6%	Not really	4%	7%	8%
Unable to comment	6%	6%	5%	No, definitely not	2%	1%	
				Unsure		1%	2%

Satisfaction with the way in which Council involves the public in the decisions it makes. (Strong leadership and a sense of belonging; Supportive, caring and valued communities)				Quality of Life (All Outcomes)			
	2007	2008	2009		2007	2008	2009
Very satisfied	6%	7%	10%	Very Good	30%	38%	35%
Satisfied	42%	52%	44%	Good	56%	45%	50%
Neither satisfied nor dissatisfied	25%	24%	26%	Fair	11%	14%	13%
Dissatisfied	18%	14%	9%	Poor	3%	3%	2%
Very dissatisfied	4%	2%	4%	Don't know			
Don't know	5%	1%	7%				

Community Spirit. (Supportive, caring and valued communities)				Natural Environment (An environment that is appreciated, protected and sustained for future generations)			
	2007	2008	2009		2007	2008	2009
Very good	26%	33%	36%	Very satisfied	15%	25%	23%
Good	51%	42%	46%	Satisfied	53%	46%	53%
Neither good nor bad	17%	20%	15%	Neither satisfied nor dissatisfied	20%	13%	9%
Not very good	4%	2%	3%	Dissatisfied	8%	13%	8%
Poor	2%	1%		Very dissatisfied	4%	3%	4%
Don't know		2%		Don't know			3%

Health Services. (A lifetime of good health and wellbeing)				Education Services (A strong, thriving and prosperous economy)			
	2007	2008	2009		2007	2008	2009
Very satisfied	17%	23%	26%	Very satisfied	11%	12%	10%
Satisfied	42%	44%	37%	Satisfied	38%	46%	46%
Neither satisfied nor dissatisfied	16%	12%	13%	Neither satisfied nor dissatisfied	20%	9%	12%
Dissatisfied	19%	14%	16%	Dissatisfied	19%	13%	14%
Very dissatisfied	5%	6%	4%	Very dissatisfied	3%	4%	5%
Don't know	1%	1%	4%	Don't know	9%	16%	13%

Summary Financial Report for the year ended 30 June 2009

The information contained in this report has been extracted from the audited Annual Report of the Wairoa District Council for the year ended 30 June 2008. An unqualified audit report was signed on 30th October 2009. Ernst and Young, on behalf of the Auditor General, have reviewed this summary report and have confirmed that it fairly and consistently represents the full Annual Report for the year.

A Summary Report cannot be expected to provide as complete an understanding of the financial and non-financial performance of the Council as the full Annual Report. A copy of the full report is available from Wairoa District Council, Coronation Square, Wairoa (P O Box 54, Wairoa) or by visiting the Wairoa District Council website at www.wairoadc.govt.nz.

The financial statements comprise the Wairoa District Council and its Council Controlled Trading Organisation, Quality Roothing and Services (Wairoa) Ltd.

Changes in Accounting Policies: All accounting policies have been applied on a consistent basis throughout the year.

Overview

The summary financial statements comply with FRS 43: Summary Financial Statements.

The financial statements are prepared and presented in New Zealand dollars. The financial statements are rounded to the nearest whole dollar.

The summary financial statements were authorised for issue on 30 October 2009, by the Mayor, Les Probert, and the Chief Executive Officer, Peter Freeman.

The full financial statements were authorised for issue on 30 October 2009. The Wairoa District Council is a public benefit entity. The full financial statements comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Summary of Council Revenue

	\$	%
Rates	8,571,312	43.91%
Subsidies	7,373,468	37.77%
Petrol Tax	66,762	0.34%
Fees and Charges	1,810,843	9.28%
Investment Income	1,697,224	8.69%
Miscellaneous Income	728	0.01%
	19,520,337	100.00%

Subsidies and Rates make up over 80% of the revenue of Council. The bulk of subsidies are received from Land Transport New Zealand to subsidise the cost in maintaining the local roading infrastructure. Council receives petrol tax as its share of the regional income based on the relative rating income of local authorities in the East Coast region. Fees and charges are the costs charged directly to consumers of Council services including the Landfill. Investment Income includes income from interest in investments and dividends from Quality Roothing and Services (Wairoa) Limited. Rates are charged to all residents owning land within the Wairoa District, and include uniform charges for running Council, and for services such as water and sewerage. Targeted rates are charged for roading, stormwater, parks and reserves and services.

Summary of Council Expenditure

	\$	%
Water Services	2,772,253	14.44%
Solid Waste	971,658	5.06%
Transport	10,359,209	53.97%
Community Facilities	1,973,906	10.28%
Planning & Regulatory	1,271,649	6.62%
Leadership & Governance	1,255,012	6.54%
Investments	387,647	2.02%
Corporate	204,692	1.07%
	<u>19,196,026</u>	<u>100.00%</u>

Water Services includes the cost of supplying and reticulating water to residents, and collecting stormwater and sewerage. Waste Management includes the collection of rubbish and recyclables, the management of the Landfill and control of litter. Transport includes the cost of maintaining local roads, and parking facilities plus the safe operation of the airport. Community facilities includes maintaining cemeteries, parks and reserves, pensioner housing plus funding of the library, museum, community centre and community halls. Planning and Regulatory includes planning, health, building, livestock and dog control plus bylaw enforcement, liquor licensing, safer communities and emergency management. Leadership and governance includes community representation, maori liaison, and economic development. Investments includes commercial and sundry properties, funds management and dividends. Corporate includes management, administration, finance, asset information and information systems.

Summary of Council Assets

Property, Equipment and Intangibles	168,209,741	87.61%
Investment Properties	277,000	0.14%
Investment in Subsidiaries	1,250,000	0.65%
Cash and Cash Equivalents and other		
Financial Assets	19,230,443	10.02%
Trade and other Receivables	2,847,214	1.48%
Other Assets	174,002	0.10%
	<u>191,988,400</u>	<u>100.00%</u>

Council property includes land and buildings, vehicles furniture and office equipment plus infrastructure assets such as roading, bridges, and water reticulation, and computer software. Investment properties is the enterprise building that houses the information centre. Investment in subsidiaries is the initial investment Council made in subsidiary Quality Roothing and Services (Wairoa) Limited. Cash and cash equivalents and financial assets includes cash, investments, and assets held for sale. Trade and other receivables includes all accounts outstanding as at year end. Other assets includes inventories, loans and other receivables, and forestry, a biological asset.

Summary of Council Liabilities

Trade and Other Payables	3,046,801	73.16%
Landfill Aftercare	701,766	16.85%
Employee Benefit Liabilities	415,823	9.99%
Borrowings	0	0.00%
	<u>4,164,390</u>	<u>100.00%</u>

Trade and other payables includes all accounts owing to creditors at year end. Landfill Aftercare is the liability Council has for ongoing maintenance of the Landfill. Employee benefit liabilities represents the liability for annual leave, long service leave, gratuities, sick leave and accrued pay. Borrowings is the total amount of public debt owed by Council at year end.

Explanation of major variances against budget

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

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

2008 Council	2008 Group		2009 Annual Plan	2009 Council	2009 Group
Summary Statement of Financial Performance					
7,920,147	7,920,147	Rates Revenue	8,691,953	8,571,312	8,571,312
10,178,735	19,268,677	Other Revenue	14,558,620	10,949,025	18,068,406
18,098,882	27,188,824	Total Operating Revenue	23,250,573	19,520,337	26,639,718
43,838	225,928	Total Finance Expense	46,500	24,166	232,782
17,580,476	26,257,244	Total Operating Expense (excluding finance expense)	17,421,145	19,171,860	26,003,669
14,509	14,509	Increase/decrease in biological asset	0	(4,396)	(4,396)
(35,600)	(35,600)	Capital Gain on Asset Sales	0	14,391	14,391
453,477	684,561	Operating Surplus/ (Deficit) before taxation	5,782,928	334,306	413,262
0	(143,477)	Taxation	0	0	(86,768)
453,477	541,084	Net Surplus / (Deficit)	5,782,928	334,306	326,494
Summary Statement of Changes in Equity					
168,803,958	171,775,652	Equity opening balance	164,083,885	187,489,704	190,549,005
453,477	541,084	Net Surplus /(Deficit)	5,782,928	334,306	326,494
18,232,269	18,232,269	Revaluations	0	0	362,208
187,489,704	190,549,005	Equity closing balance	169,866,813	187,824,010	191,237,707
Comprising:-					
121,664,010	124,094,985	Accumulated Funds and Retained Earnings	121,361,486	121,550,680	123,973,843
51,159,753	51,788,079	Revaluation Reserves	32,589,153	50,756,530	51,747,064
14,598,154	14,598,154	Special Fund Reserves	15,845,176	15,516,800	15,516,800
67,787	67,787	Sinking Fund Reserves	70,998	0	0
187,489,704	190,549,005		169,866,813	187,824,010	191,237,707
Summary Statement of Financial Position					
21,393,125	25,383,979	Current Assets	16,266,604	22,093,856	25,747,361
170,077,907	173,342,538	Non-current Assets	164,479,313	169,894,544	172,913,521
191,471,032	198,726,517	Total Assets	180,745,917	191,988,400	198,660,882
3,003,613	5,083,204	Current Liabilities	4,680,000	3,217,800	4,742,159
977,715	3,094,308	Non-current Liabilities	6,199,104	946,590	2,681,016
3,981,328	8,177,512	Total Liabilities	10,879,104	4,164,390	7,423,175
187,489,704	190,549,005	Total Equity	169,866,813	187,824,010	191,237,707
Summary Cash Flow Statement					
4,222,767	4,449,938	Cash Flow from Operating Activities	9,427,408	5,993,149	7,804,586
(3,375,389)	(4,668,065)	Cash Flow from Investing Activities	(15,128,374)	(5,358,691)	(5,562,227)
(270,000)	1,052,725	Cash Flow from Financing Activities	5,288,000	(230,000)	(487,805)
577,378	834,598	Net Increase/(Decrease) in Cash and Cash Equivalents	(412,966)	404,458	1,754,554
5,488,384	5,174,300	Plus Opening Cash and Cash Equivalents	2,966,346	6,065,762	6,008,898
6,065,762	6,008,898	Closing Cash and Cash Equivalents	2,553,380	6,470,220	7,763,452

In the opinion of Council and management of Wairoa District Council, the summary financial report for the year ended 30 June 2009 fairly reflects the financial position and operations of the Wairoa District Council.



Mayor
L Probert
30th October 2009



Chief Executive
P J Freeman
30th October 2009