



CARTERTON DISTRICT COUNCIL
ANNUAL REPORT

For the year ended 30 June 2006

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Adopted by Council 30 October 2006

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Directory

<p>Elected Members</p> <p>His Worship the Mayor Gary McPhee</p> <p>Deputy Mayor Cr. W (Bill) Knowles</p> <p>Councillors</p> <p>Cr. Michael Blundell Cr. Richard Booth Cr. Elaine Brazendale Cr. Ruth Carter Cr. Jill Greathead Cr. David Lowes Cr. Brian Poulsen</p>	<p>Senior Staff</p> <p>Chief Executive Colin Wright</p> <p>Manager Planning & Regulatory Milan Hautler</p> <p>Manager Support Services Julie Hallam</p> <p>Manager Operations Garry Baker</p> <p>Manager Recreation & Community Services Brian McWilliams</p>	<p>Financial Advisors PricewaterhouseCoopers Paul Lynskey</p> <p>Resource Management & Engineering Consultants Opus International Consultants NZ Environmental Technologies Ltd</p> <p>Auditors Audit New Zealand Laurie Desborough</p> <p>Solicitors Wollerman, Cooke & McClure Mark Hinton</p> <p>Bankers Bank of New Zealand Noel Fussell</p>
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Mayor's and Chief Executive Officer's Report

We have pleasure in introducing the Carterton District Council's Annual Report for the 2005-06 financial year.

The Carterton District has been experiencing significant growth in recent times and the Council has been working hard during the year to fulfil its mission statement of improving the quality of life and providing amenities and services for the benefit of residents and visitors.

Details relating to the Council's finances and activities for the year are recorded in the following pages of this annual report. However, we would like to particularly mention some highlights as follows.

- Stage one of the upgrading of the Central Business area was commenced with a contract let for a substantial renovation for Memorial Square. Unfortunately very wet weather conditions resulted in slow progress on this contract.
- A third bore was successfully constructed at the Lincoln Road pumping station as part of the programme of giving Carterton an alternative water supply to the Kaipaitangata Stream during high river flow conditions.
- A programme to install water meters to all connected properties was commenced during the year and is expected to be completed during 2007.
- The wetlands and land disposal system at the Wastewater Treatment Plant performed well and met resource consent conditions during the year.
- A house to house programme to eliminate illegal stormwater connections to the sewerage system was completed during the year.
- Preparations are well underway for the transportation of the residual waste from our transfer station to a properly engineered landfill in the Manawatu. This is the course of action recommended by Waste Management Wairarapa, a joint committee of the three district councils in the Wairarapa.
- Harvesting was recommenced at the Council's Kaipaitangata forestry block. The proceeds will initially be largely used for loan repayments, but this harvesting will give additional funds for Council in future years.
- Very good progress was achieved with the Combined Wairarapa District Plan in conjunction with the other two Wairarapa councils such that the Proposed Plan was notified for public submissions in August 2006.
- The installation by Council of security cameras in the CBD area has resulted in a dramatic reduction in vandalism and other unwanted activities in High Street making Carterton a safer community.
- Further improvements were made to the Carterton Holiday Park and at the Clareville Cemetery and the high standard of these facilities has received much favourable comment.
- The Council has worked with the other two Wairarapa councils to produce a Wairarapa Physical Activity Plan and an Arts, Culture and Heritage Strategy for the Wairarapa.
- Significant flood damage repair works were completed on the District's roads during the year and footpaths were upgraded in several Carterton streets.
- As a member of the Communities for Climate Protection Programme, Council has completed work on Milestones 1 and 2 of this programme as a good start in making Carterton a more sustainable district.

We look forward to another year of progress in 2006-07 and especially the celebration of Carterton's 150th Jubilee during 2007.



Gary McPhee
Mayor



Colin Wright
Chief Executive

District Vision



From the Mountains to the Sea – A Vibrant and United District with a Flowering Future

The Council logo above represents a graphic image of the vision and is explained as follows:

- Daffodil – District symbol/sun/health/vibrant/positive/events/arts
- Peaks – Recreation/tourism/environment/forestry/performance
- Circle – Unity/wholesome/safety/continuity/communication/quality of life
- Flower Stem – Rivers/road/rail/infrastructure/nurturing/growth/support
- Sea – Change/renewal/limitless horizons/nourishment/vitality/exploration

Council's Mission Statement

"To maintain and where possible enhance the quality of life and provide amenities and services within the Carterton District for the benefit of residents and visitors."

Community Outcomes

The following community outcomes were adopted by Council after extensive public consultation.

- Access to transport and communication systems that best meet the diverse needs of the district.
- Clean land, water and air for present and future generations.
- A buoyant local economy.
- A safe, healthy and educated community.

Statement of Compliance and Responsibility

Compliance

1. The Council and Management of the Carterton District Council certify that all the statutory requirements in relation to the annual report have been complied with.

Responsibility

2. The Council and Management of the Carterton District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.
3. The Council and Management of the Carterton 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 the financial report.
4. In the opinion of the Council and Management of the Carterton District Council, the annual Financial Statements for the year ended 30 June 2006 fairly reflect the financial position and operations of Carterton District Council.



G H McPhee
Mayor



Colin Wright
Chief Executive Officer

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

The Auditor-General is the auditor of Carterton District Council (the District Council). The Auditor-General has appointed me, Laurie Desborough, using the staff and resources of Audit New Zealand, to carry out an audit on his behalf. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the Council for the year ended 30 June 2006, including the financial statements.

Unqualified opinion

In our opinion:

The financial statements of the District Council on pages 9 to 52:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect :
 - the District Council's financial position as at 30 June 2006; 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 25 to 52 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and

The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 30 October 2006, and is the date at which our opinion is expressed.

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

Basis of opinion

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

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

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

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

Audit procedures generally include:

determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;

verifying samples of transactions and account balances;

performing analyses to identify anomalies in the reported data;

reviewing significant estimates and judgements made by the Council;

confirming year-end balances;

determining whether accounting policies are appropriate and consistently applied; and

determining whether all required disclosures are adequate.

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

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

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the District Council as at 30 June 2006. They must also fairly reflect the results of its operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for preparing the information in the other requirements. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

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

Independence

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

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



Laurie Desborough
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of Carterton District Council for the year ended 30 June 2006 included on Carterton District Council's website. The Chief Executive is responsible for the maintenance and integrity of the Carterton District Council's website. We have not been engaged to report on the integrity of the Carterton District Council's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 30 October 2006 to confirm the information included in the audited financial statements presented on the website.

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

Statement of Accounting Policies

Reporting Entity

Carterton District Council is a territorial local body governed by the Local Government Act 2002.

The Financial Statements have been prepared in accordance with section 98 of the Local Government Act 2002 which includes the requirement to comply with generally accepted accounting practice.

Measurement Base

The general accounting principles recognised as appropriate for the measurement and reporting of results and financial position on an historical cost basis, modified by the revaluation of certain fixed assets, have been followed.

Accounting Policies

The following policies, which materially affect the measurement of results and financial position, have been applied:

Revenue Recognition

Rates revenue is recognised when levied.

Water billing revenue is recognised on an accrual basis with unread meters at year end accrued on an actual usage basis.

Land Transport NZ roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants and bequests, and assets vesting in Council, are recognised as revenue when control over the assets is obtained.

Dividends are recognised on an accrual basis net of imputation credits.

Budget Figures

The budget figures are those approved by Council as part of the Long Term Council Community Plan process. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by Council for the preparation of financial statements.

Comparative Figures

The comparative figures are those approved by Council for the 2005 annual report. Some of the comparatives may have changed to reflect the new reporting format in the current year.

Goods and Services Tax (GST)

The financial statements have been prepared exclusive of GST with the exception of receivables and payables which are stated inclusive of GST where applicable. Where

GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

Properties Intended For Sale

Properties intended for sale have been valued at the lower of cost and net realisable value.

Shares in Companies

Shares have been recorded at fair value.

Taxation Expense

Income tax expense is charged in the statement of financial performance in respect of the current year's surplus after allowing for permanent differences.

Deferred taxation is determined on a comprehensive basis using the liability method. Deferred tax assets attributable to timing differences or income tax losses are recognised only when there is virtual certainty of realisation.

Council has no income liable to income tax.

Fixed Assets

Fixed assets consist of:

Operational assets, such as land, buildings, library collections, plant and equipment, and motor vehicles.

Infrastructural assets, which are the fixed utility systems, owned by Council, such as roads, water and sewerage systems.

Valuation

All assets are valued at historical cost less accumulated depreciation, except the following:

Land and buildings which are included at values advised by Kerry Stewart (Val Prof Urb, PG Dip Env Audit, MBA, ANZIV, SNZPI) and Mark Passey (BBS (VPM)) of Quotable Value New Zealand, at 1 July 2005. The valuation base is market valuation for current use. Additions are recorded at cost.

Infrastructural assets which are included at values advised by John Vessey (BE (Civil), BA (Economics), Reg Eng (MIPENZ)) of Opus International Consultants at 1

July 2005. The valuation base is optimised depreciated replacement cost. Additions are recorded at cost.

Land under roads which are included at values advised by John Vessey (BE (Civil), BA (Economics), Reg Eng (MIPENZ)) of Opus International Consultants at 30 June 2002. The valuation base is market valuation for current use. Additions are recorded at cost.

Library collections which are included at values advised by Richard HOLLIER of Maunsell Limited at 30 June 2006. The valuation base is depreciated replacement cost.

Vested assets which are included at the actual costs or current cost of providing identical services.

Forestry investment which are included at values advised by Forest Enterprises Limited at 30 June 2006. The following method of valuation was used: value was based on forest silviculture records and local knowledge to produce an indicative discounted cash flow valuation. A discount rate of 8% has been used. This is within the current recommended range of 7.5% to 9% for forestry valuations.

All valuations are provided by independent qualified valuers. Additions between valuations are recorded at cost.

Increases and decreases in the value of assets are credited or debited to the appropriate asset revaluation reserve.

Depreciation

Depreciation is provided on a straight line basis on all assets other than land, at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Land is not depreciated.

The estimated useful economic lives of major classes of assets have been estimated as follows:

Motor vehicles	5 years
Plant & equipment	10 to 15 years
Roads, bridges & footpaths*	2 to 123 years
Water systems*	2 to 100 years
Stormwater systems*	39 to 79 years
Sewerage systems*	2 to 97 years
Buildings	5 to 63 years
Library collections	7 years
Office equipment	5 to 10 years
Fixtures & fittings	10 years

In relation to infrastructural assets marked * (above), depreciation has been calculated at a componentry level based on the estimated remaining useful lives as assessed by Council's engineers and independent registered valuers.

A summary of these lives is detailed above.

Investments

All investments are stated at net realisable value. Any decreases are recognised in the statement of financial performance.

Employee Entitlements

Provision is made for Council's liability for annual leave. This has been calculated on an actual entitlement basis at current rates of pay.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Charges under these leases are charged as expenses in the periods in which they are incurred.

Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of the use Council makes of its accumulated surpluses.

The components of equity are:

- Accumulated funds
- Asset revaluation reserve
- Special funds and reserves

Some funds and reserves are subject to specific conditions as to use. Most are, however, Council-created reserves, established by Council decision. Transfers to and from the Council-created reserves are at the discretion of Council.

Accounts Receivable

Accounts receivable are stated at expected realisable value after providing for doubtful and uncollectible debts.

Inventories and Work in Progress

Inventories are valued at the lower of cost and net realisable value. The valuation includes allowance for slow moving and obsolete items.

Work in progress is valued at the lower of cost and net realisable value.

Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Council invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources and cash payments made for the supply of goods and services. Agency transactions (the collection of Regional Council rates) are recognised as receipts and payments in the Statement of Cash Flows because they flow through the Council's main bank account.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt structure of the Council.

Cost of Service Statements

The cost of service statements, as provided in the Statement of Service Performance, report the net cost of services for significant activities of the Council, and are represented by the costs of providing the service less all revenue that can be allocated to these activities.

Cost Allocation Policy

Direct costs are charged directly to each significant activity. Indirect costs are charged to significant activities based on cost drivers and related activity/usage information.

The cost of internal services not directly charged to activities is allocated as overheads using appropriate cost drivers such as estimated usage, staff number and floor area.

Financial Instruments

Council is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, debtors, creditors and loans. All financial transactions are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance. Except for loans, which are recorded at cost, and those items covered by a separate accounting policy, all financial instruments are shown at their estimated fair value.

Changes in Accounting Policies

Investments in shares have been valued at fair value to reflect a more accurate value of the investments. In prior years, shares have been valued at cost. All other policies have been applied on a basis consistent with prior years.

Statement of Financial Performance For the year ended 30 June 2006

Actual 30 June 2005 \$	Note	Actual 30 June 2006 \$	Budget 30 June 2006 \$
<u>OPERATING INCOME</u>			
4,172,464		4,212,092	4,202,452
-		43,699	-
286,064		280,864	223,000
509,599		750,523	593,216
998,090		955,110	963,960
59,511		64,775	60,000
117,774	1	32,417	22,000
167,728		179,772	170,046
178,471	2	115,047	19,510
61,673		72,547	10,000
30,830		32,719	-
48,770		44,950	79,200
-		354,614	-
-		146,589	-
38,193		3,291	-
6,669,167		7,289,009	6,343,384
<u>OPERATING COSTS</u>			
512,600		642,790	517,404
2,052,735		2,247,246	1,819,855
572,306		678,582	544,200
193,967		183,823	149,905
509,915		671,790	482,002
525,011		506,792	464,673
187,552		102,519	59,042
1,334,299		1,549,761	1,570,826
614,403		866,260	619,278
85,200		-	-
6,587,988		7,449,563	6,227,185
81,179		(160,554)	116,199
-		171,021	-
81,179	3	(331,575)	116,199

The accompanying accounting policies and notes form part of these financial statements.

Statement of Movements in Equity For the year ended 30 June 2006

Actual 30 June 2005 \$		Actual 30 June 2006 \$	Budget 30 June 2006 \$
92,863,586	Equity at start of year	92,057,239	93,321,115
81,179	Net surplus/ (deficit) for the year	(331,575)	116,199
<u>(887,526)</u>	Increase/(decrease) in revaluation reserve	<u>17,226,635</u>	<u>-</u>
<u>(806,347)</u>	Total recognised revenues and expenses for the period	<u>16,895,060</u>	<u>116,199</u>
<u>92,057,239</u>	Equity at end of year	<u>108,952,299</u>	<u>93,437,314</u>

The accompanying accounting policies and notes form part of these financial statements.

Statement of Financial Position As at 30 June 2006

Actual 30 June 2005 \$	Note	Actual 30 June 2006 \$	Budget 30 June 2006 \$
<i>ASSETS</i>			
<i>Current assets</i>			
182,825		168,626	500,000
3,673,347	4	2,714,936	5,044,412
-	4	1,167	-
450,896	5	446,843	400,000
2,947	6	17,265	-
73,300		43,800	-
4,383,315		3,392,637	5,944,412
<i>Non-current assets</i>			
692,878	4	888,090	679,191
1,325,033	4	1,221,496	1,032,859
19,921	7	38,293	19,921
88,203,728	8	105,976,846	89,376,442
90,241,560		108,124,725	91,108,413
94,624,875		111,517,362	97,052,825
<i>LIABILITIES</i>			
<i>Current liabilities</i>			
807,240	9	967,691	2,247,695
180,992	10	224,439	-
15,682		23,418	-
120,984		90,000	120,984
177,544	11	696,913	116,347
1,302,442		2,002,461	2,485,026
<i>Non-current liabilities</i>			
1,265,194	11	562,602	1,130,485
1,265,194		562,602	1,130,485
<i>Equity</i>			
62,751,366	12	60,816,645	92,758,123
692,878	13	2,291,731	618,901
61,049	13	65,340	60,290
28,551,946	12	45,778,583	-
92,057,239		108,952,299	93,437,314
94,624,875		111,517,362	97,052,825

The accompanying accounting policies and notes form part of these financial statements.

Statement of Cash Flows As at 30 June 2006

Actual 30 June 2005 \$		Actual 30 June 2006 \$	Budget 30 June 2006 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
<i>Cash was received from:</i>			
4,241,226	Rates	4,294,248	6,098,384
721,562	Regional council rates	642,390	-
998,090	Government grants & subsidies	987,527	-
59,511	Petrol tax	56,144	-
1,114,845	Other income	1,329,671	-
286,064	Interest on investments	280,320	245,000
<u>7,421,298</u>		<u>7,590,300</u>	<u>6,343,384</u>
<i>Cash was applied to:</i>			
5,086,075	Payments to suppliers & employees	5,573,287	4,296,121
713,872	Regional council rates	631,703	-
92,195	Interest paid	84,542	67,866
<u>5,892,142</u>		<u>6,289,532</u>	<u>4,363,987</u>
1,529,156	Net cash flow from operating activities	1,300,768	1,979,397
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
<i>Cash was received from:</i>			
273,969	Sale of property, plant & equipment	33,872	50,000
373,139	Term investments & advances	-	-
<u>647,108</u>		<u>33,872</u>	<u>50,000</u>
<i>Cash was applied to:</i>			
3,004,728	Purchase of property, plant & equipment	1,888,658	1,826,050
-	Term investments & advances	40,157	-
<u>3,004,728</u>		<u>1,928,815</u>	<u>1,826,050</u>
(2,357,620)	Net cash flow from investing activities	(1,894,943)	(1,776,050)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
<i>Cash was received from:</i>			
86,398	Public debt	-	-
<i>Cash was applied to:</i>			
208,701	Repayment of public debt	183,223	116,347
(122,303)	Net cash flow from financing activities	(183,223)	(116,347)
(950,767)	Net increase/(decrease) in cash held	(777,398)	87,000
5,499,817	Add cash at start of year (1 July)	4,549,050	29,199
<u>4,549,050</u>	Balance at end of year (30 June)	<u>3,771,652</u>	<u>116,199</u>
<u>REPRESENTED BY:</u>			
182,825	Bank accounts	168,626	116,199
3,673,347	Short term deposits & investments	2,714,936	-
692,878	Special funds	888,090	-
<u>4,549,050</u>		<u>3,771,652</u>	<u>116,199</u>

The accompanying accounting policies and notes form part of these financial statements.

**Reconciliation of Net Surplus
To Net Cash Flow from Operating Activities
For the year ended 30 June 2006**

Actual 30 June 2005 \$		Actual 30 June 2006 \$	Budget 30 June 2006 \$
81,179	Operating surplus/deficit	(331,575)	116,199
	<i>Non cash expenses</i>		
1,300,949	Depreciation	1,673,035	1,241,064
-	Share devaluation / (revaluation)	(17,850)	-
-	Increase/(decrease) in provision for doubtful debts	5,042	-
-	Increase/(decrease) in provision for landfill aftercare	(30,984)	-
184,339	Loss on sale of assets	8,532	-
-	Asset revaluations	171,021	-
-	Assets vesting in council	(354,614)	-
(38,192)	Profit on sale of assets	(3,291)	-
<u>1,447,096</u>		<u>1,450,891</u>	<u>1,241,064</u>
	<i>Plus/(less) movements in working capital</i>		
415	(Increase)/decrease in inventories	(14,318)	-
(75,319)	(Increase)/decrease in prepayments & receivables	(15,864)	(25,441)
75,785	Increase/(decrease) in payables & accruals	168,187	647,575
-	Increase/(decrease) in employee entitlements	43,447	-
<u>881</u>		<u>181,452</u>	<u>622,134</u>
1,529,156	Net cashflow from operating activities	1,300,768	1,979,397

The accompanying accounting policies and notes form part of these financial statements.

Statement of Commitments, Contingent Liabilities and Guarantees

Statement of Commitments

30 June 2006		30 June 2007 Year 1	30 June 2008 Year 2	2009 – 2011 Years 3 – 5
\$		\$	\$	\$
79,803	Professional services – roads	102,979	68,977	-
51,031	Landfill contract	-	-	-
1,019,400	Road maintenance – Fulton Hogan	1,206,000	-	-
1,580	Office cleaning	10,668	-	-
-	Security	-	-	-
1,795	EFTPOS terminal	897	-	-
6,620	Router	5,880	-	-
13,076	NCS – software support agreement	13,520	-	-
5,762	NCS – Linux network agreement	12,062	-	-
7,074	NCS – Unix support agreement	-	-	-
<u>18,470</u>	Photocopier leases	<u>16,908</u>	<u>16,908</u>	<u>23,953</u>
<u>1,204,611</u>		<u>1,368,914</u>	<u>85,885</u>	<u>23,953</u>

Contingent Liabilities

As at 30 June 2006, there is one claim against Council that has not been resolved. The maximum liability Council has is \$20,000 (insurance excess). As at 30 June 2006, the suspensory portion of Council's forestry encouragement loans held with the Ministry of Agriculture and Forestry is \$233,162. This includes both a principal and interest portion. For the year ended 30 June 2005 the amount was \$178,477.

Council is not aware of any other contingent liabilities for 2006.

Council entered into a contract with PricewaterhouseCoopers for the provision of financial advisory support commencing 1 November 2005.

Notes to the Accounts

Note 1: Grants and Subsidies

	30 June 2006 \$	30 June 2005 \$
Creative New Zealand	9,109	8,340
SPARC rural travel fund	7,000	-
Employment subsidy	11,325	24,897
Internal affairs	1,093	1,241
Civil defence subsidy	1,060	1,335
Summer reading grant	2,830	4,279
Other	-	77,682
	<u>32,417</u>	<u>117,774</u>

Note 2: Miscellaneous Income

	30 June 2006 \$	30 June 2005 \$
Dividends	543	1,961
Sundry sales	4,409	3,254
Roading recoveries	27,222	22,928
Daffodil carnival	2,823	2,772
Keep Carterton Beautiful	2,389	222
Centennial calendar	2,400	-
Grazing	642	1,918
Other	74,619	145,416
	<u>115,047</u>	<u>178,471</u>

Note 3: Net Surplus/(Deficit)

	30 June 2006 \$	30 June 2005 \$
After charging:		
Audit fees		
- Financial reporting and systems management	56,200	53,550
- LTCCP 2007-2016	30,400	-
- Other services provided by the external auditor	-	-
	<u>86,600</u>	<u>53,550</u>
Depreciation		
- Motor vehicles	63,492	88,249
- Plant & equipment	64,442	31,979
- Roads, bridges & footpaths	894,504	715,656
- Water systems	185,623	153,204
- Stormwater systems	25,834	17,304
- Sewerage systems	167,235	109,836
- Buildings	159,627	105,278
- Library collections	30,000	-
- Office equipment	61,110	62,427
- Fixtures & fittings	21,168	17,016
	<u>1,673,035</u>	<u>1,300,949</u>
Councillors' remuneration	141,136	129,211
Interest expense	84,721	92,195
Rates debtors written off	-	1,470
Change in provision for doubtful debts	5,042	-
Rental expense of leased assets	18,374	18,472
Fixed assets write off	-	-
Donations	-	50
Severance payments	-	-

Note 4: Investments

	30 June 2006 \$	30 June 2005 \$
<i>Current</i>		
Short term deposits	2,714,936	3,673,347
Advances	1,167	-
	<u>2,716,103</u>	<u>3,673,347</u>
<i>Non-current</i>		
Advances	13,708	-
Special fund investments	888,090	692,878
Shares in companies (refer Note 7)	38,293	19,921
Forestry	1,207,788	1,325,033
	<u>2,147,879</u>	<u>2,037,832</u>
 Total investments	 <u>4,863,982</u>	 <u>5,711,179</u>

Interest rates on investments ranged from 6.72% to 7.32%.

Note 5: Prepayments & Receivables

	30 June 2006 \$	30 June 2005 \$
Other receivables and accruals	225,130	198,803
Less provision for doubtful debts	(20,042)	(15,000)
Net other receivables and accruals	<u>205,088</u>	<u>183,803</u>
 Rates receivables	 151,661	 153,358
Prepayments	17,665	62,139
Goods and services tax	72,429	51,596
	<u>446,843</u>	<u>450,896</u>

Note 6: Inventories

	30 June 2006 \$	30 June 2005 \$
Works inventory	3,273	2,947
Rubbish bags	13,992	-
	<u>17,265</u>	<u>2,947</u>

Note 7: Shares in Companies

	Fair value Book value 30 June 2006 \$	Fair value Book value 30 June 2005 \$
New Zealand Local Government Insurance Corporation Limited 11,821 shares of \$2.51 each Airtel Limited 8,100 shares of \$1.00 each Farmlands Trading Society Limited 10 shares of \$52.20 each		
	29,671	21,041
 New Zealand Local Government Insurance Corporation Ltd		
Airtel Ltd	8,100	8,100
Farmlands Trading Society Ltd	522	-
	<u>38,293</u>	<u>29,141</u>
 New Zealand Local Government Insurance Corporation Ltd		
Airtel Ltd	8,100	8,100
Farmlands Trading Society Ltd	522	-
	<u>20,443</u>	<u>19,921</u>

Note 8: Property, Plant and Equipment

	Valuation & Cost \$	Accumulated Depreciation \$	Book Value \$
30 June 2006			
<i>Infrastructural assets</i>			
Roads, bridges & footpaths	86,922,244	894,504	86,027,740
Water systems	4,104,555	185,623	3,918,932
Sewerage systems	3,967,109	167,235	3,799,874
Stormwater systems	1,789,036	25,834	1,763,202
Landfill	278,940	11,240	267,700
Water races	65,259	-	65,259
	<u>97,127,143</u>	<u>1,284,436</u>	<u>95,842,707</u>
<i>Operational assets</i>			
Land	3,822,843	-	3,822,843
Buildings	4,849,741	161,437	4,688,304
Fixtures & fittings	318,235	150,430	167,805
Office equipment	458,914	276,192	182,722
Library collections	331,453	-	331,453
Motor vehicles	695,691	330,667	365,024
Plant & equipment	1,026,969	458,173	568,796
	<u>11,503,846</u>	<u>1,376,899</u>	<u>10,126,947</u>
Work in progress	7,192	-	7,192
Total assets	<u>108,638,181</u>	<u>2,661,335</u>	<u>105,976,846</u>

	Valuation & Cost \$	Accumulated Depreciation \$	Book Value \$
30 June 2005			
<i>Infrastructural assets</i>			
Roads, bridges & footpaths	72,303,547	2,138,677	70,164,870
Water systems	4,637,728	458,862	4,178,866
Sewerage systems	3,985,133	334,148	3,650,985
Stormwater systems	2,021,818	51,818	1,970,000
Landfill	278,940	11,240	267,700
Water races	54,078	-	54,077
	<u>83,281,244</u>	<u>2,994,745</u>	<u>80,286,498</u>
<i>Operational assets</i>			
Land	2,556,931	-	2,556,931
Buildings	3,880,621	316,839	3,563,782
Fixtures & fittings	265,512	129,262	136,250
Office equipment	439,863	231,812	208,051
Library collections	608,251	-	608,251
Motor vehicles	933,374	529,741	403,634
Plant & equipment	568,221	131,699	436,522
	<u>9,252,773</u>	<u>1,339,353</u>	<u>7,913,421</u>
Work in progress	3,809	-	3,809
Total assets	<u>92,537,826</u>	<u>4,334,098</u>	<u>88,203,728</u>

Note 9: Payables & Accruals

	30 June 2006 \$	30 June 2005 \$
Trade payables	663,128	791,558
Income in advance	176,940	-
Accruals	127,623	15,682
	<u>967,691</u>	<u>807,240</u>

Note: 10 Employee Entitlements

	30 June 2006 \$	30 June 2005 \$
Accrued pay	38,207	22,447
Accrued leave	186,232	158,545
	<u>224,439</u>	<u>180,992</u>

Note 11: Public Debt

		30 June 2006	30 June 2005
	\$	\$	\$
<i>Term Loans</i>	Interest	Principal	Principal
Repayment terms			
2005/2006	-	-	177,544
2006/2007	55,420	696,913	709,232
2007/2008	40,735	512,792	90,421
2008/2009	2,455	23,439	91,395
2009/2015	1,082	26,371	374,146
	<u>99,692</u>	<u>1,259,515</u>	<u>1,442,738</u>

The range of interest rates applying to the above loans is 3.50% to 7.50% with a weighted average of 7.03% (6.88%, 2004/2005). Loans are secured by way of rates.

Note 12: Equity

	30 June 2006	30 June 2005
	\$	\$
<i>Public Equity</i>		
Opening balance	62,751,366	61,884,655
Surplus/(deficit)	(331,575)	81,179
Net transfers to/(from) reserves	<u>(1,603,146)</u>	<u>785,532</u>
	<u>60,816,645</u>	<u>62,751,366</u>
<i>Asset Revaluation Reserves</i>		
Opening balance	28,551,946	29,666,896
Revaluation of infrastructure assets	15,226,460	-
Revaluation of land & buildings	2,268,166	-
Revaluation of library collection	(111,109)	-
Revaluation of forestry investment	(156,880)	(1,083,117)
Revaluation portion relating to properties sold	-	(31,833)
	<u>45,778,583</u>	<u>28,551,946</u>
<i>Asset Revaluation Reserves</i>		
Roading, bridges & footpaths	37,021,001	21,518,174
Stormwater systems	1,039,983	1,291,576
Water systems	1,754,274	1,990,538
Sewerage systems	1,077,582	866,092
Land	2,937,860	1,747,401
Buildings	1,814,279	736,572
Forestry	133,604	290,484
Library collections	-	111,109
	<u>45,778,583</u>	<u>28,551,946</u>

Note 13: Special Reserves & Trusts

	Balance 1 July 2005	Transfer to Fund	Transfer from Fund	Balance 30 June 2006
	\$	\$	\$	\$
Discretionary reserves	20,238	363,328	(210,840)	172,726
Restricted reserves	565,352	1,119,301	(308,171)	1,376,482
Hall Board reserves	23,358	-	(10,226)	13,132
Water race reserves	11,588	835	(11,180)	1,243
Other reserves	72,341	2,541,523	(1,885,716)	728,148
Trusts	61,050	4,290	-	65,340
Total	<u>753,927</u>	<u>4,029,277</u>	<u>(2,426,133)</u>	<u>2,357,071</u>

Note 14: Chief Executive's Remuneration

Chief Executive – Kieran Shaw from 1 July 2005 to 18 May 2006.

	30 June 2006	30 June 2005
	\$	\$
Salary	107,406	94,095
Bonus	9,850	9,410
	<u>117,256</u>	<u>103,505</u>

Acting Chief Executive – Milan Hautler from 29 May to 30 June 2006.

Salary	11,099	-
	<u>11,099</u>	<u>-</u>
Total remuneration	<u>128,355</u>	<u>103,505</u>

For the year ended 30 June 2006 the total annual cost to the Carterton District Council of the remuneration package of the Chief Executive was \$128,355 compared to \$103,505 as at 30 June 2005.

Note 15: Rates Remission

Revenue is shown net of rates remissions and non-rateable land. Under the Council's rate remission policies, the Council allowed remissions of \$15,130 (2005: \$13,729) for the purposes listed below.

	30 June 2006 \$	30 June 2005 \$
Total revenue	6,787,807	6,669,167
Council policy remissions:		
Sports bodies	4,822	3,421
Other	10,308	10,309
Total remissions	<u>15,130</u>	<u>13,730</u>

Note 16: Councillors' Remuneration

	30 June 2006 \$	30 June 2005 \$
G McPhee (Mayor October 2004 – June 2006)	45,800	33,308
M Tankersley (Mayor July 2004 – October 2004)	-	12,427
W Knowles	15,902	12,633
D Lowes	15,902	14,288
M Blundell	15,902	14,288
R Booth	9,526	10,274
B Poulsen	9,526	6,136
E Brazendale	9,526	8,619
R Carter	9,526	8,619
J Greathead	9,526	8,619
	<u>141,136</u>	<u>129,211</u>

Note 17: Financial instruments

The Council has a series of policies providing risk management for interest rates and the concentration of credit risk. The Council is risk adverse and seeks to minimise exposure from the treasury activities. The Council has established an Investment Policy specifying what transactions can be entered into. The policy does not allow any transactions that are speculative in nature to be entered into.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return from an investment.

Investments were made only with those counter-parties specified in the Investment Policy. Gross interest expense on borrowings was 2.01% of total rates income.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Council has no exposure to currency risk.

Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Council, causing the Council to incur a loss.

The maximum amount of credit risk for each class is the carrying amount in the statement of financial position. Carterton District Council has minimal credit risk in its holdings of various financial instruments. These financial instruments include bank balances, local authority stock and accounts receivable.

Council invests funds only with registered banks and in local authority stocks. It limits the amount of credit exposure to any one institution or organisation. Accordingly, the Council does not require any collateral or security to support the financial instruments with organisations it deals with.

Fair Value

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties, in an arms length transaction.

The fair value of financial instruments is approximately equivalent to the carrying amount disclosed in the Statement of Financial Position.

Note 18: Related Party Transactions

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as payment of rates and purchase of rubbish bags). In addition, the Council purchased advertising services in the Carterton Crier. Mr B Poulsen, a Councillor, is a part owner in the business. These services were made on commercial terms and amounted to \$910.

Except for these transactions and items of a trivial nature, no other Councillors or senior management have entered into related party transactions with the Council.

Note 19: Major Budget Variations

Explanations for the major variations from the Council estimated figures in the 2005/2006 LTCCP are as follows:

Statement of Financial Performance

- Interest income is well ahead of budget due to an increased level of funds on deposit during the year compared to the amount budgeted.
- A major variance occurred in "fees and charges", and this was due to a higher level of activity incurred in the resource management and regulatory services cost centre. This resulted in income from resource consents, LIM's and permit fees considerably exceeding budget.
- Grants and subsidies income is well ahead of that budgeted due to additional grants received for the various recreational and community services activities that were not budgeted for.
- Miscellaneous income has exceeded budget for the year due to income received during the year from various sources that were unknown at the time this budget was prepared.
- Income from contributions was well ahead of budget due to a substantial increase in reserve levy contributions over the budget. This was due to the higher level of activity incurred in the resource management and regulatory services cost centre.
- Commission income of \$32,719 was received during 2006 that had not been included in the budget.
- Expenditure on roads, streets & bridges was well ahead of budget due to increased expenditure for flood damage and a general increase in contract prices.
- Urban and rural water services were both well ahead of budget due to increased reticulation expenditure and increased maintenance on the Taratahi water race during the year.
- Drainage expenditure was \$189,788 over budget due to a substantial increase in sewerage reticulation expenditure. This has partially resulted from an increase in depreciation expenditure as a result of the infrastructure revaluations that occurred in the 2006 financial year.

- Expenditure on forestry is well over budget due to increased consultancy expenditure and more interest incurred on the loans than was budgeted for.
- Resource management and regulatory services expenditure exceeded budget by \$246,982 due to the increased level of activity in this cost centre than was budgeted. The major expenditure items included: consultancy fees, district plan costs and rural fire contracts.
- Asset revaluations of \$171,021 were recorded as an expense for 2006. This has resulted from a revaluation of the library collection which had previously not been depreciated. As a result of the revaluation, the revaluation reserve of \$111,109 was reversed and the balance of \$171,021 has been recorded in the statement of financial performance.

Statement of Movements in Equity

- The variation in the net surplus/(deficit) is the result of the variations explained under statement of financial performance and has given rise to a deficit rather than the surplus budgeted.
- Land, buildings, infrastructure assets, library collections and the forestry investment were all re-valued during the year resulting in a substantial increase in the asset revaluation reserve.

Statement of Financial Position

- The greatest variance within equity is in the asset revaluation reserve due to the revaluation of the assets and forestry investment in the 2006 year. The budgeted figures included the revaluation reserve in public equity.
- There were higher than estimated short term deposits held at year end due to an inaccurate estimate of the opening balance.
- No short term investments or inventories were separately identified in the budget.
- When the budgets were prepared, there was no intention to sell any property and therefore a variation in properties intended for sale has occurred in the financial statements.
- The increase in the value of the shares over the budget is due to a revaluation of the shares to fair value during 2006. Shares have previously been recorded at cost.
- Fixed assets were well ahead of budget as no revaluation was budgeted for in the 2006 year.
- Payables and accruals and employee entitlements were considerably less than budgeted. This has resulted from a considerable amount of payments being made late in the financial year and therefore reducing the payables as at 30 June 2006. This explains the variance in the short term deposits from budget. Employee entitlements were not disclosed separately in the budget.
- The variances in the current and non-current public debt from budget are due to the intention to repay the three forestry loans following a harvest during the 2007 year. This is a change in the intention from when the budget was prepared.

Note 20: International Financial Reporting Standards

At the date of this report, the council has instructed PricewaterhouseCoopers to assess the impact of adopting the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) on the council. They have commenced a process of identifying those standards likely to impact on the Council's accounting policies, financial position, financial performance and disclosure but have not yet quantified the effect. A preliminary report has identified as likely to have the most significant impact the following standards:

NZ IFRS 1 – First Time Adoption of New Zealand Equivalents to International Financial Reporting Standards
NZ IAS 7 – Cash flow statements
NZ IAS 9 – Revenue
NZ IAS 16 – Property, Plant and Equipment
NZ IAS 19 – Employee Benefits
NZ IAS 20 – Accounting for Government Grants and Subsidies
NZ IAS 24 – Related Party Disclosures
NZ IAS 32 – Financial Instruments: Presentation and Disclosure
NZ IAS 39 – Financial Instruments: Measurement and Recognition
NZ IAS 40 – Investment Property

The areas identified above should not be taken as an exhaustive list of all the differences between NZ FRS and NZ IFRS.

The Council has made the decision to adopt NZ IFRS from 1 July 2006 and management are confident that they will be able to achieve the plan for NZ IFRS implementation from this date.

Until PricewaterhouseCoopers has completed the quantification phase of this exercise they are unable to conclude if the impact of adopting NZ IFRS will result in a material variation in the Council's accounting policies and financial statements. On adoption of NZ IFRS the majority of the transitional adjustments required will be made, retrospectively, against opening equity.

The impacts discussed are based on management's current interpretation of the standards that have been released to date. There is potential for the significance of the impact to change when the Council prepares its first set of NZ IFRS financial statements due to changes in the standards, changes in our business or changes in management's interpretation of the standards.

As we progress towards this implementation from 1 July 2006 the Council will continue to provide users of the financial statements with updated information about the likely impacts of NZ IFRS on the Council's earnings, cash flows and financial position.

Governance

1. Service Mission Statement

Carterton District Council will through a transparent process of civic leadership make policy decisions that recognise the diverse needs of the district environment and community and provide essential infrastructure services, implement and comply with statutory and legislative requirements, facilitate economic development, and where feasible enhance community quality of life.

1.1 Scope and Nature of Activity

The budget covering this activity includes remuneration of elected representatives, civic functions and meeting costs, electoral processes, including relevant staff time and overheads associated with providing Council with information necessary for good decision making. Council currently has elected representation of a Mayor elected at large by the district and eight Councillors (four urban and four rural).

The role of the elected Council is to undertake the democratic and governance leadership process including policy matters associated with all activities, public consultation and receiving feedback from ratepayers. The primary responsibility of Council is to determine policy and strategic direction for the Council, and ensure statutory obligations and compliance are implemented. There is a requirement for financial prudence and public consultation in exercising these duties. The Council has three standing committees and various sub-committees, in addition to providing representation on some outside bodies and undertaking advocacy work on behalf of the public.

Council continues to be proactive in seeking co-operative service delivery ventures with neighbouring authorities with a target to encourage cost savings and enhancement of service delivery.

1.2 Community Outcomes to which the Activity Contributes

Community Outcomes	How Governance Contributes
Clean land, water and air for present and future generations.	Timely and effective quadruple bottom line decision making. Provide sustainable environmental resource management.
A safe, healthy and educated community.	Encouraging people to be active. Provision of housing for the elderly.
Access to transport and communications systems that best meets the diverse needs of the district.	Consultation and communication. By providing and improving the district's roading network.
A buoyant local economy.	Leadership and promotion of the district. Setting strategic direction. Ensuring appropriate Council policies are in place.

1.3 Council Activities Contributing to Achieving Community Outcomes

- Attendance at the Wellington Region Leaders Forums.
- Member of the Mayors' Taskforce for Jobs and Member of the Wairarapa Workforce Advisory Trust
- Active participation in quarterly Combined Council meetings.
- Membership on the joint Council committees for the development of the Wairarapa Physical Activity Plan and Wairarapa Arts, Culture and Heritage Strategy
- Member of Communities for Climate Protection in NZ and EECA
- Member of Wairarapa Planning Committee and the development of the Proposed Wairarapa District Plan.
- Membership on various River Management Scheme Committees.

1.4 The Activity Goals

- To focus upon efficient and effective delivery of services and put in place clear policies and consistent processes for implementation and guidance.
- Undertake effective consultation practices that recognise the diverse needs of the community and ensure equity and fairness in decisions and delivery of services.
- Facilitate economic development and enhance community quality of life where feasible.

1.5 Opportunities for Maori to Contribute

The Local Government Act 2002 Schedule 10 Part 3 (21) requires Council to include a report on the activities which we have undertaken in the year to establish and maintain processes to provide for opportunities for Maori to contribute to the decision-making process of Council.

Consultation and the involvement of Maori in the decision-making process during the last year is detailed below:

Development of the Wairarapa Arts, Culture & Heritage Strategy.
As a result of notification ability to comment and be heard regarding notified planning consent applications.

Council representatives also attended meetings of RIF (Regional Inter-for a Forum), a group which includes representative from Iwi and Hapu together with Government agencies.

Governance Significant Activity Statement For the year ended 30 June 2006

Actual 2004/2005 \$		Actual 2005/2006 \$	Budget 2005/2006 \$
<u>INCOME</u>			
55,728	Miscellaneous income	1,222	-
<u>55,728</u>	Total income	<u>1,222</u>	<u>-</u>
<u>OPERATING COSTS</u>			
467,622	Mayor and councillors	639,154	513,181
44,978	Elections	3,636	4,224
<u>512,600</u>	Total operating costs	<u>642,790</u>	<u>517,405</u>
(456,872)	Net cost of service	(641,568)	(517,405)
<u>CAPITAL</u>			
-	Motor vehicle (pool)	62,805	25,000
-	EECA and climate control study	8,856	5,000
-	Airconditioning	1,750	-
-	Wellington regional strategy	-	4,500
4,029	Sundries	-	10,000
-	Wairarapa regional strategies	-	50,000
<u>4,029</u>	Total	<u>73,411</u>	<u>94,500</u>

Roads, Streets & Bridges

1. Service Mission Statement

To promote policies and allocate resources in partnership with Transit NZ and regional authorities to achieve a safe, efficient land transport system that maximises local safety and provide economic and social benefits to the community.

1.1 Scope and Nature of Activity

Carterton District Council is required by Section 12 -19 of the Land Transport Management Act to prepare a Statement of Intent each year as part of the National Land Transport Programme setting out the overall intentions and objectives of the Council for the next year. Council's Rooding Professional Services are undertaken by a mix of outsourced consultancy (let under the Competitive Pricing Procedures) and in-house professional services that provide local back up to the Consultant together with district knowledge and an audit and monitoring role. The current consultant is Opus International Consultants of Carterton. The general maintenance contract is currently awarded to Fulton Hogan Ltd of Masterton.

1.2 Community Outcomes to which the Activity Contributes

Community Outcomes	How Roads, Streets & Bridges Contributes
Access to transport and communication systems that best meet the diverse needs of the district.	Rooding, drainage and signage issues get prompt attention from in-house staff and contractors to minimise road transport constraints.
A buoyant local economy.	The local economy is heavily dependent upon effective transport and well maintained roads with good signage for residents and visitors.
A safe, healthy and educated community.	Community safety is enhanced by a well maintained rooding network. Ongoing community education programmes promote road safety.

1.3 Council Activities Contributing to Achieving Community Outcomes

- Membership and active participation in the Wairarapa Road Safety Council.
- Membership on the Regional Land Transport Committee and Hill Road Committee.
- Implementation of second year of the Footpath Upgrade Strategy.

1.4 The Activity Goals

- To provide a cost effective rooding network within the district that can be sustained and developed to meet the requirements of changing land use, population growth and increasing visitor and heavy transport usage.
- To ensure that roads signs and markings are effective in giving direction and warning to road users.
- To maintain and develop safe and adequate footpath facilities.
- To make available timely technical information to the consulting engineer.
- To undertake rooding inspection activities and monitor performance of the rooding contractor and institute works as instructed by consultants.

1.5 Performance Measures

Performance Target	Achievement
Undertake additional safety works before June 2006 to maximise the use of temporary available Transfund NZ funding.	Safety works to the value of \$126441.00 have been completed. Budget for 05/06 including additional funds was \$130,000.
Maintenance response times are adhered to as prescribed in the roading contract.	Response times specified were met by the Contractor.
Works approved for 2005/06 year are completed by June 2006 and meet agreed budgets.	All works programmed for 05/06 have been completed. Resealing, area treatments, and major drainage work cost slightly more than budgeted.
Compliance is achieved with Transfund NZ Standards & Guidelines Manual for works undertaken in 2005/06.	All works were completed to the required standards. (LTNZ Standards & Guidelines).
Council will provide an in-house resource for inspection of district roads and to undertake a liaison and monitoring role with the road maintenance contractor.	The Council's appointed inspector completed regular routine inspections, and maintained a constant liaison between ratepayers, Council, the roading engineer, and the Contractor.
Roading Professional Services Contract will be re-tendered and the selection and induction of a contractor completed by 1 August 2005.	A professional services contract for roading was let on 7 June 2005 for a 3+1+1 term.
Provide advice to Council on roading matters relating to subdivisions and land use consent applications.	The Roading Services Engineer provided comment on all subdivisions and land use consents where roading was likely to be affected, within timeframes given.
Purchase traffic hazard cones that meet new safety standards	Fifty new road cones complying with Transit NZ's Code of Conduct for TTM were purchased.
Continue a programme of road sign upgrading and replacement.	Eighty-nine signs have been replaced due to wear and tear, accident damage or theft. In addition 17 "Wine Trail" signs were erected.

Performance Target	Achievement
That the Footpath Committee implements a second stage programme of works to be undertaken in 2005/06.	The second stage programme of agreed footpath repairs was completed. This involved 50m of concrete footpath, 348m of asphaltic concrete footpath and 1360m of chip seal footpath.
To undertake and complete works within the assigned footpath budget before June 2006.	Works assigned to the footpath budget were completed prior to June 2006. The budget for these works was \$75,000; the actual amount spent was \$77469.54.
Fortnightly briefing meetings occur with the consulting engineers.	Weekly meetings and general on-going discussions were held with the Engineer.
Regular road inspections are undertaken and information is imparted.	Roads were inspected weekly with the full network covered at least monthly. Information resulting from these inspections was given to the Engineer and/or contractor as required.
Works documented in the Annual Plan and remedial works approved by the Operations Committee are completed on schedule and within budget.	All works undertaken by contractors carrying out works to complete the approved Annual Plan were monitored for technical compliance to ensure specified results were achieved. Expenditure for this item was well ahead of budget due to increased expenditure for flood damage and a general increase in contract prices.

Roads, Streets & Bridges Significant Activity Statement For the year ended 30 June 2006

Actual 2004/2005 \$		Actual 2005/2006 \$	Budget 2005/2006 \$
<u>INCOME</u>			
998,089	Land Transport NZ subsidy	955,110	963,960
59,511	Petrol tax	64,775	60,000
20,835	Recoveries	27,222	45,200
<u>1,078,435</u>	Total income	<u>1,047,107</u>	<u>1,069,160</u>
<u>OPERATING COSTS</u>			
1,804,130	Subsidised roading	2,027,200	1,567,770
248,605	Unsubsidised roading	220,046	252,085
<u>2,052,735</u>	Total operating costs	<u>2,247,246</u>	<u>1,819,855</u>
(974,300)	Net cost of service	(1,200,139)	(750,695)
<u>CAPITAL</u>			
132,267	Pavement maintenance	333,422	215,000
20,509	Traffic services	31,159	50,000
82,551	Major drainage	110,948	70,000
278,041	Reseals	294,655	270,000
182,521	Area wide pavement treatment	198,583	192,000
96,656	Minor safety works	126,441	130,000
60,201	Footpath maintenance	91,456	75,000
-	Formation	33,797	-
-	Streetlights	13,268	-
-	Unsubsidised - Costley Street	20,819	-
74,784	Bridge renewals	-	-
<u>927,530</u>	Total	<u>1,254,548</u>	<u>1,002,000</u>

Urban Water Services

1. Service Mission Statement

Council will provide and maintain a safe and adequate potable water supply for consumers and will conform to the relevant provisions of the New Zealand Drinking Water Standards and recognises the environmental value of the water resource.

1.1 Scope and Nature of Activity

The water supply system comprises approximately 50 kilometres of underground potable water reticulation. The reticulation is supplied from two sources, namely the Kaipatangata Water Treatment Plant and the Frederick Street Bore Supply.

1.2 Community Outcomes to which the Activity Contributes

Community Outcomes	How Urban Water Supply Contributes
A buoyant local economy.	A reliable supply of good quality potable water is an important consideration to attracting residential and business growth.
Clean land, water and air for present and future generations.	The Carterton urban water supply is particularly non environmentally invasive.
A safe, healthy and educated community.	Effective and safe water treatment with ongoing system developments is important for community health and wellbeing.

1.3 Council Activities Contributing to Achieving Community Outcomes

- A growing emphasis on water conservation with water metres progressively being installed throughout the urban area.
- Monitoring of resource consent conditions.
- Advocacy on behalf of the community on the proposed new NZ Drinking Water Standards.

1.4 The Activity Goals

- Provide the quality and quantity of water required to meet the agreed level of compliance with criteria set under the Drinking Water Standards and community requirements.
- To promote and educate in water conservation practices that recognise water as a finite resource which requires efficiency of use.
- Prioritise infrastructural development to target efficient and effective supply and use of the water resource in meeting growth and development.

1.5 Performance Measures

Performance Target	Achievements
Undertake microbiological, chemical and turbidity monitoring of the supply and reticulation and demonstrate 100% compliance with the bacteriological requirements of the New Zealand Drinking Water Standards.	This was not achieved and procedural steps have been put in place to achieve 100% compliance in future.
Achieve and maintain a Cc grading or better in terms of Ministry of Health grading assessment for both the treatment and the reticulation.	The Ministry of Health grading for Carterton's water is Ed under the revised Ministry of Health Standards.
Provide a supply having a minimum pressure of 200 kpa 97.5% of the time.	This has been achieved 99.5% of the time by having the Supplementary Supply as a back up and by having a standby generator installed for power failures.
Install UV treatment at the Treatment Plant and Bore Supply immediately upon availability of final Ministry of Health required standards.	Not completed as Standards have not been finalised.
Continue an education programme in district schools.	No schools visited during year due to insufficient resources.
Employ a "Water Sheriff" in summer months to educate the community and police restrictions.	Person employed during summer months to carry this task out.
Issue regular conservation reminders in Council newsletters	This has been carried out by newspaper, newsletter and flow monitor board outside the Fire Station.

Performance Target	Achievements
Finalise treatment options before January 2006 for the new deep bore.	Bore No. 3 was installed in February 2006 and is awaiting connection to the supply. Treatment options will be finalised when the NZ Drinking Water Standards are adopted.
Continue the current investigations of alternative water supplies.	Council has negotiated purchased a water supply and land at Waingawa north of Carterton and will undertake a feasibility study during the 2006/07 year to determine its suitability for supplying water to the Waingawa Industrial area and Carterton urban area.
Complete funded reticulation replacement projects before June 2006.	Programmed projects not completed in 2005/06. Costley St main upgrade completed beginning of 2006/07 year and Memorial Square main replacement to be completed.
Complete an Infrastructure Development Funding Strategy by April 2006.	Not completed. Awaiting the finalisation of the network modelling programme which will be used to develop replacement strategy.

Urban Water Services Significant Activity Statement For the year ended 30 June 2006

Actual 2004/2005 \$		Actual 2005/2006 \$	Budget 2005/2006 \$
<u>INCOME</u>			
24,196	Fees & charges	15,814	2,000
1,503	Recoveries	3,878	10,000
<u>25,699</u>	Total income	<u>19,692</u>	<u>12,000</u>
<u>OPERATING COSTS</u>			
195,548	Urban reticulation	316,181	148,045
65,899	Urban underground services	86,864	67,733
35,513	Urban headworks	41,780	41,364
275,346	Urban filtration plant	233,757	287,058
<u>572,306</u>	Total operating costs	<u>678,582</u>	<u>544,200</u>
(546,607)	Net cost of service	(658,890)	(532,200)
<u>CAPITAL</u>			
190,363	Water reticulation	84,164	100,000
7,010	Treatment	6,939	5,000
74,259	Generator & chlorine analyser	4,063	-
6,206	Development & additional storage	6,842	-
-	Mains replacement	12,248	66,300
-	Network model & flow monitoring	462	10,000
-	Investigation new water source	15,709	10,000
-	Capacity increase	2,135	10,000
-	New mains	1,288	30,000
-	Backflow prevention	2,162	5,000
-	Mains condition assessment report	1,519	20,000
-	Construct production bore	42,657	30,000
-	Waingawa reservoir	32,783	-
6,296	Headworks	-	-
54,611	Underground	-	-
-	Seismic fixing equipment	-	5,000
-	Kaipatangata filtration trials	-	5,000
<u>338,745</u>	Total	<u>212,971</u>	<u>296,300</u>

Rural Water Services

1. Service Mission Statement

Council will provide water for stock, industrial users at Waingawa, non-potable domestic users and other rural users at reasonable cost through an open water race system and with regard to the use and practices that protect the environmental eco-system.

1.1 Scope & Nature of Activity

Council operates two water race systems totalling over 300 km in length that service the Carrington and Taratahi rural areas. Water is drawn from the Waingawa and Mangaterere Rivers. Water race supply water is for stock use and for non potable domestic and industrial users in addition to providing stormwater control and use for rural fire purposes.

1.2 Community Outcomes to which the Activity Contributes

Community Outcomes	How Rural Water Services Contributes
A buoyant local economy.	An effective supply of water through the water race system is essential to the economic viability of much farmland.
Clean land, water and air for present and future generations.	The water race network is over 100 years old and has become an important environmental ecosystem. Water races are critical for rural stormwater run-off thereby enhancing land use and preventing soil erosion.
A safe, healthy and educated community.	The network is an essential source of water for rural fire fighting.

1.3 Council Activities Contributing to Achieving Outcomes

- Membership on the Wairarapa Irrigation Project Committee and funding contribution.
- Ongoing dialogue with GWRC regarding water race consent.

1.4 The Activity Goals

- To ensure a continued supply of water at an adequate flow to all Class 'A' water race users.

- To supply water to various reserves to support endangered and threatened native freshwater fish, birds and water fowl as required under the Wildlife Act 1953.

1.5 Performance Measures

Performance Target	Achievement
Water shortage is responded to within 24 hours of notification.	This was achieved well within the time frame.
Significant system blockages are addressed within six hours.	This was achieved well within the time frame.
Classification, maintenance and supply parameters of the water race system are reviewed and amended by April 2006.	The Water Race system review has partially been completed. Mapping of the water races and water courses has been completed in conjunction with Greater Wellington Regional Council. Further work on the review and amendments will occur in the 2006/07 and 2007/08 financial years.
The new Water Race Management Committee made up of elected users and Council representatives is encouraged and supported by Council.	The Water Race Management Committee met twice during the year.
The Code of Practice for the management and environmentally effective maintenance of the water race systems is monitored and encouraged.	A Code of Practice is yet to be adopted. Progress on establishing a Code of Practice will continue during 2006/07 year.
New maintenance equipment (digger) is purchased by December 2005.	Digger has not been purchased.
No water race works or strategies impact upon the sustainability of reserves, flora or wildlife.	Water race works completed during the year did not impact upon the sustainability of reserves, flora or wildlife.
New water race maintenance plans and policies put into effect.	Water race maintenance plans and policies have not been put into effect. This will occur on completion of the classification, maintenance and supply parameters review.

Rural Water Services Significant Activity Statement For the year ended 30 June 2006

Actual 2004/2005 \$		Actual 2005/2006 \$	Budget 2005/2006 \$
	<u>INCOME</u>		
-	Miscellaneous income	-	-
-	Total income	-	-
	<u>OPERATING COSTS</u>		
154,795	Taratahi water race	134,804	104,814
39,172	Carrington water race	49,019	45,091
193,967	Total operating costs	183,823	149,905
(193,967)	Net cost of service	(183,823)	(149,905)
	<u>CAPITAL</u>		
6,459	Water races	11,180	-
6,459	Total	11,180	-

Drainage - Stormwater

1. Activity Mission Statement

Council will provide and maintain an environmentally sensitive stormwater system based on a five year event return period in a manner that meets urban requirements and minimises the potential for damage to property during significant rainfall events.

1.1 Nature and Scope of Activity

The stormwater system comprises a combination of street kerb collection and channel systems, piped drains and open drains. The length of piped drains is approximately 10 kilometres and the open drain system (excluding natural water courses) is over five kilometres.

1.2 Community Outcomes to which the Activity Contributes

Community Outcomes	How Stormwater Contributes
Access to transport and communication systems that best meet the diverse needs of the district.	Effective stormwater clearance maintains safe access to the roading network.
Clean land, water and air for present and future generations.	The stormwater system is essential to dissipate rainwater and prevent flooding of land and property.
A safe, healthy and educated community.	Regular maintenance and cleaning of the stormwater system prevents blockages and potential risks to health and safety.

1.3 Council Activities Contributing to Achieving Outcomes

- Stormwater infiltration in the urban area has been recognised as needing a higher level of remedial action.
- New stormwater drain constructed in Park Road.

1.4 The Activity Goals

- Provide for the run-off and diversion of water from the urban roading system.
- Minimise the potential for damage to dwellings whilst acknowledging that localised flooding of property may occur and enhance the performance of the stormwater system with ongoing reference to the Stormwater Management Plan.

1.5 Performance Measures

Performance Targets	Achievements
To maintain the system in such a manner that all surface flooding dissipates within six hours of a rainfall event ceasing.	No surface flooding recorded during the 2005/06 year.
Clean and scour Booths Creek before December 2005.	Booths Creek was cleaned and scoured in September 2005.
To respond and clear any significant system blockages within one hour of notification.	This was achieved mainly due to regular maintenance of all our stormwater system.
With the Regional Council undertake identified remedial development works to limit the flooding potential associated with heavy rainfall events.	No works identified during the year to limit the flooding potential associated with heavy rainfall events.
Install backflow prevent on three west urban properties.	Not completed.

Drainage - Sewage

1. Service Mission Statement

Council will provide and maintain an efficient and environmentally effective system for the collection and treatment of sewage that complies with current resource consents and meets Public Health requirements and environmental protection with considerations to benefit the residents and environs of Carterton District.

1.1 Scope and Nature of Activity

The sewerage system comprises approximately 30 kilometres of piped reticulation and a four stage sewerage treatment plant located at Dalefield Road.

1.2 Community Outcomes to which the Activity Contributes

Community Outcomes	How Sewerage Contributes
A buoyant local economy.	Catering Treatment Plant expansion and reviewing or extending town reticulation encourages urban residential and commercial growth.
Clean land, water and air for present and future generations.	Recent upgrades to the sewerage treatment facilities are particularly focussed upon environmental wellbeing factors.
A safe, healthy and educated community,	Ongoing investment and improvements in sewerage treatment and reticulation is beneficial to the health and safety of the community.

1.3 Council Activities Contributing to Achieving Community Outcomes

- Monitoring of resource consent conditions.

1.4 The Activity Goals

- To meet the conditions and requirements of the operative resource consents in place and to implement and monitor appropriate standards and controls that ensure effluent treatment and disposal throughout the district is managed to meet desired environmental outcomes and public health needs together with community and Iwi expectations.
- To progressively reduce stormwater infiltration and to replace relevant sections of the main sewer trunk pipe that runs under SH11 from the Treatment Plants to the northern end of town.

1.5 Performance Measures

Performance Target	Achievements
Regular monitoring of the effluent discharge for microbiological quality meets testing frequency requirements and shows results in accordance with public health and consent requirements.	Monitoring has been completed in accordance with resource consent requirements.
Sewerage Treatment Plant effluent is discharged to land during summer months.	This was achieved everyday from 1 January 2005 through to 31 March 2006.
Seek additional land to expand wetland treatment facilities to meet future growth.	This has not been achieved. Funding for investigations included in 2006/07 budget.
Complete an infiltration investigation commenced in 2003.	This was completed in September 2005, finding 55 properties with faults that have been rectified.
Undertake a reticulation replacement programme based on priorities identified.	This has not been completed. Awaiting completion of Sewer Network Model.
To maintain the reticulation to ensure that there is no surcharging of manholes for 97.5% or better of the time.	This measure was achieved as no reports of surcharging from manholes received during the year.
To maintain a calibrated model of the sewerage system that will be used to assist in determining areas of excessive infiltration and/or under capacity.	Development of the Sewer Network Model commenced during the 2005/06 year. Calibration of the model will be completed during the 2006/07 year.

Drainage Significant Activity Statement For the year ended 30 June 2006

Actual 2004/2005 \$		Actual 2005/2006 \$	Budget 2005/2006 \$
<u>INCOME</u>			
21,767	Fees & charges	13,947	20,000
4,587	Contributions	1,147	-
6,746	Miscellaneous income	10,155	1,000
<u>33,100</u>	Total income	<u>25,249</u>	<u>21,000</u>
<u>OPERATING COSTS</u>			
435,205	Sewerage	569,194	407,876
74,710	Stormwater	102,596	74,126
<u>509,915</u>	Total operating costs	<u>671,790</u>	<u>482,002</u>
(476,815)	Net cost of service	(646,541)	(461,002)
<u>CAPITAL</u>			
-	Sewerage main replacement	11,730	64,000
-	Network modelling & monitoring infiltration	21,796	20,000
-	Regular inflow & infiltration control	3,517	10,000
-	Flow monitoring study	1,893	20,000
-	Increase capacity	2,870	10,000
32,921	Pump station upgrades	60	-
47,812	Stormwater - Waikakariki Stream	20,270	-
-	Stormwater - Frederick Street upgrade	5,880	32,700
-	Stormwater - Reticulation	44,478	-
145,009	Sewerage reticulation	62,768	-
-	Trade waste bylaw	-	5,000
<u>225,742</u>	Total	<u>175,262</u>	<u>161,700</u>

Waste Management

1. Service Mission Statement

Council will facilitate the collection, management and disposal of solid waste within the district in an integrated manner that meets the public health needs and environmental concerns of residents whilst complying with consent requirements.

1.1 Scope and Nature of Activity

Waste management within Carterton comprises the undertaking of a domestic residential bag and recycling collection on a weekly basis, daily clearance of street rubbish bins, and operation of the Transfer Station.

Waste management is operated on a contractual basis for Council. The Council recognises the need to identify and plan for the management and minimization of waste in the longer term and is a committed member of Waste Management Wairarapa, a joint committee comprising Masterton, Carterton and South Wairarapa District Councils'.

1.2 Community Outcomes to which the Activity Contributes

Community Outcomes	How Waste Management Contributes
A buoyant local economy.	Provide a waste disposal solution to assist commercial and industrial development.
Clean land, water and air for present and future generations.	Manage and minimise environmental effects that can be caused through waste disposal.
A safe, healthy and educated community.	Provide the community with effective and safe refuse collection and recycling facilities. Maintain ongoing public waste minimisation education and recycling promotion initiatives.

1.3 Council Activities Contributing to Achieving Community Outcomes

- Active involvement in Waste Management Wairarapa.
- Active involvement in Wellington Region Environmental Agency.
- Active participation in "Clean Up NZ Week".

1.4 Activity Goals

- To ensure that solid waste is managed in accordance with the public health needs of the community and the resource consent conditions.
- To manage and facilitate a cost effective and efficient urban refuse collection service, and encourage waste reduction and minimisation through focus upon re-use and recycling strategies associated with education programmes to achieve minimum waste requiring disposal in a landfill by 2015.

1.5 Performance Measures

Performance Targets	Achievements
Council will undertake monitoring and reporting programmes and will meet and demonstrate conformity with conditions of the current consents that are held for the landfill area.	Regular monitoring and reporting programmes have been carried out as per consent conditions.
Council continues to participate pro-actively in evaluation to finalise a decision from Regional Waste Management options and commit funding to implement selected option.	Council via its membership of Waste Management Wairarapa has signed a contract on 16 December 2004 to export waste to the Manawatu from 1 October 2006.
To work with Waste Management Wairarapa to investigate, identify and implement effective and efficient long term disposal options for hazardous waste.	Council is working with Waste Management Wairarapa to secure appropriate and cost effective disposal options for hazardous waste.
Implement a joint waste management operating structure by April 2006.	This has not been achieved due to changing priorities.
Council will distribute 26 rubbish bags to each household and achieve uninterrupted services for a weekly domestic household bag collection.	Rubbish bags were delivered 4 July 2005 and our Contractors have achieved an uninterrupted service throughout the year.
To respond within four hours of being notified of litter in the streets.	Council has a dedicated worker assigned to street cleaning and litter control who responds to litter complaints within four hours.
Council will work with Waste Management Wairarapa and neighbouring authorities for ongoing improvement to recycling strategies and waste minimisation.	This measure was not applicable during the 2005/06 financial year as Council via Waste Management Wairarapa adopted a Solid Waste Management Plan for the Wairarapa in February 2005.

Waste Management Significant Activity Statement For the year ended 30 June 2006

Actual 2004/2005 \$		Actual 2005/2006 \$	Budget 2005/2006 \$
	<u>INCOME</u>		
83,042	Fees & charges	174,470	170,000
15,175	Miscellaneous income	12,575	-
81,901	Grants & subsidies	-	-
<u>180,118</u>	Total income	<u>187,045</u>	<u>170,000</u>
	<u>OPERATING COSTS</u>		
365,644	Landfill	297,321	271,036
159,367	Refuse collection	209,471	193,637
<u>525,011</u>	Total operating costs	<u>506,792</u>	<u>464,673</u>
(344,893)	Net cost of service	(319,747)	(294,673)
	<u>CAPITAL</u>		
<u>97,859</u>	Regional landfill site	-	-
97,859	Total	-	-

Forestry

1. Service Mission Statement

To maintain and develop the Council's forestry blocks in a sustainable and environmentally conscious manner with a view to maximising financial returns to the Council for use in providing assets to the community.

1.1 Scope & Nature of Activity

Council's forestry assets comprise of a block approximating 350 hectares of forest in the Kaipatangata area in the western hills of the district, and miscellaneous small roadside blocks located in the Admiral/Clifton Grove area. The forest was planted during a period from about 1972 through to the early eighties and was funded through loans provided for afforestation purposes. Harvesting has commenced, with harvested blocks being replanted to provide revenue for the future.

1.2 Community Outcomes to which the Activity Relates

Community Outcomes	How Forestry Contributes
A buoyant local economy.	Provides revenue for community promotion and facilities.
Clean land, water and air for future and present generations.	Enhances the hill environment visually and limits soil erosion. Protects the main town potable water catchment.

1.3 Council Activities Contributing to Community Outcomes

- Harvested blocks have been replanted.

1.4 Activity Goals

- To manage the Council's afforestation block with a view to promoting maximum growth and establish a programme of replanting of land after harvest of current timber resource.
- Use future revenue from the forest assets to maximum benefit of the district's community.

1.5 Performance Measures

Performance Measure	Achievement
Council will provide funding with an ongoing review of maintenance for the afforestation block so as to ensure maximum returns on a harvest programme.	Council has contracted Forest Enterprises Ltd to maintain the Council's afforestation blocks and to ensure maximum returns on harvest programmes.
Pertinent roadside forest reserves will be harvested in this financial year as weather permits and replanted.	Clifton Grove road reserve was harvesting during the period February – April 2005 and replanted.
Proceeds from the Tramway Gully harvest will be used in the first instance to repay loans raised for the original forest planting, and thereby reduce the rates burden for interest payments.	This measure was not applicable during the 2005/06 financial year as Tramway Gully was harvested in the previous financial year.
The Tramway Gully block will be replanted for future community revenue.	Replanting was completed during July 2005.

Forestry Significant Activity Statement For the year ended 30 June 2006

Actual 2004/2005 \$		Actual 2005/2006 \$	Budget 2005/2006 \$
	<u>INCOME</u>		
-	Fees & charges	20	-
-	Harvesting income	146,589	-
56	Miscellaneous income	9,070	-
<u>56</u>	Total income	<u>155,679</u>	<u>-</u>
	<u>OPERATING COSTS</u>		
-	Clifton Grove	2,692	-
187,552	Kaipatangata	99,827	59,042
<u>187,552</u>	Total operating costs	<u>102,519</u>	<u>59,042</u>
(187,496)	Net cost of service	53,160	(59,042)

Recreation & Community Services

1. Service Mission Statement

Council will maintain and improve the quality of life of individuals and groups of people within the district by fostering and encouraging physical, social, recreational and mental well-being.

1.1 Scope & Nature of Activity

Parks and reserves – facilities for residents and visitors to the district in order to cater for both passive recreational demands. Beautification of the district through bedding displays, tree-planting programmes, CBD hanging baskets and provision of play equipment.

Holiday Park – Carterton Holiday Park situated in Belvedere Road next to Howard Booth Park caters for campers, caravan and motor-home users in addition to the provision low to mid range cabin/unit accommodation.

Cemetery – Clareville Cemetery comprises 15.26 hectares of land, with approximately 4.1 hectares of this land currently being utilised for cemetery purposes.

Swimming Pool – Situated in Pembroke Street, the Carterton Pool Complex comprises three pools and associated outdoor area. The Council has also allowed the Carterton Swimming Club to build a Heated Indoor Pool complex on the site.
Housing for the Elderly – Council owns housing complexes in Porritt Place, Dudson Place, Wakelin Street and Fisher Place.

1.2 Council Outcomes to which the Activity Relates

Community Outcomes	How Recreation & Community Services Contributes
A buoyant local economy.	Provide vibrant urban and rural parks and reserves that assist in promoting the district and CBD. Promote and enhance the district via the Carterton Holiday Park.
Clean land, water and air for present and future generations.	Use environmentally friendly parks and reserves maintenance techniques.
A safe, healthy and educated community.	Make available and encourage use of safe play and sporting facilities and provide clean civic amenities. Work co-operatively with the Wairarapa DHB and other health service providers to benefit the health status in the community.

1.3 Council Activities Contributing to Community Outcomes

- Installation of Basketball Hoops for Streetball.
- Provision of Funding:
 - Via Council's Community Grants Scheme
 - To Go Wairarapa
 - To Wairarapa Healthy Homes
 - To Aratoi
 - To Keep Carterton Beautiful
 - To Carterton Information Centre & Gallery
 - To Sport Wairarapa
- Member and active participant of Active Wairarapa

1.4 Activity Goals & Performance Measures

Activity Goals & Performance Measures	Achievement
<p>Council will provide and maintain superior parks, reserves and garden areas that promote environmental awareness and encourage recreational and leisure activities.</p>	<p><u>Carrington Park</u> Concrete edge and rails removed around Skating Rink. Seating around Skating Rink painted by KCBC. New seat installed. Basketball Hoops installed.</p> <p><u>Memorial Square</u> Stage 1 – CBD Re-Vitalisation commenced.</p>
<p>Well serviced and cost effective civic amenities will be provided that cater for community needs and meet visitor requirements.</p>	<p><u>Holiday Park</u> Camping site has been extended to accommodate Motor Homes. Installation of a Gazebo and screening for toilets has been completed.</p> <p><u>Cemetery</u> Installation of new burial berm. Landscaping of new lawn cemetery undertaken.</p> <p><u>Housing for the Elderly</u> New stoves installed.</p> <p><u>Swimming Baths</u> Pool pumps replaced.</p> <p><u>Civic Buildings</u> Completed Energy Audit of all Council buildings. Completed and achieved Climate Control Protection Milestones 1 and 2.</p>

Cultural Services

1. Service Mission Statement

Council will deliver as a co-operative partner in the Wairarapa Library Service a comprehensive professional service that is consistent, equitable and user friendly.

1.1 Scope & Nature of Activity

The primary role of the Wairarapa Library Service is to provide residents in Carterton and South Wairarapa with written and recorded material, such as books, CDs, magazines and access to electronic information. This information is used by a diverse range of the population for entertainment, learning and research.

The Carterton Public Library has a book stock of 23,825 volumes with the Wairarapa Library Service having approximately 67,629 books available to the public.

1.2 Community Outcomes to which the Activity Contributes

Community Outcomes	How Cultural Services Contributes
Access to transport and communication systems that best meet the needs of the district.	Provides public access to communication through information technology.
A buoyant local economy.	Advocates reading and learning and facilitates public access to information and knowledge.
A safe, healthy and educated community.	Promotes cultural activities and public events.

1.3 Council Activities Contributing to Achieving Community Outcomes

- Member and active participant of Arts, Cultural & Heritage Strategy group.
- Provision of school holiday programmes for youth and young adults.
- Provision of annual scholarships to UCOL and Taratahi Agricultural Training Centre.
- Council representation on Board of Wairarapa Cultural Trust and funding assistance.
- Provision of funding to NZ Arts Festival organisers towards a local event.

1.4 Activity Goals

- To provide a comprehensive range of library services to meet the District's needs for formal education, research, personal development and recreation.
- To promote arts and culture in the district.

1.5 Performance Measures

Performance Targets	Achievements
Prepare an archive management plan by April 2006.	An Archive Management Plan was not completed by April 2006 due to a change in Council priorities.
The annual issues of the Wairarapa Library Service to increase by 2%.	The annual issues increased by 2.2%.
The number of registered borrowers belonging to the Wairarapa Library Service to increase by 2%	The number of registered borrowers increased by 6.7%.
Customer satisfaction with library services is equal to or greater than 95% as assessed against the annual satisfaction survey.	Customer satisfaction survey assessed 94% satisfaction with library services.
The Library collection will meet 95% of the Wairarapa Library Services Collection Development Policy.	Adult fiction LIANZA standard set at 20-40% of total collection. WLS achieves 23.2%. Adult non-fiction (incl. magazines and newspapers) LIANZA standard set at 35-40% of total collection. WLS achieves 35.2%. Children's and Young Adults LIANZA standard set at 25-30% of total collection. WLS achieves 30.1%. CD and Videos set at 5% in Policy. WLS achieves 1%. Wairarapa Library Service has exceeded its goals of meeting 95% of the targets set in the Collection Development Policy except for CDs and Videos.
Provide information and assistance to community groups establishing arts and cultural events in the district.	Assistance provided via the Creative Communities Funding Scheme.
Encourage arts and cultural events in timing with the Daffodil Carnival.	Advice and assistance provided to Carterton Fabulous Art Exhibition and N Gauge Model Train Exhibition organisers.
Providing funding to the regional Aratoi Museum.	Grant of \$10,000 provided.

Recreation & Community Services Significant Activity Statement For the year ended 30 June 2006

Actual 2004/2005 \$		Actual 2005/2006 \$	Budget 2005/2006 \$
<u>INCOME</u>			
101,722	Fees & charges	114,720	97,465
30,145	Miscellaneous income	19,655	17,460
154,977	Rentals	157,033	160,046
7,021	Recoveries	5,610	-
34,538	Grants & subsidies	31,357	21,000
328,403	Total income	328,375	295,971
<u>OPERATING COSTS</u>			
95,542	Community grants & recreational funding	150,287	292,213
129,368	Promotions & economic development	160,515	150,779
95,462	Swimming pool	99,781	92,330
199,546	Cultural services	247,500	240,585
21,297	Halls	16,451	21,634
441,744	Parks & reserves	488,804	449,947
99,266	Cemetery	109,517	100,862
95,794	Caravan park	110,410	81,690
117,468	Housing for the elderly	143,130	122,163
38,812	Employment schemes	23,366	18,621
1,334,299	Total operating costs	1,549,761	1,570,824
(1,005,896)	Net cost of service	(1,221,386)	(1,274,853)
<u>CAPITAL</u>			
32,774	Parks & reserves	2,594	3,500
1,907	Promotions & economic development	187,714	-
4,000	Swimming baths	17,784	17,250
176,881	Caravan park	16,803	8,500
3,362	Cemetery	5,232	6,000
39,636	Library	45,359	39,700
12,636	Reserves	23,559	-
-	Housing for the elderly	3,716	6,500
-	Security system	22,979	10,000
6,910	Halls	-	-
278,106	Total	325,740	91,450

Resource Management & Regulatory Services

1. Service Mission Statement

Council will provide cost effective planning and regulatory services that meet legislative responsibilities, respect the natural environment and help rather than hinder district and community development.

1.1 Scope & Nature of Activities

Council has a range of responsibilities in the regulatory and resource management area. These responsibilities include:

Building Inspection – Building inspection, control and enforcement activities including plumbing and drainage, dangerous goods and fencing of swimming pools.

Environmental Health – To improve, promote and protect public health by the enforcement and licensing under relevant statutes, regulations and bylaws.

Resource Management – Undertaking environmental, land use and development control including administration of the District Plan, processing resource consents and monitoring of environmental effects and conditions in respect of such consent.

Animal & Dog Control – Maintain a register of dogs, apply registration fees and effect control of animals and dogs in public places to prevent nuisances and ensure public safety.

Emergency Management & Civil Defence – Council is responsible for planning for the District to be in a position to respond to emergencies.

Rural Fire – Council is required to maintain a rural fire organisation capable of responding to rural fire events as required by the Forest and Rural Fire Act 2002.

1.2 Community Outcomes to which the Activity Contributes

Community Outcome	How Resource Management & Regulatory Services Contributes
Clean land, water and air for present and future generations.	Ensure minimal adverse effect on the environment through appropriate monitoring, testing and inspection programmes.
A safe, healthy and educated community.	Ensure structural integrity of new buildings. Provide GIS and planning information for both Council requirements and the public at large.

1.3 Council Activities Contributing to Achieving Community Outcomes

- Membership and funding support to the Wairarapa Rural Fire Board.
- Membership of the Civil Defence & Emergency Management Group for the Wellington Region.
- Member of the Wairarapa Planning Committee and the development of the Wairarapa Combined District Plan.

1.4 Activity Goals

- To fulfil statutory requirements and to provide an adequate and effective planning and regulatory service to meet the needs and development of the Carterton District.
- To provide relevant policies and processes that encourage orderly development of the district and to subsequently monitor the effects of such development.
- To ensure that effective emergency management systems and processes are in place.

1.5 Performance Measure

Performance Targets	Achievements
The District Plan is used and applied in 2005/06 without sustained legal challenge.	The District Plan has been used and applied in 2005/06. There have been no legal challenges to the application of the Plan.
All consents and permits are processed in the statutory timeframe unless paused for a valid reason.	<p>Eighty-eight resource consents have been processed during the year as follows:</p> <ul style="list-style-type: none"> • 77 non-notified consents were processed with 74% meeting the statutory timeframes. • 4 notified (no hearing) consents were processed with 50% meeting the statutory timeframes. • 7 notified (with hearing) consents were processed with 100% meeting the statutory timeframes. • 111LIMS were processed within the statutory timeframes with a processing day average of four days.
Response time for urgent regulatory callouts is within 12 hours.	All responses to urgent requests have been attended to within four hours.
Council will continue to fund and progress a Wairarapa Combined District Plan to meet a target of the draft plan being implemented in 2005/06.	<p>The Wairarapa Combined Councils' did not meet the target of the draft plan being implemented in 2005/06 due to delays in finalising the content of the document.</p> <p>The Proposed Wairarapa Combined District Plan was publicly notified on 26 August 2006.</p>
Relevant plan changes for industrial areas are completed as a joint Wairarapa Council Strategy (Wairarapa Combined District Plan) by June 2006.	<p>Relevant plan changes for industrial areas were not completed by June 2006 due to delays in finalising the content of the Proposed Wairarapa Combined District Plan.</p> <p>The Proposed Wairarapa Combined District Plan which included an extension to the Waingawa Industrial area was publicly notified on 26 August 2006.</p>
Requirements for compliance with new emergency management legislation and standards will be met.	This measure was not applicable during the 2005/06 financial year as the CDEM Group Plan was adopted in May 2005.

Performance Targets	Achievements
Support the new joint Wairarapa Rural Fire Service with neighbouring authorities.	Council supports the Wairarapa Rural Fire Service via funding of \$22,000 and membership on the committee of the Wairarapa Rural Fire Service.

Resource Management & Regulatory Services Significant Activity Statement For the year ended 30 June 2006

Actual 2004/2005 \$		Actual 2005/2006 \$	Budget 2005/2006 \$
<u>INCOME</u>			
9,167	Rentals	10,000	10,000
57,085	Contributions	71,400	10,000
278,281	Fees & charges	430,939	303,751
11,390	Miscellaneous income	39,480	1,050
19,411	Recoveries	8,240	24,000
1,335	Grants & subsidies	1,061	1,000
<u>376,669</u>	Total income	<u>561,120</u>	<u>349,801</u>
<u>OPERATING COSTS</u>			
21,115	Civil defence	26,713	24,055
63,613	Environmental health	73,546	58,633
111,305	Resource management	178,772	111,220
86,040	District plan	137,350	65,633
110,055	Animal & dog control	132,005	123,934
36,129	Rural fire	51,008	33,057
549	Agency functions	30,237	3,251
22,167	Liquor licensing	30,183	24,893
161,560	Building inspection	206,235	172,758
1,870	Waiohine crushing plant	211	1,845
<u>614,403</u>	Total operating costs	<u>866,260</u>	<u>619,279</u>
(237,734)	Net cost of service	(305,140)	(269,478)
<u>CAPITAL</u>			
2,080	Rural fire equipment	14,637	-
14,297	Computer equipment & software	4,344	3,500
1,156	Geographic information system	9,488	-
-	Health inspections	1,865	2,500
6,956	Animal & dog control	2,326	2,500
<u>24,489</u>	Total	<u>32,660</u>	<u>8,500</u>

Council Administration & Support Services

1. Service Mission Statement

Council will provide efficient and effective administrative services to advise and act upon Council policy decisions and to provide resources for all Council services and functions.

1.1 Nature & Scope of Activities

The following services provide the necessary support for the function of Council and Council's significant activities:

- Finance & Administration
- Customer Services
- IT Services
- Research & Clerical Support
- Property Maintenance
- Operations Works & Services and Equipment Maintenance Workshop

1.2 Community Outcomes to which the Activity Contributes

Community Outcomes	How Council Administration Services Contributes
Access to transport and communication systems that best meet the diverse needs of the district.	Make effective information technology available.
A buoyant local economy.	Action Council Annual Plan and manage the approved budgets. Provide accounting and financial management of revenue and budgets.
Clean land, water and air for present and future generations.	Provide Operations resources/plant/equipment for maintenance and works.
A safe, healthy and educated community.	Manage and provide services for Council staff. Provide customer service. Provide administrative support to the elected Council. Undertake research and prepare reports for Council.

1.3 Performance Measures

Performance Targets	Achievements
That all accounts, documentation and internal processes meet statutory obligations and any requirements identified by Audit NZ.	This target was achieved except for the 2006 – 16 LTCCP.
To provide cost effective computer systems and other equipment and technology that maximises the efficiency of Council activities.	All computer hardware and software is purchased to maximise efficiency of Council services.
Meet the statutory or stated requirements in preparation, notification and processing of Council reports, plans and agendas.	This target was achieved except for the 2006-16 LTCCP.
Issue timely financial status reports to elected representatives and staff.	Management reports are issued on a monthly basis to Managers and Elected Members.
Efficiently and safely complete Annual Plan projects and works.	Annual Plan projects and works completed efficiently and safely.
Customers are treated with courtesy and respect and all effort is made to assist them.	Achieved.
That Council is committed to equal employment opportunities (EEO) and robust occupational health and safety practices (OSH) and will be a good employer with fair and equitable personnel policies.	Achieved.

Council Administration & Support Services Significant Activity Statement For the year ended 30 June 2006

Actual 2004/2005 \$		Actual 2005/2006 \$	Budget 2005/2006 \$
<i>INCOME</i>			
1,163,434	Internal recoveries	1,576,037	1,118,557
3,584	Rentals	12,740	-
-	Rates penalties	43,699	-
30,830	Commission	32,719	-
286,064	Interest	280,863	223,000
590	Fees & charges	613	-
59,235	Miscellaneous income	22,889	-
-	Assets vesting in council	354,614	-
38,192	Profit on sale of assets	3,291	-
1,581,929	Total income	2,327,465	1,341,557
<i>OPERATING COSTS</i>			
787,224	Administration	1,029,849	720,227
283,622	Operations overhead	313,978	228,901
166,920	Planning & regulatory	205,039	156,329
10,868	Human resources	27,171	13,100
1,248,634	Total operating costs	1,576,037	1,118,557
333,295	Net cost of service	751,428	223,000
<i>CAPITAL</i>			
-	Airconditioning	2,017	-
50,207	Office equipment & computer upgrade	5,349	-
-	Workstation	604	-
-	Laptop for regulatory manager	5,765	4,500
-	Road cones	5,255	5,000
-	1.5 ton digger	31,500	40,000
-	3.5 ton truck with Hiab	50,470	56,000
-	Team leader vehicle	28,211	28,000
-	Computers (3)	8,864	7,500
-	Laptop for operations manager	2,976	4,500
-	Pocket chlorometer	1,537	1,500
-	Weedeater	852	1,000
-	Side discharge push lawnmower	733	1,000
-	Chainsaw - operations	1,278	1,500
-	Chainsaw - water races	1,869	2,100
-	Depot upgrade	7,278	-
1,200	Capital work in progress	7,192	-
92,291	Works - vehicles	-	-
33,125	Works - plant & equipment	-	-
-	Software	-	5,000
-	Office equipment	-	5,000
-	Compliance software	-	14,000
-	Software water meter reading	-	5,000
176,823	Total	161,750	181,600

Council Business Unit for In-House Professional Services Significant Activity Statement For the year ended 30 June 2006

		Actual 2004/2005 \$		Actual 2005/2006 \$	Budget 2005/2006 \$
	<u>INCOME</u>				
42,524	Total revenue			43,558	47,688
	<u>OPERATING COSTS</u>				
42,524	Total operating costs			43,558	47,688
-	Net cost of service			-	-