



▶ Matamata-Piako District Council

# Annual Report 2009/10

Our Community Our Future



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## Foreword

### We are pleased to present the 2009/10 Annual Report

This Annual Report completes the first year of our 2009-19 Long-Term Council Community Plan. A summary of this report is available on Council's website or at Council offices and libraries.

This 12 month period again saw good progress in long-term planning and policy in a number of areas. We have also made progress on a number of important projects that will provide benefits to our community for many years to come. This foreword outlines:

### Finance

Council's overall financial position remains sound as at 30 June 2010. All Council's activities and projects completed during the year were largely within budget. The overseas investment (Power New Zealand fund) returned a dividend of \$676,000 against a budget of \$480,000. The capital however showed an unbudgeted reduction of \$400,701. Council made a decision through the 2009-19 long-term plan process to return the funds to New Zealand to either fund Council capital work or for re-investment within New Zealand. This will be done as soon as professional advice recommends this action.

### Community Development

Council has again run the Business Night Out Awards, Industry Training Graduations and the Community Volunteer Awards, all with great success. We have added Geographic Information Systems (GIS) mapping to our new website, the first of the e-services that we are planning to make available to our community. Over the next

year we are planning on also having: 'e-payments' - allowing people to make credit card transactions online, 'customer requests management' - allowing people to log requests for service directly into Council's system, 'My MPDC' - a portal which allows people to view their own information, and 'Rating Information Database' - allowing people to find rates and property information.

Council has completed four District Plan changes, the most significant of which has been the addition of Precinct F to the Matamata residential and rural residential zones. We have also completed a Growth Strategy, which will assist our work to accommodate future growth in our district. Our District Plan needs to be reviewed by 25 July 2015. We are planning on doing a 'rolling review', which is reviewing parts at a time rather than the whole document at once.

### Community Facilities

Council has achieved excellent results on satisfaction levels with our housing, libraries, parks, public amenities and aquatic facilities (over 90% satisfaction rates). These results were obtained through our Annual Customer Survey undertaken by Versus Research Limited.

In terms of our planning documents under the Community Facilities activity, we have made significant progress on our Reserve Management Plans and we have adopted an Arts, Culture and Heritage Strategy.

## Foreword

### Community Infrastructure

We have started work on projects to upgrade the wastewater treatment plants in Matamata, Waihou, and Morrinsville. A wastewater treatment plant at Tahuna has also been completed. The work at the Matamata, Morrinsville and Tahuna treatment plants were scheduled for this financial year. Work started at the Waihou treatment plant was brought forward to allow environmental issues to be addressed.

We have experienced a decrease in the New Zealand Transport Agency (NZTA) total subsidy for our proposed roading programs. We have however managed to undertake the years programme due to lower tender rates from contractors.

Council has also completed a Waste Minimisation Strategy, this strategy sets out our goals as a community to take responsibility for, and reduce the amount of waste we send to landfill. Our solid waste monitoring has shown an increase in the percentage of waste being recycled, this is a trend we wish to continue in the coming years.

Council is seen as one of the leading local authorities in the Waikato in terms of its improvement of drinking water systems to meet the standards required in 2014. Council compliance with the New Zealand Drinking Water Standards (NZDWS) has not been achieved for this year. This is because Council does not yet have 12 months worth of continuous compliance monitoring data. This data is required to meet an "A" grading for our water schemes. There are no tests which indicate that the water was anything other than safe to drink.

Council has installed equipment and systems necessary to achieve compliance and is now focusing on obtaining the required data in order to achieve compliance with the NZDWS in 2012.

### Environmental Care

Our building control team has retained its accreditation status and we have seen the first round of amendments to the Building Act 2004 passed into law.

Amendments to the Resource Management Act 1991 came in to force on 1 October 2009, these have affected some of our procedures, however our compliance with consent processing timeframes remains high.

### Conclusion

There are many other projects that have happened this year, all of which have contributed to the results shown in this Annual Report. Council would like to thank and acknowledge Councillors and Council staff for all the effort put in to achieve this. Thank you also to the many groups and individuals who have involved themselves by assisting Council in achieving such a satisfactory result.



A handwritten signature in black ink that reads "Hugh Vercoe". The signature is written in a cursive style and is positioned above the printed name.

**Hugh Vercoe** QSM, ED, JP  
Mayor

## General Information



**Mayor**  
**Hugh Vercoe**  
QSM, ED, JP



**Deputy Mayor**  
**Bob McGrail**  
Matamata



**Jan Barnes**  
Matamata



**Shirley Gillard** JP  
Te Aroha



**John Harris**  
Te Aroha



**Peter Jager**  
Te Aroha



**Carole Greenville** JP  
Morrinsville



**Mike Gribble**  
Morrinsville



**Tim Johnston** JP  
Morrinsville



**Maurice Steffert**  
Morrinsville



**Garry Stanley**  
Matamata

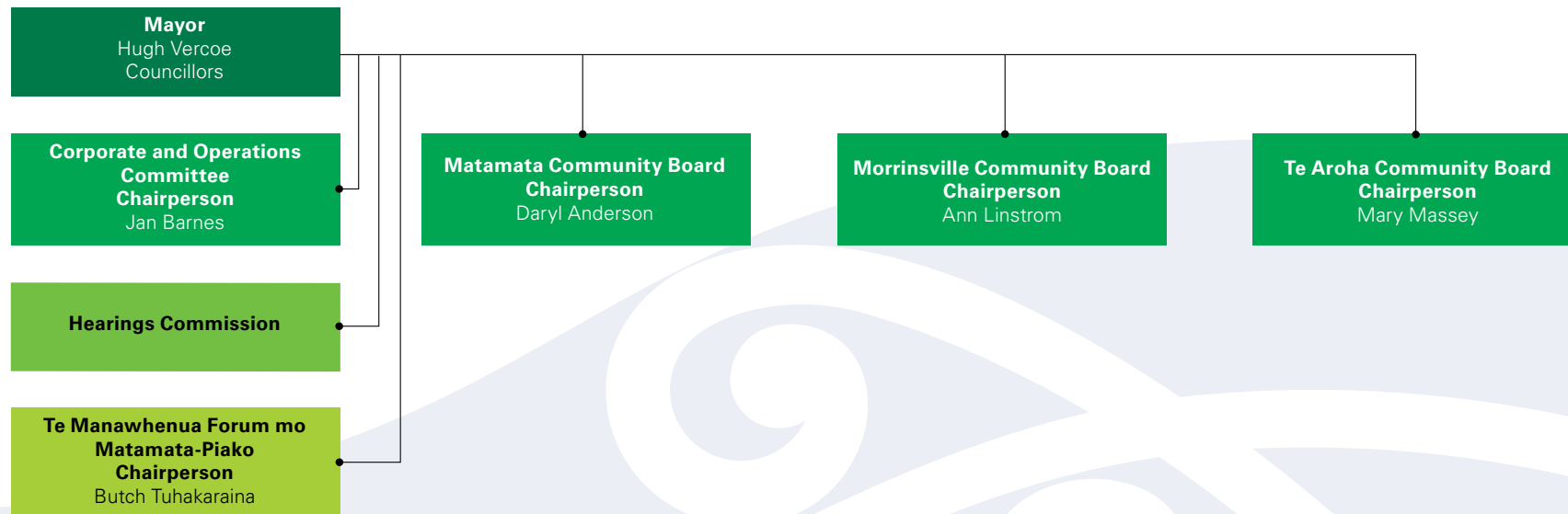


**Leonie Tisch**  
Matamata

## General Information

### Governance Structure

- Matamata-Piako District Council (Council)
- Corporate and Operations Committee
- Hearings Commission
- Te Manawhenua Forum mo Matamata-Piako
- Matamata Community Board
- Morrinsville Community Board
- Te Aroha Community Board



## Maori Participation in Council Decision-Making

The Local Government Act 2002 requires Council to establish and maintain processes to provide opportunities for Maori to contribute to Council's decision-making processes.

Te Manawhenua Forum mo Matamata-Piako is a standing committee of Council. The forum comprises membership from the Council, Ngati Haua, Ngati Tumutumu, Ngati Raukawa, Ngati Maru, Ngati Whanaunga, Ngati Paoa with Ngati Tamatera having the ability to join in. The purpose of the forum is to facilitate tangata whenua contribution to Council's decision-making. It considers any matter to sustainably promote the social, economic, environmental and cultural wellbeing of the Maori communities for today and for the future.

## Statement of Compliance

### Compliance

The Council and management of the Matamata-Piako District Council confirm that all statutory requirements of the Local Government Act 2002 have been complied with in relation to the preparation of this Annual Report.

### Responsibility

The Council and management of Matamata-Piako District Council accept responsibility for the preparation of the annual financial and non-financial statements and the judgements used in them.

The Council and management of Matamata-Piako District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the Council and management of Matamata-Piako District Council, the financial statements for the period ended 30 June 2010 fairly reflect the financial position and operations of Matamata-Piako District Council.



**Hugh Vercoe** QSM, ED, JP  
Mayor

6 October 2010



**Don McLeod**  
Chief Executive

## Auditor's Report

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

### **To the readers of Matamata-Piako District Council's financial statements and groups of activity statements for the year ended 30 June 2010**

The Auditor General is the auditor of Matamata-Piako District Council (the District Council). The Auditor General has appointed me, F Caetano, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements, the groups of activity statements and the District Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are included in the annual report of the District Council for the year ended 30 June 2010.

#### **Unqualified opinion**

In our opinion:

- The financial statements of the District Council on pages 65 to 108:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council's financial position as at 30 June 2010; and
    - the results of its operations and cash flows for the year ended on that date.
- The groups of activity statements of the District Council on pages 10 to 64:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the District Council's levels of service provision for the year ended 30 June 2010, including:
    - the levels of service provision as measured against the intended levels of service provision adopted in the long-term council community plan; and
    - the reasons for any significant variances between the actual service provision and the expected service provision.
- The District Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report, and that are included in the District Council's financial statements and groups of activity statements.

The audit was completed on 6 October 2010, 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, the groups of activity 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, the groups of activity 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, the groups of activity statements and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether the significant management and system controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;

## Auditor's Report

- performing analyses to identify anomalies in the reported financial and service provision data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied;
- determining the appropriateness of the reported groups of activity statements within the Council's framework for reporting performance; and
- determining whether all required disclosures are adequate.

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

We evaluated the overall adequacy of the presentation of information in the financial statements, the groups of activity 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 and groups of activity statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council as at 30 June 2010. They must also fairly reflect the results of its operations and cash flows for the year ended on that date. The groups of activity statements must fairly reflect the District Council's levels of service provision for the year ended 30 June 2010.

The Council is also responsible for meeting the other requirements of Schedule 10 of the Local Government Act 2002 and including that information in the annual report. The Council's responsibilities arise from section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, the groups of activity 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 New Zealand Institute of Chartered Accountants.

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



F Caetano  
Audit New Zealand  
On behalf of the Auditor General  
Auckland, New Zealand  
6 October 2010

## Auditor's Report

### **Matters relating to the electronic presentation of the audited financial statements, service provision information and the other requirements**

This audit report relates to the financial statements, service provision information and the other requirements of Matamata-Piako District Council for the year ended 30 June 2010 included on Matamata-Piako District Council's website. The Council is responsible for the maintenance and integrity of Matamata-Piako District Council's website. We have not been engaged to report on the integrity of Matamata-Piako District Council's website. We accept no responsibility for any changes that may have occurred to the financial statements, service provision information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, service provision information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, service provision information and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, service provision information and the other requirements as well as the related audit report dated 6 October 2010 to confirm the information included in the audited financial statements, service provision information and the other requirements presented on this website.

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

## Groups of Activities

### **Introduction**

For reporting purposes, Council has grouped its activities into four main groups. These are Community Development, Community Facilities, Community Infrastructure and Environmental Care.

All Council reports referred to within this report are available on Council's website or in Council offices and libraries.

### **Performance measures**

For each group listed above, a range of performance measures have been identified. A number of the performance measures required information from the Annual Customer Views Survey conducted by Versus Research Limited. This survey was undertaken in May 2010. The survey used a sample size of 408, of which 5% identified with the ethnic group 'New Zealand Maori'. The margin of error in this survey was +/- 4.85% at the 95% confidence interval. The overall response rate was just over one in five, i.e. one interview for every five phone calls made. Phone numbers were called a maximum of four times (an initial call and three call-backs) before the number was replaced.

The results of this survey are generally grouped as satisfied and very satisfied. The 'don't know/unable to say' responses are treated in the same way as the 'not very satisfied' results. These responses are still included in the overall totals.

## Community Development

### What we do

Community Development has a focus on economic, social, environmental, and cultural wellbeing and includes activities such as communications, democracy, the District Plan, the Long-Term Council Community Plan (LTCCP) and generally increasing community input into Council decision-making. Improving representation in Council's decision-making and finding other ways to improve the process of democracy in our district.

### Why we do it

The communications activity ensures important information is provided to the community so people are aware of what is happening at Council, how it will affect them and how they can be involved. Democracy is about involving people in Council decision-making and determining the future direction of the district. Our District Plan provides for the ongoing management of the natural and physical resources of the district to ensure it is protected for future generations. The strategies and planning activity is about planning for the future in an integrated and sustainable way.

### How we do it

#### Council's contribution to the wellbeing of the community

One of the purposes defined in the Local Government Act 2002 is for local authorities to play a broad role in promoting the four wellbeings (economic, social, cultural and environmental) of their community. The following is how Community Development contributes to the four wellbeings of our community:

**Economic wellbeing** – through the development of strategies such as the operative Matamata-Piako District Plan and facilitation of development to support economic diversity and reduced impacts on residents. The District Plan identifies where development is able to occur and provides certainty for community advancement.

**Social and cultural wellbeing** – through development of policies such as the support of democratic processes in the district, and the continuation of Te Manawhenua Forum mo Matamata-Piako. The Community Development group of activities develops and encourages effective representation and consultation through its policies by improving community participation. Partnerships have been developed

with organisations such as the Waikato District Health Board and the New Zealand Police with one aim being to improve social and cultural wellbeing in the district.

**Environmental wellbeing** – through the provision for and protection of the environment in the District Plan and processes such as the Significant Natural Features project. This project previously carried out ecological assessments of bush remnants in the district to identify and encourage the preservation of significant sites. Grants are provided to assist landowners in protecting and preserving these significant environmental sites and applications are called for annually. Community Development also gathers information on the state of the environment to detect changes in environmental quality. This allows informed decisions to be made regarding the management of environmental resources. District Plan changes are carried out to reflect changes in our environment and demands from the community.

Additionally, Community Development contributes to all four wellbeings by monitoring progress towards community outcomes. Ongoing reporting will enable changes to the four wellbeings to be identified and may influence decision-making.

### Community outcomes

Community Development contributes to the following community outcomes:

#### 1.0 Belonging to our community

##### 1.1 Doing things together

- b) People will know about upcoming events and activities
- c) Our district will be known for running events people want to come to

##### 1.3 Participating in decision-making

- a) All people will have the opportunity to comment on the decisions that affect their lives
- c) Tangata whenua with manawhenua status are recognised and involved in decision-making

## Community Development

### 1.5 Recreation and arts

- a) We will have good facilities in our district that are all easily accessible to each other
- b) Our facilities will be utilised to their full potential and offer a range of events and services
- c) People will be well informed on the resources, equipment and facilities available
- e) We will have central recreation facilities
- f) We will have accessible transport to get to facilities outside of our community

### 1.6 Volunteers

- b) Volunteering will be encouraged and valued in our community

### 3.0 Economic development: Prosperity

#### 3.3 Tourism

- a) The tourism potential in our district is recognised, developed and well co-ordinated for the benefit of all
- c) While developing tourism the character of our towns will be preserved and economic diversity will be developed

### 4.0 Healthy air, water, land: Healthy people

#### 4.3 Pests and noxious weeds

- a) Our native trees and flora will be well managed and protected on both public and private land

#### 4.5 Protecting the landscape

- a) The district will continue to maintain an attractive landscape that is not altered by the adverse visual effects of development
- b) All development would seek to avoid, remedy or mitigate the visual impact of development

### 5.0 Heritage: Our past

#### 5.1 Built heritage

- a) The built heritage of our towns and district will be protected, enhanced, promoted and celebrated by the local community

### 5.2 Knowledge and treasures

- a) Access to traditional foods, and cultural practices will be protected and preserved, while existing stocks of indigenous flora and fauna are increased
- b) Our history and the knowledge of our past, our customs and identity, the artifacts and treasures of our past and future will be respected and preserved
- d) The intellectual property rights relating to local artifacts, images, knowledge and cultural practices will be protected, respected and preserved

### 5.3 Mount Te Aroha

- b) The native flora and fauna on the mountain will be protected and maintained
- d) Mount Te Aroha will be protected from inappropriate development

### 5.5 Wetlands, significant natural features and wahi tapu

- a) The wetlands, significant natural features and wahi tapu on public land throughout the district will be protected, promoted, enhanced and restored
- b) The wetlands, significant natural features and wahi tapu on private land throughout the district will be protected, promoted, and enhanced for preservation purposes

### 7.0 Planning and development

#### 7.1 Industrial development

- a) There will be consistent and coherent growth in the industrial sector to help foster growth in the commercial and residential sectors of our communities

#### 7.2 Intensive farming

- a) All negative effects of industry will be managed within the property
- b) The effects of intensive farming will be monitored
- c) The long term adverse effects of intensive farming will be minimised

#### 7.3 Rural subdivision and amalgamation

- a) Large 'blocks' of land will be protected through the restriction of subdivisions in rural areas
- b) Council plans will be flexible enough to accommodate changes in the pressures for subdivision

## Community Development

### 7.4 Small town culture: Large town infrastructure

- a) Our towns will all grow in a coherent 'well planned' manner
- b) Our decision-making will be confident and visionary
- e) Decisions and development will be conducted in a manner respectful to local tikanga (customs) and values

### 7.5 Town appearance

- c) Our towns will have wide streets and well maintained footpaths
- d) Industry will be zoned to appropriate places within the town with screening and development controls in place to help reduce the visual impact

### 7.6 Town planning

- a) Our District Plan and Council policies will promote the retention of the character of our towns while accommodating growth and development
- b) Our three towns will grow bigger to the benefit of urban and rural citizens
  - Morrinsville and Matamata will expand up to a maximum of 10,000 people with a well managed growth plan
  - Te Aroha would have expanded to a vibrant community of 5,000-6,000 people permanently resident

### 9.0 Transport: People going places

#### 9.1 Parking

- a) We will have good access to parking in our central business districts that will suit business staff, shoppers and people passing through, without needing to resort to parking meters or other paid parking methods

### Progress measured towards community outcomes

Council is required to report the results of any measurement undertaken during the year of progress towards achieving community outcomes. Whilst these community outcomes are something that Council reports on we do not necessarily directly contribute towards them.

Visitor nights in commercial accommodation is a strong indicator of whether the tourism potential in our district is recognised, developed and well co-ordinated for the benefit of all. In the 2009 calendar year the total visitor nights was 56,730, this is down significantly from the two previous years, 63,707 in 2008 and 64,214 in 2007. This is still higher than the years from 2000 to 2005, and similar to 2006.

All schools in the district were surveyed in August 2009 regarding respecting elders and those that responded noted:

- 26% presented special awards to elderly members compared to 31% in 2008;
- 63% conducted trips to visit elderly compared to 81% in 2008;
- 53% recognised or attended special events for the elderly compared to 67% in 2008; and
- 42% provided specific teaching regarding Maori elderly compared to 50% in 2008.

Organisations recognised as making decisions on behalf of the community were asked in August 2009 if they have an understanding and take into account local Maori values. 64% of organisations which responded said yes, compared to 68% in 2008. Examples of different ways these organisations took this into account were with; Maori advisory boards, advisors specifically to build relationships with iwi and Maori advisors on board of trustees.

## Community Development

Council has given attention to promoting, protecting and regenerating wetlands, significant natural features, wahi tapu and native flora and fauna throughout the district. In 2006 a funding round was established which allowed applicants of significant sites to apply for funding for fencing and other projects. During the 2009/10 financial year Council contributed \$22,267 towards fencing and project costs of significant natural features. Council also contributed approximately \$6,696 worth of rates remissions where sites are legally protected in perpetuity.

The three information centres in the district, Matamata, Morrinsville and Te Aroha advertise special and regular events in our towns where people can get together as families and as a community. Over the last year there were 411 public events advertised on their websites, an increase from the previous year which was 317, however only a small number were organised by Council. These include the Business Night Out and the Community Volunteer Awards.

The participation in events and activities in Council-owned facilities was as follows:

	2008/09	2009/10
Firth Tower	7,233	9,089
Wyborn Pool (Te Aroha Leisure Pools)	29,456	33,465
Te Aroha Spas (Te Aroha Mineral Spas)	16,303	16,794
Morrinsville Pools (only open December–March)	13,240	10,131
Te Aroha I-site (total enquiries)	12,493	13,370
Matamata Pools (Matamata Sports Centre)	43,411	41,383

There has been a slight increase in attendance on average overall for these six facilities. The Wyborn Pool (Te Aroha Leisure Pools) saw a reasonable increase, and the Morrinsville Pools and the Matamata Pools (Matamata Sports Centre) saw a small decrease.

This is an indication of our district providing for activities people want to be involved in.

The Council has a forum of representatives from iwi spread throughout the district called Te Manawhenua Forum mo Matamata-Piako. They meet four times a year and contribute to tangata whenua with manawhenua status being recognised and involved in decision-making. The forum members were surveyed to see if;

- 1) They believed that tangata whenua with manawhenua status were being recognised and involved in decision-making. An average of 6.7 out of 10 (0 very dissatisfied, 10 very satisfied) was achieved in 2009/10 compared to 6.3 out of 10 in 2008/09.
- 2) They believed our Koroua and Kuia (elders) are respected for the valuable contributions they make to our community, an average of 4.9 out of 10, was achieved in 2009/10 compared to 6.3 out of 10 in 2008/09.
- 3) They believed that all settlements for lands and properties confiscated unjustly will be negotiated to fair and durable outcomes. An average of 4.1 out of 10 was achieved compared to 2.6 out of 10 in the previous year.
- 4) They believed that organisations making decisions on behalf of the community have an understanding of Maori values. The average response being 4.6 out of 10 was achieved in 2009/10 compared to 6.2 out of 10 in 2008/09.

Overall 83% of residents are satisfied with parking in the district which shows that we have good access to parking in our central business districts that will suit business staff, shoppers and people passing through. The number of accidents reported on district roads per annum is a strong indication of our traffic flowing safely, the safety of our roads for walking and biking, and of having safe, fast links to neighbouring communities such as Hamilton and Tauranga. In 2009/10 there have been 2 fatal, 12 serious and 34 minor accidents which is similar to the previous year.

## Community Development

### Other factors affecting Community Development

This year has seen the introduction of the Resource Management (Simplifying and Streamlining) Amendment Act 2009 (RMA 2009) and the Local Government Act 2002 Amendment Bill 2010 (LGA 2010) which has had or will have some impact on the activities within Community Development.

### Resource Management Amendment Act 2009

The RMA 2009 has introduced or changed aspects of proposed plan changes to district plans such as:

- restricting who can make a further submission to a proposed plan change. Before the RMA 2009 came in anyone could make a further submission;
- shortening the further submission period from 20 working days to 10 working days;
- the rules in district plans now have no legal effect until a decision has been made on submissions, unless special circumstances apply or a court order has been obtained to allow them to take effect earlier;
- the requirement to review district plans has changed as prior to October 2009 Councils had to complete a full district plan review every ten years. This provision has now been amended so that only every part of a district plan must be reviewed every ten years i.e. allowing a “rolling review”;
- the requirement for Council to remove provisions from district plans that conflict with or duplicate specific provisions within a National Environmental Standard; and
- the ability for Council to amend the district plan without formality to include objectives and policies from a National Policy Statement.

### Local Government Act 2002 Amendment Bill 2010

The LGA 2010 proposes some changes that, if passed into law, will have some impact, such as:

- changes to what needs to be publically consulted on using the special consultative procedure;
- changes to performance measures to be able to complete intercouncil comparisons; and
- changes to the long-term planning processes.

### Major achievements:

- The Council In Focus and Artspost newsletters were redesigned to provide a fresh new look. Council’s branding was also revamped to provide a new modern feel and to allow in-house printing, which will save time and money;
- The annual Business Night Out was held on 14 October 2009 and featured guest speaker Julia Hartley Moore. 300 people attended the event and a total of 89 nominations for the Business to Business Awards were received; 39 in the Business Excellence category and 50 in the Customer Service category;
- Arbor Day celebrations were held in Matamata, Morrinsville and Te Aroha in August with eight schools in total attending the Arbor Day plantings;
- Following the initial launch of the new website in March 2009 additional features have been added over the 2009/10 financial year including a mayor’s diary section, a projects page, an elections section, a community outcomes section, electronic submission forms, GIS Maps – the first e-Service and more;
- A process for contractor communication was developed to ensure our community is kept informed while contractors undertake work that affects them;
- The Industry Training Graduation was held on Wednesday 19 May at the Matamata Memorial Centre. 25 Graduates were acknowledged and 125 people attended the event, including employers and supporters. 148 graduates were invited to attend the event;
- The Community Volunteer Awards were held on 22 June 2010, 45 volunteers were nominated and received certificates to recognise their efforts. 40 of those nominated attended the award ceremony;
- The inclusion of Proposed Plan Change 2 – Greenlea Premier Meats Limited within the District Plan as this plan change has extended over a number of years;
- The first community outcomes report was completed in March 2010, giving the community an update on how we are progressing towards our community outcomes; and
- A Growth Strategy was developed to provide guidance to future development in the district and to allow for more informed decision-making.

## Community Development

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Communications</b>						
Achievement will be encouraged through organised, Council hosted events	Council will hold functions annually to recognise businesses, industry graduates and volunteers	Business Night Out Industry Training Graduation Community Volunteer Awards	Business Night Out Industry Training Graduation Community Volunteer Awards	Business Night Out Industry Training Graduation Community Volunteer Awards	✓	Council events provide opportunities for groups to get together and be recognised for their contributions.  The Business Night Out was held on 14 October 2009. The Industry Training Graduation was held on 19 May 2010. The Volunteer Awards were held on 22 June 2010.  Overall Council has received positive feedback regarding these events.
An award ceremony will be held annually to recognise and encourage volunteers' contributions to the community	The number of people recognised through the volunteer awards will increase annually	28 people	55 people	45 people	x	Communication activities help to reward those who contribute to the social wellbeing of our community by giving their time and effort to help others.  45 volunteers were nominated and received certificates to recognise their effort. 40 of those nominated attended the award ceremony. Unfortunately the number of volunteers nominated this year was below the target number, despite the additional efforts that the communications team made to raise the number of nominations.  The number of volunteers recognised increased by 17 people from the previous year.
Opportunities for the community to participate in decision-making will be widely publicised	Percentage of the community satisfied/very satisfied with how Council keeps them informed	New measure	Baseline established	86% satisfied	✓	A key part of the communication role is to ensure the public are informed on Council activities, and to promote and encourage community participation.

## Community Development

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
A quarterly arts newsletter and Council in Focus newsletter will inform people about the art resources, equipment, facilities available and about Council decisions and activities	The Artspost newsletter will meet community expectations	New measure	Baseline established	42% satisfied	✓	Council's communications team activities help to promote artistic activities and keep the community informed on decisions and activities the Council is undertaking within the district.  42% of those surveyed rated the Artspost newsletter as good or excellent, 15% rated it as fair, 5% as poor and 38% were unsure.
	The Council In Focus newsletter will meet community expectations	New measure	76%	53%	x	53% of those surveyed rated the Council In Focus newsletter as good or excellent, 26% rated it as fair, 5% as poor and 16% were unsure.  Previously this question was asked as 'Where or from whom do you see, read or hear information about Council?' if the respondent answered 'yes' to reading Council In Focus they were asked to rate it. This year respondents were simply asked to rate the Council In Focus. To improve this, Council will invite feedback on the Council In Focus and Artspost in February 2011, with this feedback we can potentially make changes to further meet community expectations. The newsletters are only sent to ratepayers as they are sent with rates demands. To allow residents the chance to view these newsletters they are now available in pdf format on our website. Next year we will give people the option to subscribe electronically to the newsletters.

## Community Development

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
The website will be a valuable resource for the community to access Council and community information and services, with increased online services being added on an on-going basis	The number of people accessing Council information and services via the internet will increase annually	New measure	125,000 hits	39,267 hits	x	<p>The website is a key business tool to provide information and electronic services to the community. It allows people to find the information they need and interact with Council at their own convenience.</p> <p>Council launched a new website in March 2009, which included a detailed statistics package. Previously the package measured all users of the website (including Council staff), the new statistics package only measures external users of the site. This means the way Council measures the performance of the website as an information resource that is used by the community has become more accurate.</p> <p>Over the next year we are planning on also having; 'e-payments' - allowing people to make credit card transactions on line, 'customer request management' - allowing people to log requests for service directly into Council's system, 'My MPDC' - a portal which allows people to view their own information, and 'Rating Information Database' - allowing people to find rates and property information.</p> <p>We will use this years figure as a baseline and look to improve from this with the addition of our new e-services.</p>

## Community Development

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Democracy</b>						
People will have trust in their local elected members	Percentage of the community satisfied/ very satisfied with the performance of Councillors and Mayor	New measure	85% satisfied	80% satisfied	x	<p>For people to participate in the democratic process they need to trust that Council will listen to and respect ideas from the community.</p> <p>80% of residents surveyed were satisfied/very satisfied, 10% were not very satisfied and 10% were unsure. Reasons for not being satisfied include; residents concerns not listened to or actioned, inefficient/poor decision making, Council does not appear to be achieving much/is increasing rates, disproportionate representation, poor communication and not being progressive.</p> <p>To improve on these results Council will try to ensure better communication with the community.</p>
Council will involve tangata whenua with manawhenua status* in the decision-making process	Percentage of Te Manawhenua Forum members satisfied/ very satisfied that tangata whenua with manawhenua status are recognised and involved in decision-making	63%	75%	67%	x	<p>By involving tangata whenua with manawhenua status in the decision-making process Council can ensure that they are making informed and representative decisions on behalf of the community.</p> <p>Council has a forum of representatives from iwi spread throughout the district called Te Manawhenua Forum mo Matamata-Piako. Reasons for not being satisfied include that; key decisions are believed to be made beyond the group, and that it is believed there should be an iwi representative at Council meetings.</p> <p>Council plans to continue with Te Manawhenua Forum to allow increased involvement in decision-making.</p>

\*Tangata whenua with manawhenua status - those with authority over the land under Maori lore

## Community Development

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>District Plan</b>						
All district plan changes processed and completed in accordance with statutory requirements	100% of plan changes researched, proposed, consulted, and reported on as required by Council in accordance with the relevant statutory requirements	100%	100%	100%	✓	<p>The District Plan is a living document that needs to continually be maintained and developed to keep up with legislation, other plans, strategies and changes within the community.</p> <p>In the 2009/10 financial year Council completed the following plan changes:                      2 – Greenlea Premier Meats Ltd;                      16 – Rezoning of Kaitiaki (Conservation Zone) - Dearlove;                      31 – Precinct F, Matamata; and                      33 – Local &amp; General Election Signage Review.</p> <p>All of these proposed plan changes were completed within statutory timeframes.</p> <p>Currently Council is still processing the following proposed plan changes:                      24 – Development Manual; and                      4 – Heritage Site.</p> <p>Currently both of these proposed plan changes are within statutory timeframes.</p> <p>Two of these plan changes (2 and 16) were subject to appeal. These were both settled prior to a hearing to the satisfaction of all parties and meeting the requirements of the Resource Management Act (1991).</p>

## Community Development

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
To provide an annual update on progress on land use and development, and the protection of natural and physical resources of the district	To report by 20 November each year on Council's website	25 November	20 November	18 November	✓	<p>The District Plan is written for the benefit of the whole community. The ongoing monitoring of it provides the community with the opportunity to see how matters are progressing and any changes taking place in the district. Council updates results of this monitoring onto its website annually.</p> <p>Updates this year highlighted a number of trends that are occurring, including that;</p> <ul style="list-style-type: none"> <li>the number of resource consent conditions imposed to control amenity factors increased significantly over previous years;</li> <li>the amount of Council spending on protecting heritage features has increased significantly; and</li> <li>residential development, both the creation of new lots and number of building consents dropped substantially after steadily increasing over previous years.</li> </ul>
The Council monitors the District Plan through State of the Environment monitoring and reports this to the community annually. An analysis of these will be undertaken to identify the effectiveness of the Plan for land use and development, and the protection of natural and physical resources	The efficiency and effectiveness of the District Plan will be reported on Council's website	New measure	100%	100%	✓	<p>The efficiency and effectiveness of the objectives and policies of the District Plan are required by legislation to be monitored every five years. Matamata-Piako's District Plan became operative 25 July 2005, the efficiency and effectiveness report was available on the website and at Council offices and libraries on 22 July 2010. The findings of this report will be taken into consideration for prioritisation of the District Plan rolling review.</p>

## Community Development

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Strategies and Planning</b>						
People feel comfortable about participating in the consultation processes	Percentage of the community satisfied/very satisfied with the involvement in consultation process	55%	52%	69%	✓	Information and advice provided by Council will ensure that people are able to participate when preparing plans and strategies.  69% of the community were satisfied/very satisfied, 9% were not very satisfied and 22% were unsure.
Council will provide opportunities for input into Gambling Venue Policy reviews and will report to the community on progress towards achieving community outcomes	Report on the community outcomes and review of the Gambling Venue Policy completed on time to meet legislative timeframes	New measure	Report on community outcomes by March 2010  Review Gambling Venue Policy by July 2010	Available - 22 March 2010  Reviewed - 23 June 2010	✓  ✓	Council promotes the wellbeing of communities by reporting on community outcomes and reviewing the Gambling Venue Policy.  The community outcomes report was available on the website and from Council offices on 22 March 2010. A summary of the report also appeared in both local newspapers on 23/24 March 2010. The Gambling Venue Policy was reviewed and as a result of consultation was separated into two policies, a Gambling Venue Policy which relates to class 4 venues and a TAB Board Venue Policy. These were separated to recognise the differences between these types of gambling and to remove the need for public consultation in regards to new TAB venues.

## Community Development

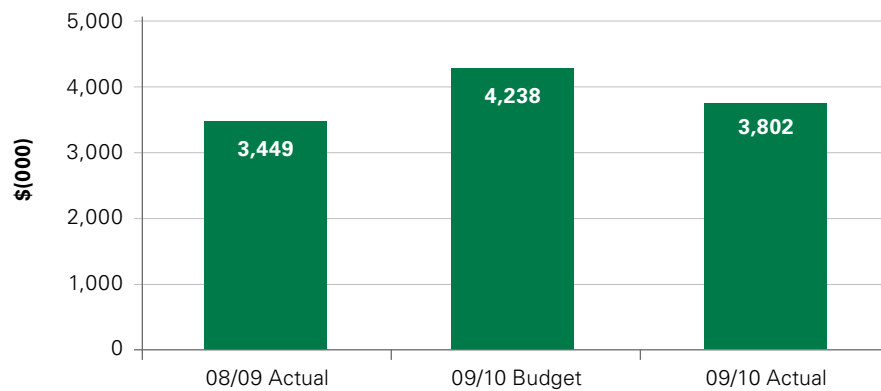
### Statement of revenue and expenses

Actual 2008/09		Budget 2009/10	Actual 2009/10
\$000		\$000	\$000
	<b>Operating expenditure</b>		
1,662	Democracy	1,737	1,891
227	District Plan	515	561
1,474	Strategies and planning	1,886	1,269
86	Communication	100	81
<b>3,449</b>	<b>Total operating expenditure</b>	<b>4,238</b>	<b>3,802</b>
	<b>Operating revenue</b>		
626	Activity revenue	735	679
276	Targeted rates	283	284
3,229	General rates	3,258	3,295
<b>4,131</b>	<b>Total operating revenue</b>	<b>4,276</b>	<b>4,258</b>
<b>682</b>	<b>Operating surplus/(deficit)</b>	<b>38</b>	<b>456</b>
682	Operating surplus transferred to reserves	98	456
-	Operating deficit funded from reserves	60	-
<b>682</b>	<b>Net transfers to/(from) reserves</b>	<b>38</b>	<b>456</b>
	<b>Capital expenditure</b>		
-	Capital	-	-
-	External loans repaid	-	-
-	<b>Total funding required</b>	<b>60</b>	-
	<b>Funded by</b>		
-	External loans raised	-	-
-	Funding from depreciation reserves	-	-
-	Transfer from general and special reserves	60	-
-	<b>Total funding applied</b>	<b>60</b>	-

## Community Development

### Summary

#### Operating expenditure



### Explanation for major variances against budget

#### Operating expenditure

Grants budgeted for in the 2009/10 financial year were not taken up due to various delays in the projects. These include grants set aside for the Morrinsville Historical Society, Morrinsville Skate Park and Morrinsville Museum. These funds are being carried forward to the 2010/11 financial year.

## Community Facilities

### What we do

Community Facilities are Council activities focused on recreational and cultural opportunities in the district. Previously, much of the work Council has done in this area has been around the provision of services and assets such as housing and other property, libraries, swimming pools, parks and reserves and other public amenities. In the future, Council will be looking to see how it can enhance the provision of these services to the community through the forming of partnerships with other regional and national organisations focused on social and cultural wellbeing.

### Why we do it

Council offers housing and other property in order to support its services and fulfil social objectives relating to the provision of housing for elderly persons and through the provision of library services, the support of culture, education, economic and personal development. The provision of libraries by Council allows for all in our community to access information, knowledge, leisure and learning opportunities. Council provides parks and reserves in order to support the health and wellbeing of the community by providing areas for sport and recreation, and landscapes and green places that are restful and enhance the visual amenity. Council provides public amenities to support the health and wellbeing of the community by providing areas for burial, and for the comfort and convenience of visitors and residents. Facilities are provided for sport and recreation, key historic features are protected and low cost visitor accommodation is provided.

### How we do it

#### Council's contribution to the wellbeing of the community

One of the purposes defined in the Local Government Act 2002 is for local authorities to play a broad role in promoting the four wellbeings (economic, social, cultural and environmental) of their communities. The following is how Community Facilities contributes to the four wellbeings of our community:

**Economic wellbeing** - Community Facilities provide affordable accommodation for the elderly. Council staff houses are an incentive and a staff retention tool. Council's involvement in the property market stimulates development and growth. Library facilities support learning and development and help overcome socio-economic

differences. The parks and reserves and recreation and culture activities provide a range of areas that attract events and activities from outside the district, which can result in increased spending. An increase in tourism also results from facilities provided by Council. Recreational facilities provide draw cards and allow for events and general attractions; which increases spending within the district.

**Social wellbeing** - the elderly and employees in the district who use Council accommodation benefit from the housing and other property activity. Libraries provide venues for activities as well as improving equality and promoting social inclusion, improving literacy and offering education and life long learning opportunities. The parks and reserves and recreation and culture activities provide public areas and facilities for active recreation such as swimming pools, walking tracks, bike paths and sports fields - and provide areas for passive recreation and community events and gatherings. Community Facilities also have positive social effects through public amenities which provide adequate burial facilities.

**Cultural wellbeing** - amenities for cultural uses such as halls and libraries are provided through housing and property. The libraries provide after-school programmes and a diverse range of reading and entertainment media, as well as displaying community exhibits and collections. Libraries assist with preserving and maintaining access to local and national history and culture as well as supporting diversity and strengthening the community. Areas for community events are available through the parks and reserves activity. The recreation and culture activity preserves history through the maintenance and operation of our museums. This activity also promotes retention of the district's character.

**Environmental wellbeing** - Parks and reserves protect areas of environmental value. They also improve amenity values, preserve native flora and fauna and increase aesthetic value through landscaping.

## Community Facilities

### Community outcomes

Community Facilities contributes to the following community outcomes:

#### 1.0 Belonging to our community

##### 1.1 Doing things together

- e) There will be a range of activities and events occurring in the community for parents and children to do things together as families

##### 1.2 Improving life on a day to day basis

- a) The district's towns will grow and become more prosperous while remaining somewhere that is seen as attractive to raise a family

##### 1.3 Participating in decision-making

- b) Young people will be involved in local decision-making at a range of levels

##### 1.5 Recreation and arts

- a) We will have good facilities in our district that are all easily accessible to each other
- b) Our facilities will be utilised to their full potential and offer a range of events and services
- c) People will be well informed on the resources, equipment and facilities available
- d) We will have a wide diversity of recreation and entertaining events provided for a wide variety of people to hang out and enjoy
- e) We will have central recreation facilities

##### 1.6 Volunteers

- a) The residents of our district will support the activities and events offered by volunteering to help, participating and showing their appreciation

#### 3.0 Economic development: Prosperity

##### 3.3 Tourism

- a) The tourism potential in our district is recognised, developed and well coordinated for the benefit of all
- b) Tourism will become the focal point for Te Aroha with the town becoming recognised as more of a 'destination'

- c) While developing tourism the character of our towns will be preserved and economic diversity will be developed
- d) Our communities and their attractions will be well promoted to tourists and potential residents both nationally and internationally

#### 4.0 Healthy air, water, land: Healthy people

##### 4.2 Healthy people

- b) The health and wellbeing of our residents will continue to improve

##### 4.3 Pests and noxious weeds

- b) Pest levels will be kept to a minimum by both private and public land owners

#### 5.0 Heritage: Our past

##### 5.2 Knowledge and treasures

- b) Our history and the knowledge of our past, our customs and identity, the artifacts and treasures of our past and future will be respected and preserved

##### 5.3 Mount Te Aroha

- a) The mountain will be accessible to everyone with walking tracks offering different levels of difficulty and accessibility
- c) The mountain would be promoted as an attraction

##### 5.4 Te Aroha Domain

- a) The domain will be developed in a manner to link the river, the main street of town, Herries Park and the domain into a holistic town feature
- b) The domain and its facilities will be well utilised and enjoyed by residents and tourists while remaining affordable for residents
- c) The domain will be well advertised and promoted through organised events

##### 5.5 Wetlands, significant natural features and wahi tapu

- a) The wetlands, significant natural features and wahi tapu on public land throughout the district will be protected, promoted and enhanced and restored

## Community Facilities

### 6.0 Our social infrastructure

#### 6.2 Services

- b) People will not have to travel unrealistic distances to access services; in particular young and elderly people will have good access to services

### 7.0 Planning and development

#### 7.4 Small town culture: Large town infrastructure

- d) Infrastructure will be provided for the future, not just today

#### 7.5 Town appearance

- a) Our towns will have an appearance their residents can take pride in; free from graffiti and vandalism

#### 7.6 Town planning

- b) Our three towns will grow bigger to the benefit of urban and rural citizens:
- Morrinsville and Matamata will expand up to a maximum of 10,000 people with a well managed growth plan
  - Te Aroha would have expanded to a vibrant community of 5000-6000 people permanently resident
- c) All people will have access to good quality affordable housing

### 8.0 Pride and justice

- g) All people will be free of poverty

### 9.0 Transport: People going places

#### 9.1 Parking

- a) We will have good access to parking in our central business districts that will suit business staff, shoppers and people passing through, without needing to resort to parking meters or other paid parking methods

#### 9.2 People and traffic flow

- e) The aesthetics of our town's main streets will be maintained - i.e. kept clear of heavy vehicles - while maintaining busy towns with unimpeded access to the central business districts

### Progress measured towards community outcomes

Council is required to report the results of any measurement undertaken during the year of progress towards achieving community outcomes. Whilst these community outcomes are something that Council reports on we do not necessarily directly contribute towards them.

Residents satisfaction with facilities is an indicator of whether we have good facilities in our district.

Measurements taken from the annual survey are as follows:

	2008/09	2009/10
Libraries (users)	92%	97%
Parks and reserves (users)	91%	94%
Sports fields (users)	Not measured	91%
Cemeteries (users)	85%	96%
Parking	79%	82%
Aquatic facilities (users)	80%	90%

There were 411 public events advertised by the Matamata, Morrinsville and Te Aroha Information centres during the 2009/10 financial year, an increase from the previous year which was 317. This contributes to there being a range of activities and events occurring in the community for parents and children to do things together as a family, and also to having a wide range of recreation and entertaining events provided for a wide variety of people.

## Community Facilities

Annually the public are invited to nominate volunteers to be recognised for contributions they make to the district which adds to volunteering being encouraged and valued in our community. 45 people were recognised in this years ceremony held on 22 June 2010. Figures from previous years are: 30 - 2005, 40 - 2006, 48 - 2007, 55 - 2008, and 28 - 2009. Over 90% of those honoured this year were elderly, contributing to our elders being respected for the valuable contributions they make to our community.

Visitor nights in commercial accommodation is a strong indicator of whether the tourism potential in our district is recognised, developed and well coordinated for the benefit of all. In the 2009 calendar year the total visitor nights was 56,730. This is down significantly from the two previous years, 63,707 in 2008 and 64,214 in 2007. This is still higher than the years from 2000 to 2005, and similar to 2006

### Major achievements:

- Reserve Management Plans were adopted for active and passive reserves;
- General policies for parks and reserves were adopted;
- The first year of the Graffiti Education Programme has been implemented successfully and the second is also progressing positively;
- The development of the Stillborn Memorial Section at Piako Cemetery, Morrinsville;
- A review of Cemetery Policies and Procedures;
- Upgrade of toilets in Morrinsville; Recreation Grounds, Thomas Park and Studholme Street at a total cost of \$382,500. These upgrades were required in order to maintain ratepayer and visitor satisfaction and levels of service in respect of public amenities;
- A District Heritage Trail was completed, which links the three towns and visits places of historical interest on the way;
- An Arts, Culture and Heritage Strategy was adopted to provide a clear set of priorities for the enhancement of arts, culture and heritage facilities and initiatives across the district;
- Council spent \$170,000 on new library books as budgeted;
- The libraries application to join Aotearoa People's Network, giving our communities free internet and resource access has been successful and implementation will start early in 2010/11;
- The Matamata Aerodrome hosted an Aviation Open Day which approximately 1,500 people attended;
- The Matamata Sports Centre held a number of successful events including a major swimming carnival and an "A" grade squash tournament; and
- New spa treatments have been introduced at the Te Aroha Mineral Spas.

## Community Facilities

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Housing and other property</b>						
Council will provide well maintained pensioner housing	Percentage of pensioner housing tenants satisfied/ very satisfied with standard of maintenance and accommodation	84%	75%	94%	✓	<p>Council provides pensioner housing for the community so that elderly people can have access to good quality affordable housing.</p> <p>94% of respondents (67/71) were satisfied or very satisfied with pensioner housing.</p> <p>82% were satisfied with the maintenance of the buildings and 86% were satisfied with the maintenance of the grounds.</p> <p>Unfortunately when conducting this survey the exact wording 'standard of maintenance and accommodation' was not used. We have used the question regarding overall satisfaction with pensioner housing as an alternate or proxy question, as it is all encompassing of the original measure. Council intends to change the survey question next year to reflect the exact wording in the measure.</p>
Council will provide affordable pensioner housing	Rents for Council provided pensioner housing will be 30% below market median for the district	Rents 30% below market median for the district	Rents 30% below market median for the district	Rents 30% below market median for the district	✓	Rents for a 1 bedroom flat are 30% below market median and rents for a 2 bedroom are 34% below market median. The market median for a 1 bedroom flat was \$150, Council charged \$105. The market median for a 2 bedroom flat was \$190, Council charged \$126.
Owner occupier housing will be 100% self funding	Owner occupier housing 100% self funding of direct costs	100% self funding	100% self funding	100% self funding	✓	<p>Council provides a high standard of accommodation that is affordable for tenants and for ratepayers.</p> <p>Council's policy is that this will be self funding.</p>

## Community Facilities

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
Elderly persons housing will be 100% self funding	Elderly persons housing 100% self funding of direct costs	100% self funding	100% self funding	100% self funding	✓	Council's policy is that this will be self funding.
<b>Libraries</b>						
Library services will be accessible to the community	Increasing number of library members using the online service each year	New measure	Benchmark	7,686 users	✓	Web access will make it more accessible for people to use library services, and will mean that people won't have to travel to use these services.  As this is a new system we are establishing a benchmark to base future years results on.
Library services will be accessible to the community	90% of users satisfied/very satisfied with opening hours of the libraries	New measure	90% satisfied	98% satisfied	✓	The opening hours of the libraries in the district ensure that library facilities are accessible to different groups in the community.
Library services will be well resourced and have friendly and helpful staff	94% of users satisfied/very satisfied with library services	92% satisfied	94% satisfied	97% satisfied	✓	Providing quality library services contributes to the attractiveness of living in our towns.
<b>Parks and Reserves</b>						
We will provide the community with attractive and well maintained parks and reserves	90% of users satisfied/very satisfied with parks and reserves	91%	90%	94%	✓	Parks, reserves and play areas are provided to support the health and wellbeing of the community.
We will provide good quality facilities to meet the needs of sports clubs	85% of users satisfied/very satisfied with sports fields	New measure	85%	91%	✓	Sports fields are provided to support the health and wellbeing of the community.

## Community Facilities

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Public amenities</b>						
Public toilet facilities will be maintained to acceptable standards	Less than 8 complaints received regarding dissatisfaction with public toilets per year	New measure	Less than 8 complaints per year	15 complaints	x	<p>The maintenance of public toilets is monitored to ensure the health and wellbeing of our community is not negatively affected.</p> <p>15 complaints regarding dissatisfaction were received. Of these, 5 were related to cleanliness/toilet paper and 10 were related to maintenance/graffiti. All of these complaints were responded to and fixed where possible.</p>
Public playgrounds will be safe	Playground safety to be inspected on a regular basis	New measure	Inspections once every two weeks, and once every week during school holidays	Not achieved	x	<p>People's safety should not be at risk whilst using playgrounds.</p> <p>Playground inspections are to be carried out every two weeks, and once every week during school holidays.</p> <p>Council has carried out 58% (57/99) of the required playground inspections. A number of further inspections were carried out however due to the recording system used we do not have evidence of these. A better system has now been put in place to ensure an accurate record is kept in the future.</p>
Cemeteries will be maintained at a high standard	90% of people satisfied/very satisfied with cemeteries, who have visited a Council cemetery in the last year	85% satisfied	90% satisfied	96% satisfied	✓	Maintaining cemeteries at a standard that meets the satisfaction of cemetery visitors and shows respect to our deceased.
We will provide a suitable number of car parks	76% of people satisfied/very satisfied with parking in the district	79% satisfied	76% satisfied	83% satisfied	✓	People are encouraged to travel to central business districts due to adequate provision of free car parking.

## Community Facilities

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Recreation and Culture</b>						
Council will provide well maintained aquatic facilities in the district	80% of customers satisfied/ very satisfied with aquatic facilities that have used them in the last year	80%	80%	90%	✓	Aquatic facilities are provided to support the health and wellbeing of the community.
Our facilities will be promoted to encourage high utilisation levels	105,000 attendees at recreational and cultural facilities: <ul style="list-style-type: none"> <li>• Te Aroha Spas</li> <li>• Firth Tower</li> <li>• Wyborn Pools</li> <li>• Matamata Pools</li> <li>• Morrinsville Pools</li> </ul>	109,643 attendees total over all five facilities	105,000 attendees total over all five facilities	110,862 attendees total over all five facilities	✓	<p>Encouraging increased attendance levels at our facilities will allow more people to participate in recreation and cultural facilities and make facilities more financially stable.</p> <p>Te Aroha Spas (Te Aroha Mineral Spas) 16,794  Firth Tower 9,089  Wyborn Pools (Te Aroha Leisure Pools) 33,465  Matamata Pools (Matamata Sports Centre) 41,383  Morrinsville Pools 10,131</p> <p>There were 110,862 attendees over all five facilities in 2009/10 compared to 109,643 in 2008/09.</p>
Aquatic and community facilities will be safe for facility users and staff	Nil accidents per year due to poor design or maintenance	21 accidents	Nil accidents reported	Five accidents	x	<p>People's safety will not be put at risk whilst utilising recreation and cultural facilities.</p> <p>There have been five recorded accidents due to poor design and maintenance, these were all cut feet on tiles at the Matamata Sports Centre, remedial action has been undertaken to fix this issue.</p>

## Community Facilities

### Statement of revenue and expenses

Actual 2008/09		Budget 2009/10	Actual 2009/10
\$000		\$000	\$000
	<b>Operating expenditure</b>		
4,530	Housing and other property	2,198	2,543
1,227	Libraries	1,212	1,228
2,011	Parks and reserves	1,690	1,466
1,293	Public amenities	1,255	1,486
2,572	Recreation and culture	2,703	2,773
<b>11,633</b>	<b>Total operating expenditure</b>	<b>9,058</b>	<b>9,496</b>
	<b>Operating revenue</b>		
9,324	Activity revenue	2,237	2,973
75	Targeted rates	111	86
6,292	General rates	5,988	6,085
152	Financial contributions	-	113
230	Internal recoveries	168	146
-	Other	5	-
<b>16,073</b>	<b>Total operating revenue</b>	<b>8,508</b>	<b>9,403</b>
<b>4,440</b>	<b>Operating surplus/(deficit)</b>	<b>(549)</b>	<b>(93)</b>
4,440	Operating surplus transferred to reserves	5	-
-	Operating deficit funded from reserves	283	93
-	Non funded depreciation	272	-
<b>4,440</b>	<b>Net transfers to/(from) reserves</b>	<b>(549)</b>	<b>(93)</b>
	<b>Capital expenditure</b>		
921	Increased level of service	-	567
35	Growth	-	-
506	Renewals	467	604
<b>1,462</b>	<b>Total capital expenditure</b>	<b>467</b>	<b>1,171</b>

## Community Facilities

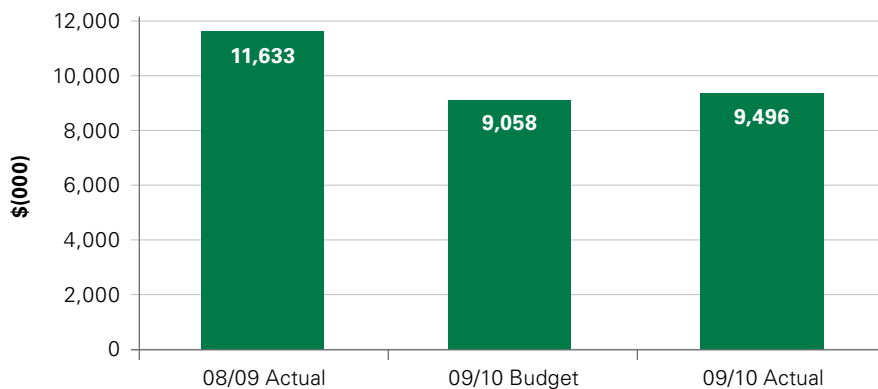
### Statement of revenue and expenses

Actual 2008/09		Budget 2009/10	Actual 2009/10
\$000		\$000	\$000
-	External loans repaid	1,237	45
<b>1,462</b>	<b>Total funding required</b>	<b>2,259</b>	<b>1,216</b>
	<b>Funded by</b>		
-	Loans raised	110	-
1,462	Funding from depreciation reserves	1,595	1,216
-	Transfer from general and special reserves	283	-
<b>1,462</b>	<b>Total funding applied</b>	<b>1,987</b>	<b>1,216</b>

## Community Facilities

### Summary

#### Operating expenditure



#### Explanation for major variances against budget

##### Operating expenditure

Expenditure on housing and other property was \$345,000 higher than budgeted for the year. This was largely as a result of the unbudgeted cost of goods sold of \$256,000 recognised in respect of the settlement of two lots in Matamata's Mangawhero industrial subdivision. In addition, a \$42,000 loss was recognised in the financial statements as Council resolved to change the use of the Te Miro forest from a harvestable forest to a recreation reserve.

##### Operating revenue

Activity revenue was \$736,000 ahead of budget largely as a result of the Mangawhero property settlements above. The revenue from these settlements was unbudgeted.

##### Capital expenditure

Capital expenditure exceeded the budget for 2010 by \$704,000. This is due to the completion this year of capital works that were budgeted for in the previous financial year. Such projects include the new/upgraded toilet blocks at Morrinsville Recreation Grounds and Studholme Street, planning for construction of the new district dog pound, and a number of other minor projects.

## Community Infrastructure

### What we do

Community Infrastructure represents many of the responsibilities that Council has historically managed; maintenance and development of roads, stormwater, wastewater, water supply and waste management.

### Why we do it

Council has a historic responsibility to provide and maintain roads. Roads also provide for the exchange of goods and services, community facilities, business premises, shops, etc. The roading corridor also provides for the location of gas, power, telecommunications, water, wastewater and stormwater services, and provides legal access to properties. The stormwater activity ensures that stormwater discharge is provided and maintained. The wastewater activity ensures that wastewater collection, treatment and disposal facilities are provided and maintained. The water and waste activities ensure that adequate water supply and waste management services are provided and maintained for the wellbeing of the public.

### How we do it

#### Council's contribution to the wellbeing of the community

One of the purposes defined in the Local Government Act 2002 is for local authorities to play a broad role in promoting the four wellbeings (economic, social, cultural and environmental) of their communities. The following is how Community Infrastructure contributes to the four wellbeings of our community:

**Economic wellbeing** - providing an efficient roading network and developing an attractive town appearance encourages local migration and investment. An effective roading network also improves accessibility. The water activity provides adequate water for residents and industrial purposes, and the stormwater activity reduces flooding in the district. Availability of sufficient capacity wastewater collection and treatment systems can attract more industries to the district, creating economic growth.

**Social wellbeing** - roading contributes to social wellbeing by providing a safe roading network to enhance accessibility. The stormwater activity contributes to social wellbeing by protecting people and property from flooding and improving health conditions. Hygienic disposal of liquid wastes in the community by Council's wastewater activity contributes to a safer community. Through roadside collections and recycling, the waste management activity contributes to the health and wellbeing of our district. Controlled and monitored water use can protect our limited water resources for future generations and ensure the availability of safe drinking water.

**Environmental wellbeing** - the roading activity minimises impacts through mitigation measures. Availability of land that is free from flooding and ponding is a good indication of effective stormwater management in the area. Stormwater quality is monitored to assess the effects of discharges to natural water resources. Properly treated effluent discharges avoid pollution of receiving water bodies and thereby protection of the environment. Waste management activities reduce the amount of waste our community deposits into the environment, along with the discharge of liquid wastes to ensure that it is sustainable. Council's closed landfills are subject to resource consents to ensure adverse effects are mitigated. The water supply activity ensures the amount of water taken from our environment is sustainable. Potential negative environmental effects are monitored by Council in accordance with the relevant legislative standards (e.g. Waikato Regional Council resource consents, Resource Management Act 1991) and policies.

### Community outcomes

Community Infrastructure contributes to the following community outcomes:

#### 4.0 Healthy air, water, land: Healthy people

##### 4.2 Healthy people

- a) People will be free from preventable disease and illness
- b) The health and wellbeing of our residents will continue to improve

##### 4.4 Pollution and waste

- b) Our environment will be clear of toxins, contaminants, air pollution and litter
- c) All residents will have easy access to organic and inorganic waste disposal options

## Community Infrastructure

### 4.5 Protecting the landscape

- a) The district will continue to maintain an attractive landscape that is not altered by the adverse visual effects of development
- b) All development would seek to avoid, remedy or mitigate the visual impact of development

### 4.6 Water quantity and quality

- a) Our rivers and water supplies will be clean and safe for industrial, business and residential consumption, cultural purposes and recreational uses
- b) The mauri of all waterways will be maintained in optimum condition
- c) Systems will exist to sustainably provide enough water for all purposes at all times
- d) People will be aware of the issues threatening their access to clean water for both drinking and recreation

### 7.0 Planning and development

#### 7.4 Small town culture: Large town infrastructure

- a) Our towns will all grow in a coherent 'well planned' manner
- c) Projects will be started and completed seamlessly
- d) Infrastructure will be provided for the future, not just today
- e) Decisions and development will be conducted in a manner respectful to local tikanga (customs) and values

#### 7.5 Town appearance

- c) Our towns will have wide streets and well maintained footpaths

### 9.0 Transport: People going places

#### 9.1 Parking

- a) We will have good access to parking in our central business districts that will suit business staff, shoppers and people passing through, without needing to resort to parking meters or other paid parking methods

### 9.2 People and traffic flow

- a) Our traffic will flow safely for trucks and cars and rural peacefulness will be maintained
- b) Young people will be able to safely use our roads for walking and biking
- c) It will be easy and safe for pedestrians to move around without impeding traffic flow on the roads
- d) We will have safe, fast links and roading networks to neighbouring communities such as Hamilton and Tauranga
- e) The aesthetics of our town's main streets will be maintained, (i.e. kept clear of heavy vehicles) while maintaining busy towns with unimpeded access to the central business districts

#### Progress measured towards community outcomes

Council is required to report the results of any measurement undertaken during the year of progress towards achieving community outcomes. Whilst these community outcomes are something that Council reports on we do not necessarily directly contribute towards them.

The safety of water supplies for industrial, business and residential consumption, cultural purposes and recreational uses is recognised as being important to the community.

The Tawari and Matamata South supplies have both been graded as A grade supplies by the Ministry of Health and meet the requirements of the NZDWS 2000.

## Community Infrastructure

The Matamata plant at Tills Road, the Morrinsville and Te Aroha supplies currently do not meet the NZDWS 2000 this is due to some turbidity (the measure of the clarity of the water) transgressions. The plant data is analysed for each monthly period and if the turbidity transgression lasts for a period of more than three minutes the plant will fail for that month, also should the data not be complete due to computer failure the plant will fail for that month. All of these plants have been compliant with the E.coli specifications of the NZDWS 2000. These plants have had improvements made throughout the year to improve quality towards the NZDWS 2008 standards which need to be complied with by 2014, we are currently on track to meet this. These plants remain ungraded under the 2008 standards until we have 12 months worth of compliant data.

The Te Aroha West supply is not regarded as a treated water supply and would never be able to be graded as a wholesome drinking water supply in its current state.

### Other factors affecting Community Infrastructure

#### Roading

In our annual survey overall 83% of residents are satisfied with parking in the district which shows that we have good access to parking in our central business districts that will suit business staff, shoppers and people passing through.

The number of accidents reported on district roads per annum is a strong indication of our traffic flowing safely, the safety of our roads for walking and biking, and of having safe, fast links to neighbouring communities such as Hamilton and Tauranga. In 2009/10 there have been 2 fatal, 12 serious and 34 minor accidents which is similar to the previous year. The road crashes in Matamata-Piako are dispersed and we do not have any known blackspots.

In the 2009/10 year there was a reduction in the New Zealand Transport Agency (NZTA) funding. With the reduction in funding it is uncertain whether we will be able to maintain our current levels of service in the future. This decrease in funding has been offset this year with lower contractor rates. It is unknown whether this will continue into the future and we will monitor this on an ongoing basis.

There was no cut in minor safety funding and we address safety issues through this on a yearly basis. We have also started to undertake safety audits for the work we do in this category.

#### Wastewater

Council operates a wastewater treatment plant (Plant) at its Roache Road site on the outskirts of Morrinsville. In November of 2009 Council obtained new resource consents for discharges to water and air from the Waikato Regional Council which will allow the Plant to operate for a further 15 years. These new resource consents have set new discharge limits which have in turn necessitated the upgrade of the Plant. In order to meet the conditions of these new resource consents Council will need to complete the upgrade to the Plant by January 2012. The estimated costs of the plant is \$17 million. Council is on track for meeting this goal.

#### Water

The Tawari and Matamata South supplies have both been graded as A grade supplies by the Ministry of Health and meet the requirements of the NZDWS 2000.

The Matamata plant at Tills Road, the Morrinsville and Te Aroha supplies currently do not meet the NZDWS 2000 this is due to some turbidity (the measure of the clarity of the water) transgressions. The plant data is analysed for each monthly period and if the turbidity transgression lasts for a period of more than three minutes the plant will fail for that month, also should the data not be complete due to computer failure the plant will fail for that month. All of these plants have been compliant with the E.coli specifications of the NZDWS 2000. These plants have had improvements made throughout the year to improve quality towards the NZDWS 2008 standards which need to be complied with by 2014, we are currently on track to meet this. These plants remain ungraded under the 2008 standards until we have 12 months worth of compliant data.

The Te Aroha West supply is not regarded as a treated water supply and would never be able to be graded as a wholesome drinking water supply in its current state.

## Community Infrastructure

### Major achievements:

- A recent road infrastructure safety assessment undertaken by the New Zealand Transport Agency concluded that, although there are some areas of safety improvements that can be made, the rural sealed network is in good shape from a safety perspective;
- Pavement rehabilitation and minor improvement works have been completed on a number of different roads throughout the district at a cost of \$2.6 million (budget \$2.8 million);
- Mangawhara Road seal extension work was completed;
- As part of the re-surfacing programme, approximately 100kilometres of road in the district was resealed at a cost of \$2.4 million (budget \$2.3 million). Re-surfacing is required to maintain the quality and integrity of roads;
- Other renewals throughout the district were completed at a cost of \$702,000 (budget \$1 million);
- A Waste Minimisation Strategy and action plan has been adopted;
- There has been a successful introduction of an educational programme to promote waste minimisation;
- Stormwater Management Plans for all the towns have been completed;
- The construction of a wastewater treatment plant at Tahuna has been completed with a total of \$565,343 spent during this financial year. The plant is performing to resource consent requirements;
- The Matamata stormwater overland flow path is operational and providing flooding protection for the surrounding areas between Mangawhero and Tower Roads;
- Resource consent has been applied for in relation to the Waihou wastewater treatment plant;
- Council has commenced design of a new wastewater scheme in Waharoa. This scheme is being funded in part by a government subsidy. The estimated cost of construction is \$3 million. Council had budgeted to spend \$600,000 during the current financial year, however the actual spend has been delayed due to finalisation of the scheme design. The project is scheduled for completion by June 2012 and Council are still on track to meet this target;
- Council has commenced construction of an upgrade to the Matamata wastewater treatment plant, this upgrade has been undertaken to meet new resource consent conditions. Construction is scheduled for completion by October 2010 and commissioned by November 2010. The estimated total cost of construction is \$5.2 million. The budgeted spend for 2010 was \$954,000, and the actual spend was \$1,456,000 which includes some budget carried forward from the previous year;
- Council has commenced the design of an upgrade to the Waihou wastewater treatment plant, this upgrade has been undertaken to renew the resource consent and to meet current environmental standards. Council has made an application for a new resource consent from the Waikato Regional Council. Construction is scheduled for completion by November 2011. The estimated cost of construction is \$1 million. Council is on track to meet this target, provided resource consent approval is not unduly delayed; and
- Watermain replacements of \$1 million have been completed (budget \$1.2 million).

## Community Infrastructure

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Roading</b>						
Provide an affordable roading network throughout the district	75% of customers believe the roading network provided is good value for money	New measure	75%	73%	x	<p>If the network is affordable, people can go places, and Council can plan cost-effectively for the network to meet future service levels.</p> <p>73% of people surveyed believed that the roading network provided was good value for money. 10% disagreed and 17% were unsure. Of those that disagreed the common reasons given were; poor quality/unnecessary repairs and neglected/dangerous roads.</p> <p>In the 2010/11 year Council is looking at tendering roading contracts at an earlier stage to get better value for money.</p> <p>As this is a new measure the target was a best estimate at the time. We will use the results from this year as a baseline to improve on.</p>
To provide a roading network that is maintained and developed to current standards	84% of road users, including drivers, pedestrians, joggers etc. satisfied with the look, smoothness and comfort of ride on sealed roads	91%	84%	79%	x	<p>79% of people surveyed were satisfied/very satisfied with the look, smoothness and comfort of ride on sealed roads. 20% were not very satisfied and 1% were unsure. Of those that were not very satisfied the common reasons given were; potholes/uneven surface, dangerous or narrow roads or poor quality roads.</p> <p>The 91% achieved in the 2008/09 year was the highest Council has seen. We are unsure as to why this has dropped this year. In the 2010/11 year Council is planning to undertake over 100 kilometres of re-seal work to improve our sealed roads.</p>

## Community Infrastructure

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
To provide a roading network that is maintained and developed to current standards	84% of footpath users including cyclists, pedestrians, joggers, etc. satisfied with the look, smoothness and ride comfort of footpaths	New measure	84%	74%	x	<p>74% of people surveyed were satisfied/very satisfied with the look, smoothness and ride comfort of footpaths. 20% were not very satisfied and 6% were unsure. Of those that were not very satisfied the common reasons given were; uneven, bumpy or broken footpaths, trees hanging over/or roots causing damage, poor repairs or not enough footpaths.</p> <p>As this is a new measure the target was a best estimate at the time. We will use the results from this year as a baseline to improve on.</p> <p>Council will continue to improve footpaths through maintenance and renewal works.</p>
To provide smoothness and comfort	Smoothness of road surface for rideability, comfort - a smooth ride equates to 100 counts*	93.5% of roads no more than 110 counts	No more than 100 counts that measure roughness per km every two years	Not measured in 2009/10	n/a	<p>This survey is carried out every two years and was not carried out in 2009/10. The last survey was carried out in March 2009 and the next survey will be completed in the 2010/11 year.</p> <p>The 2008/09 results showed that 93.8% of the roads surveyed for roughness were no more than 110 counts. Unfortunately a measure of no more than 100 counts was not assessed.</p>

\* 0-90 counts = Excellent  
 90-100 counts = Good  
 100-130 counts = Moderate  
 130-150 counts = Poor  
 >180 counts = Very Poor

## Community Infrastructure

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
Provide a safe roading network	85% of users believe the roading network is safe	92%	85%	85%	✓	<p>85% of people surveyed agreed/strongly agreed with this statement. 14% disagreed/strongly disagreed and 1% were unsure. Of those that disagreed the common reasons given were; dangerous bends and corners, narrow roads and bridges, speed limit too high/drivers speeding and lack of road furniture (e.g. crossings/signage/roadmarkings).</p> <p>Last year this question was asked as satisfaction with Council roads. To more accurately reflect the measure this year the question was asked as 'I believe the roading network is safe. Do you strongly agree, agree, disagree or strongly disagree with this statement?'</p> <p>Council will continue with the community programs and minor improvements to address safety issues.</p>
<p>New roading assets catering for growth are planned and provided for efficiently</p> <p>The roading assets are managed with respect for current and future generations</p> <p>The Council will encourage the development of a more sustainable roading network</p>	86% of customers are satisfied the 'roading corridor' is being managed well for the long term	88%	86%	88%	✓	<p>The roading corridor positively impacts on the health and wellbeing of the district, and is managed to minimise adverse visual effects. It is to be provided for the future, not just today.</p> <p>88% of people surveyed were satisfied/very satisfied. 9% were not very satisfied and 3% were unsure. Of those that were not very satisfied the common reasons given were; potholes/uneven surface, poor quality repairs and too much traffic.</p>

## Community Infrastructure

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Stormwater</b>						
Council's stormwater network will be adequately managed to ensure the service prevents any health hazards to our residents	Only one complaint per annum relating to health nuisances reported from Council's stormwater network (eg. noise, smell, mosquitos)	New measure	One per annum	Zero complaints	✓	There have been no complaints received relating to health nuisances reported from Council's stormwater network.
Council will provide a stormwater service that has a high level of customer satisfaction	78% of customers satisfied/very satisfied with management of flooding within urban areas	69%	78%	64%	x	<p>64% of people surveyed were satisfied/very satisfied. 13% were not very satisfied and 23% were unsure. Of those that were not very satisfied the common reasons given were; bad surface flooding/flooding in general, blocked drains/gutters and the flooding of the New World/ Warehouse carpark in Matamata (which Council does not own).</p> <p>To address these issues we have completed Stormwater Management Plans for the three main towns. These plans identified that the major contributing factor towards flooding issues was the disposal of stormwater on private properties. To tackle this issue Council has produced guidelines to direct people how to deal with these problems on their private land in order to comply with the Building Act (2004). This should then have a flow on effect and improve public stormwater systems.</p>

## Community Infrastructure

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
Stormwater discharges to waterways will meet resource consent conditions	Resource consent compliance for discharge of stormwater to waterways	New measure	Partial compliance of resource consents as measured by EW	Not measured	x	Council has submitted its self assessment of compliance to Environment Waikato which shows that compliance has been achieved with all resource consent conditions as issued by Environment Waikato except for one. This non-compliance was because a formal monitoring programme was required, this has now been developed and will be implemented in September 2010. Whilst the monitoring programme was not in place, the minimum monitoring required was undertaken.
Reliable and timely investigation and response to service requests and system failures	90% of urgent requests investigated and reported on within four hours to complainant	New measure	90%	100% Zero urgent requests	✓	Timely investigation and response to service requests ensures the reliability and efficiency of infrastructure.  An urgent request is where stormwater is threatening to inundate an occupied premises.  There were no urgent requests received regarding stormwater.

## Community Infrastructure

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Waste Management</b>						
Reliable kerbside collection services will be available to the community	Kerbside refuse and recycling collected on the usual collection day	13.8 complaints on average per month	Less than 8 complaints on average per month	8.6 complaints on average per month	×	<p>103 complaints were received which is an average of 8.6 per month.</p> <p>Over 90,000 collections occur every month on average. The procedure in place is that we contact the contractors. If the collection truck is still nearby then the rubbish will be collected, or if they are in a town with two weekly collections they are advised to put it out on the alternative day and it will be collected.</p> <p>There is no automated mechanism for logging these complaints as they go to an external consultant. The current system may not reliably capture all complaints. Next year these complaints will go into a Customer Request Management system which will be an auditable system.</p>
Council will provide kerbside refuse and recycling collection services to urban and rural townships and transfer stations	65% of community satisfied/very satisfied with kerbside refuse, recycling collection services and transfer stations	69% kerbside and recycling 74% transfer station facilities	65% satisfied	79% satisfied	✓	79% of people surveyed were satisfied/very satisfied. 7% were not very satisfied and 14% were unsure. Of those that were not satisfied there were various reasons given including missed recycling pick up and the cost of transfer stations.
Council will encourage residents to minimise waste disposal by providing more sustainable waste management options	Proportion of total waste recycled and/or composted from transfer stations and kerbside recycling collection service	20%	22%	23.6%	✓	<p>Transfer stations and refuse and recycling collection services provide residents with a range of options to manage their waste. They provide environmentally responsible options that minimise waste disposal and help protect our environment for future generations.</p> <p>2611.5 tonnes of waste overall was recycled.</p>

## Community Infrastructure

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
						There is no automated mechanism for logging total volumes of recycled waste. This system may not reliably report the total proportion of waste recycled.
<b>Wastewater</b>						
Minimise sewage overflows and blockages in the public wastewater systems	Four or less overflows in the wastewater systems per year	One wastewater overflow into habitable buildings due to faults in the wastewater system	Four or less overflows per year	8 major, 63 minor overflows	x	<p>There were 8 major and 63 minor overflows in the wastewater systems.</p> <p>None of these overflows were into habitable buildings but were from the reticulation system. The intention of this measure was to have four or less overflows per year into habitable buildings. Unfortunately as the 'into habitable buildings' was not included we have measured performance in terms of any overflow. It was never Council's intention to only have four overflows in general as these occur often during wet weather events. Council's main concern is to prevent wastewater from entering habitable buildings.</p> <p>We have no record of these incidents affecting public health.</p> <p>Generally those incidents considered minor were fixed very easily and quickly. The majority of the major overflows were during wet weather events and the majority of these were gully traps overflowing.</p> <p>We have started investigation work on stormwater ingress with the aim of reducing the amount of stormwater entering our wastewater system. These overflows do not cause a breach to our resource consents for water discharge. This is because our resource consents allow for overflows during storm events.</p>

## Community Infrastructure

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
Minimal odours are emitted from Council's wastewater systems	Less than five justifiable customer complaints received per year regarding odour emitted from Council's wastewater system	Zero complaints	Less than five complaints per year	One complaint	✓	There was one justifiable complaint received by Council regarding odour emitted from Council's wastewater system. This was investigated by Council's works division.
Discharges from the wastewater treatment plants meet environmental standards	Compliance of resource consents for discharge of treated wastewater from wastewater treatment facilities to waterways	New measure	Partial compliance of resource consents as measured by EW	Not measured	x	<p>Council has five wastewater treatment plants which need resource consent for discharge to waterways.</p> <p>Council has submitted its self assessment of compliance to Environment Waikato which shows that the Morrinsville plant is achieving a high level of compliance and the Matamata plant is achieving partial compliance. It is noted that where we have not complied at these two plants there have been no adverse environmental impacts.</p> <p>Tahuna has recently been granted consent however compliance with this has not yet been tested. This is a new plant therefore there are no old consents to be compliant with.</p> <p>A new consent for Te Aroha has been applied for and is currently being processed by the Waikato Regional Council, we are currently fully compliant with the conditions of the old consent.</p> <p>Waihou currently has no consent but a new consent has been applied for and is currently being processed. As there are no current resource consents for the site, it is not possible to assess the site's operation and compliance</p>

## Community Infrastructure

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
						with any consent conditions. Previously this site has been in significant non-compliance since 2002. Renewal of the resource consent did not occur straight away largely due to a number of community and Council issues that needed consideration. It is important to note that the Plant was continuously running at all times, also the Plant's performance has been fully monitored and all performance information was reported to Environment Waikato. Environment Waikato have confirmed that they will not take any further enforcement action regarding this non-compliance at this time.
<b>Water</b>						
Council will encourage sustainable water usage	Implementation of a water supply management plan	New measure	Preparation of water supply management plan	Final draft developed	x	A final draft water supply management plan has been completed and is yet to be reviewed by Council. This review by Council is programmed for early 2010/11.
Community will be satisfied with water pressure	91% of customers satisfied/very satisfied with water pressure	93% satisfied/very satisfied	91% satisfied/very satisfied	92% satisfied/very satisfied	✓	92% of people surveyed were satisfied/very satisfied with the water pressure. The remaining 8% were not very satisfied with water pressure.
Water pressure and flow to meet Fire Service standards	Testing periodically as per the standard and approved by the Fire Service	New measure	95% of hydrants tested and comply with the required flow rate	4.8%	x	This measure was intended to read '95% of hydrants tested comply with the required flow rate'. It is Council's policy to test the flow rate of hydrants every five years. It was never Council's intention to measure and comply with 95% of hydrants every year. There are 1302 fire hydrants in the district, of these 65 (5%) were tested of which 62 (4.8%) complied with the relevant Fire Service standards. Had the target been written as intended we would have achieved 95.4% compliance with those tested.

## Community Infrastructure

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
						<p>Where a non-compliance is noted this is taken into account when planning water main replacements, however this is generally based on the age of the pipes.</p> <p>There is no automated mechanism for recording these results. The current system of recording could not be reliably tested.</p>
To provide safe and potable water supply	Compliance with NZ Drinking water standards	Compliance not achieved	Compliance achieved	Compliance not achieved	x	<p>The Tawari and Matamata South supplies have both been graded as A grade supplies by the Ministry of Health and meet the requirements of the NZDWS 2000.</p> <p>The Matamata (Tills Road), Morrinsville and Te Aroha supplies currently do not meet the NZDWS 2000. This is due to some turbidity (the measure of the clarity of the water) transgressions. The plant data is analysed for each monthly period and if the turbidity transgression lasts for a period of more than three minutes the plant will fail for that month, also should the data not be complete due to computer failure the plant will fail for that month. All of these plants have been compliant with the E.coli specifications of the NZDWS 2000. These plants have had improvements made throughout the year to improve quality towards the NZDWS 2008 standards which need to be complied with by 2014 and we are currently on track to meet this. These plants remain ungraded under the 2008 standards until we have 12 months worth of compliant data.</p> <p>The Te Aroha West supply is not regarded as a treated water supply and would never be able to be graded as a wholesome drinking water supply in its current state.</p>

## Community Infrastructure

### Statement of revenue and expenses

Actual 2008/09		Budget 2009/10	Actual 2009/10
\$000		\$000	\$000
	<b>Operating expenditure</b>		
11,733	Roading	11,587	11,814
1,475	Stormwater	1,321	1,624
2,684	Waste management	2,866	2,843
4,127	Wastewater	4,377	4,767
3,969	Water	4,040	4,433
<b>23,988</b>	<b>Total operating expenditure</b>	<b>24,191</b>	<b>25,481</b>
	<b>Operating revenue</b>		
8,358	Fees and charges	8,606	9,190
7,660	Targeted rates	8,354	8,396
5,151	General rates	5,549	5,638
1,586	Internal recoveries	1,134	1,249
1,929	Vested assets	369	1,362
887	Development and financial contributions	1,088	286
-	Other	3	-
<b>25,571</b>	<b>Total operating revenue</b>	<b>25,103</b>	<b>26,121</b>
<b>1,583</b>	<b>Operating surplus/(deficit)</b>	<b>913</b>	<b>640</b>
-	Operating surplus transferred to reserves	1,091	-
1,929	Vested assets not funded	369	1,362
346	Operating deficit funded from reserves	547	722
<b>1,583</b>	<b>Net transfers to/(from) reserves</b>	<b>913</b>	<b>640</b>

## Community Infrastructure

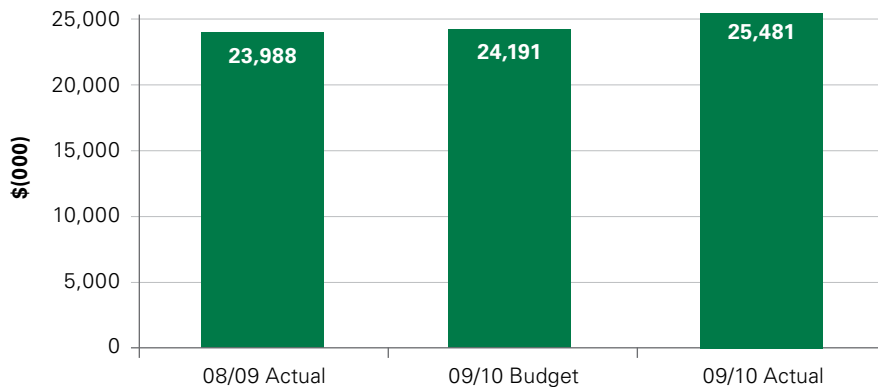
### Statement of revenue and expenses

Actual 2008/09		Budget 2009/10	Actual 2009/10
\$000		\$000	\$000
	<b>Capital expenditure</b>		
3,948	Increased level of service	8,001	4,186
239	Growth	1,773	6
6,391	Renewals	8,733	9,414
<b>10,578</b>	<b>Total capital expenditure</b>	<b>18,507</b>	<b>13,606</b>
-	External loans repaid	274	1,518
<b>10,578</b>	<b>Total funding required</b>	<b>18,822</b>	<b>15,124</b>
	<b>Funded by</b>		
902	Loans raised	9,306	6,712
8,093	Funding from depreciation reserves	7,195	8,412
1,583	Transfer from general and special reserves	2,321	-
<b>10,578</b>	<b>Total funding applied</b>	<b>18,822</b>	<b>15,124</b>

## Community Infrastructure

### Summary

#### Operating expenditure



### Explanation for major variances against budget

#### Operating expenditure

Operating expenditure for most activities within Community Infrastructure exceeded budget for the year, with an overall increase of \$1.3 million. There were two significant reasons for this:

- An overall expense of \$679,000 was recognised for disposal of assets, which is spread over the activities within this group. This expense represents the “cost” (for accounting purposes) of replacing assets before the end of their estimated useful life. Council does so, either because the asset has not lasted as long as expected or is damaged, but usually because an asset, near the end of its useful life, is renewed at the same time that other works in the same vicinity are in progress, as this is more efficient; and
- The depreciation expense for this group of activities was also higher than budgeted by \$297,000. This is largely due to the impact of unbudgeted assets vested in Council in this and prior years.

#### Operating revenue

Operating revenue across all activities exceeded budget by \$1 million. This was largely due to the following significant factors:

- Revenue from vested assets exceeded budget by \$993,000. Budgeting for this type of income is difficult, as the recognition of the revenue is dependent on the timing of the formal completion of subdivision developments within the district. The completion is in the control of the developers rather than Council;
- Council received unbudgeted external subsidies totalling \$849,000 in respect of the Tahuna wastewater scheme and a contribution towards the Morrinsville trunk sewer line; and
- The above increases in revenue were offset by a sharp decline of \$802,000 in revenue from development contributions compared to budget. This is as a result of the economic recession.

## Community Infrastructure

### Capital expenditure

Capital expenditure for 2009/10 on Council's Community Infrastructure was \$4.9 million less than budgeted. The under spend on capital for the year related largely to the two following significant projects:

- Council had budgeted to spend \$4 million in the 2010 financial year on upgrades to district sludge dewatering systems, including significantly the Morrinsville wastewater treatment plant. The actual spend on the Morrinsville plant for the year was delayed due to resource consent process and design issues, with a total spend of just \$1.1 million. The bulk of the work will now occur in 2011, and Council is on track to complete the upgrade by January 2012 in order to meet resource consent requirements; and
- A new wastewater scheme for Waharoa is scheduled for completion by June 2012, and Council had budgeted to spend \$600,000 on this project during the 2010 financial year. This spend was delayed due to the finalisation of the scheme design.

### External loans

Council's budgeted external loan repayments for the 2010 year did not allow for a \$1 million lump sum repayment made during the year, as set out in Council's loan agreement.

### Funding

Funding requirements against budget were reduced in line with the reduction in the capital spend for the year.

## Environmental Care

### What we do

Environmental Care represents Council's role in, and commitment to protecting the natural resources of the district and our mandated responsibility to arbitrate between the different needs and interests of community members. It also contributes to the safety and health of our communities. This activity is responsible for resource consents, building consents, environmental health, liquor licences, animal control, and civil defence.

### Why we do it

Council provides a 24 hour, seven day a week animal control function to ensure its residents are not subjected to problems caused by uncontrolled animals. Council is required to operate a building control function to provide an independent audit of all building development within the district. It is Council's responsibility to improve and promote the management of hazards in a way that contributes to the safety of the public and protection of property. The regulatory planning activity is provided to ensure the integrated management of the district's resources, and is carried out through the processing of applications for resource consents.

### How we do it

#### Councils contribution to the wellbeing of the community

One of the purposes defined in the Local Government Act 2002 is for local authorities to play a broad role in promoting the four wellbeings (economic, social, cultural and environmental) of their communities. The following is how Environmental Care contributes to the four wellbeings of our community:

**Economic wellbeing** - resource consent services ensure that the rules in the District Plan are applied appropriately to maximise long term productivity of land in the district. A responsive and helpful regulatory environment helps to promote development. Processing building consents and regulatory planning consents within targeted timeframes has economic benefits for applicants and minimises waiting periods.

**Social and cultural wellbeing** - the Environmental Health Officers help minimise the spread of illness and disease. They ensure that residents are protected from unhealthy or offensive conditions, as well as controlling liquor and gambling. Animal control

ensures animals do not cause harm or nuisance to residents or visitors; this helps to ensure the safety of everyone and means that people can enjoy their pets without undue control and without threat from other animals. Educational programmes are offered by Council to promote animal awareness and responsible ownership. Building control makes sure buildings are safe and that they have good access for people with disability. Council participates in emergency management meetings, which provides the community with peace of mind that Council has planned and is prepared for emergencies. The regulatory planning activity ensures cultural sites in the district are protected.

**Environmental wellbeing** - the resource consent services ensure that the rules in the District Plan are applied appropriately to manage the use, development and protection of natural and physical resources. Imposing appropriate resource consent conditions and monitoring compliance ensures the integrated management of land and associated natural resources in the district. Fouling by dogs is minimised by a robust animal control operation. Building control ensures buildings, particularly those using hazardous substances, are environmentally friendly.

Additionally, implementation of the Resource Management Act 1991 and the District Plan provisions through regulatory planning ensures that due consideration is given to economic, social, cultural and environmental issues when sustainable resource management decisions are made.

## Environmental Care

### Community outcomes

Environmental Care contributes to the following community outcomes:

#### 1.0 Belonging to our community

##### 1.4 Promotion of citizen responsibility

- a) All residents will recognise their responsibility to contribute to our district being a great place to live
- b) People will feel that there is a strong sense of 'community responsibility'

#### 2.0 Community safety and support: Looking after people

##### 2.1 Safety

- c) Our whole community will take responsibility for reporting and preventing crime and anti-social behaviour

#### 4.0 Healthy air, water, land: Healthy people

##### 4.2 Healthy people

- b) The health and wellbeing of our residents will continue to improve

#### 4.6 Water quantity and quality

- a) Our rivers and water supplies will be clean and safe for industrial, business and residential consumption, cultural purposes and recreational uses

#### 5.0 Heritage: Our past

##### 5.1 Built heritage

- a) The built heritage of our towns and district will be protected, enhanced, promoted and celebrated by the local community

##### 5.2 Knowledge and treasures

- b) Our history and the knowledge of our past, our customs and identity, the artifacts and treasures of our past and future will be respected and preserved

##### 5.5 Wetlands, significant natural features and wahi tapu.

- a) The wetlands, significant natural features and wahi tapu on public land throughout the district will be protected, promoted, and enhanced and restored

#### 6.0 Our social infrastructure

##### 6.2 Services

- d) Council and other service providers will be ready to respond to pressures for additional services that come from the community

#### 7.0 Planning and development

##### 7.2 Intensive farming

- c) The long-term adverse effects of intensive farming will be minimised

##### 7.3 Rural subdivision and amalgamation

- a) Large 'blocks' of land will be protected through the restricting of subdivisions in rural areas
- b) Council plans will be flexible enough to accommodate changes in the pressures for subdivision

##### 7.4 Small town culture: Large town infrastructure

- c) Projects will be started and completed seamlessly

#### 7.6 Town planning

- a) Our District Plan and Council policies will promote the retention of the character of our towns while accommodating growth and development

#### 8.0 Pride and justice

- f) Our decision-making will be fair and just in its consideration of the diversity and different needs of residents in Matamata-Piako

#### 9.0 Transport: People going places

##### 9.1 Parking

- a) We will have good access to parking in our central business districts that will suit business staff, shoppers and people passing through, without needing to resort to parking meters or other paid parking methods

## Environmental Care

### Progress measured towards community outcomes

Council is required to report the results of any measurement undertaken during the year of progress towards achieving community outcomes. Whilst these community outcomes are something that Council reports on we do not necessarily directly contribute towards them.

Council has not undertaken any measurement of community outcomes this year to which the 'Environmental Care' group of activities contribute.

### Other factors affecting Environmental Care

The Policy on Dogs and Dog Control Bylaw were reviewed and released for public consultation in conjunction with the 2010/11 Annual Plan. A number of submissions were received and considered by Council in adopting the bylaw and the policy.

Council has exceeded the requirement to have 80% of consents processed within the statutory timeframes. The implementation of the new corporate system has allowed us to better track the due dates of consents and as a result an increased number have met the statutory timeframes. This will help Council with the implementation of the Discount Act 2010 which comes into force on 30 July 2010.

### Resource Management Amendment Act 2009

The regulatory planning department has had two main influencing factors through the year, namely; the Resource Management Amendment Act 2009 (Streamlining and Simplifying - RMAA 2009) and the introduction of National Environmental Standards for Telecommunications and Electricity. The RMAA 2009 changed a number of sections that directly affected the resource consent process and as a result the way in which Council processed and assessed resource consents was required to be amended. The regulatory planning department has also had a strong focus on monitoring in the 2009/10 financial year. The employment of an additional monitoring staff member and the introduction of the new corporate system has allowed the department to put greater emphasis on land-use consent compliance.

### Building Amendment Act 2009

The government is currently reviewing the Building Act 2004 (BA 04) with a view to simplify the building consent process. One result of this review was the Building Amendment Act 2009 (BAA 09). The BAA 09 sought to reduce the compliance requirements under the BA 04, improve the efficiency of the building consent process, reduce delays and costs, and achieve more affordable housing without compromising building quality.

The BAA 09 introduced national multiple-use building approvals; a measure intended to reduce duplication and fast-track the consent process for group home builders who build homes on sites across the country using the same, or similar, designs. It also defined a new process to manage minor variations to building plans after the consent is issued, saving time for applicants and councils. The BAA 09 also made the majority of applications for project information memorandums voluntary. As a result, the way in which Council processes building consents has been amended.

A discussion document was released early this year and open for submissions. Further progress on the proposals is expected later in the year.

### Major achievements:

- Council's building control unit retained its accreditation following re-assessment by International Accreditation New Zealand;
- Greater emphasis on compliance which has resulted in land-use consents being effectively monitored to achieved desire environmental outcomes;
- Council successfully implemented a new corporate software system, this included transferring and updating a large amount of data to improve accuracy in recording of information and to streamline processes; and
- A new district dog pound, to be built in Waihou has been through the design, resource consent and tendering stages, construction is programmed to begin in August 2010.

## Environmental Care

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Animal Control</b>						
Council will ensure that any disturbances caused by animals will be investigated and reported quickly and efficiently	100% of complaints will be investigated and reported back to complainant within adopted timeframes	99.2%	100%	98.6%	x	<p>By quickly responding to animal complaints, the wellbeing of our community will continue to improve and there will be less animal related injuries and disturbances.</p> <p>712/722 (98.6%) complaints were investigated within adopted timeframes. However due to the implementation of a new corporate system we are not able to report on whether the outcome was reported back to the complainant within adopted timeframes. The system will be in place mid 2010 which will allow us to report on the results.</p>
Council will carry out regular street patrols to keep the streets free from stray animals	Average of 10 street patrols undertaken each month in each of the three main towns	New measure	Average 10 per month, per town	Not achieved	x	<p>Whilst this measure has not been achieved the average over the three towns per month has been achieved.</p> <p>Regular street patrols will ensure that animals are kept off the streets, this will improve the health and wellbeing of residents.</p> <p>A monthly average of 29.8 street patrols were undertaken in Matamata, 16.4 in Morrinsville however an average of 9.75 street patrols were undertaken in Te Aroha. Council undertook 117 out of 120 street patrols in Te Aroha. This is three patrols short of our target. In general, more patrols are undertaken in Matamata and Morrinsville because they have a larger population and therefore more dogs. Council aims to achieve this target in the next financial year.</p>
Council will carry out regular property visits to ensure that dog owners are responsible	600 property visits carried out per year	624 per year	600 per year	633 per year	✓	Regular property visits will ensure that people are taking quality care of their animals to ensure the safety and wellbeing of the community.

## Environmental Care

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Building Control</b>						
Building consents will be administered quickly and efficiently	100% of building consents will be processed within statutory timeframes (20 working days)	94.3 %	100%	96.5%	x	<p>Building consents need to be completed within statutory timeframes to ensure development projects are able to be completed seamlessly.</p> <p>96.5% (601/623) were processed within statutory timeframes.</p> <p>Council's compliance with statutory timeframes has improved. The main reasons for not meeting timeframes are workloads and the complexity of some consent applications.</p>
Council will investigate and report on complaints of alleged illegal/ unauthorised activity efficiently	100% of complaints will be investigated and reported on within 10 working days	New measure	100%	81.6%	x	<p>Council needs to respond to all complaints of illegal activity that come from the community to ensure all buildings are safe, healthy and durable.</p> <p>31/38 of complaints received were investigated and reported on within 10 working days. All complaints were investigated and reported on.</p> <p>This is a new measure. Council will use this result as a baseline and aim to improve its response time in the 2010/11 financial year. The main reason for failure to meet these timeframes is workload.</p>

## Environmental Care

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Community Protection</b>						
Council are involved in an emergency management partnership with Thames-Coromandel and Hauraki Districts and in the Waikato Regional Civil Defence Group	90% attendance at civil defence meetings at political and officer level	100%	90%	93%	✓	<p>Council will take a leadership role in civil defence emergencies, collaborating with other groups in the community.</p> <p>14/15 meetings were attended at political and officer level in the 2009/10 year.</p>
Council will inspect all premises that prepare food in the district to monitor that they are running in a hygienic manner	100% of food premises in the district are inspected annually to ensure they comply with standards	New measure	100% inspected	100% inspected	✓	<p>People can have confidence in the hygiene standards when purchasing food from premises in the district.</p> <p>152/152 of food premises in the district have been inspected.</p> <p>Council staff have inspected all of the food premises that were registered within the district for the 2009/2010 year. It is noted that inspection forms for one premise could not be located, however this premise was re-inspected before 30 June 2010 to ensure 100% compliance.</p> <p>If a food premises doesn't meet food hygiene standards, it is given an opportunity to fix any problems and it is re-inspected. If the food premises still doesn't meet the hygiene standards it will not be issued with a licence. It is illegal for a food premises to operate without a licence. If they do, Council will take enforcement action.</p>

## Environmental Care

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
Council will act on noise complaints received	100% of noise complaints will be responded to within two working days	New measure	100%	100%	✓	Noisy residents will be made aware of their responsibility to not cause disturbance to others.  331/331 of noise complaints have been responded to within two working days.
Council will ensure that any licensed premises in the district are running responsibly	100% of on and off liquor licenced premises are inspected annually to	New measure	100% inspected	100% inspected	✓	Council works with external agencies (such as the police and community groups) to ensure alcohol related crime and anti-social behaviour is minimised.  58/58 of on and off licenced premises have been inspected.  Council inspects liquor licence premises to ensure that they comply with the conditions of their licence. These conditions usually include display of the managers certificate and the availability of food and non-alcoholic beverages. Licenced premises must also have a host responsibility policy. If a premises does not comply with the conditions of its licence it will be given an opportunity to rectify any problems. Ongoing non-compliance may result in Council making an application to the Liquor Licencing Authority for the suspension or cancellation of the premises' liquor licence.

## Environmental Care

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Regulatory Planning</b>						
Resource consents will be administered quickly and efficiently	Percentage of resource consents processed within statutory timeframes	96%	80%	88%	✓	<p>Resource consents need to be completed within statutory timeframes to ensure development projects are able to be completed seamlessly.</p> <p>191/216 resource consents were processed within statutory timeframes.</p>
Consent compliance is monitored by Council	Percentage of land-use consents monitored within 4 months of being granted	New measure	94%	52%	x	<p>The community can rely on Council monitoring compliance of land-use consents to ensure the character of the towns is retained and that environmental effects are remedied, avoided or mitigated.</p> <p>64/122 resource consents were monitored within four months of being granted.</p> <p>All consents due to be monitored this financial year were monitored for compliance with consent conditions. However, a number of consents were monitored outside the specified timeframe. This was due to the implementation of the planning software within our new corporate system. The new software meant that data from all our consents had to be manually entered. This process took some time to complete. Because of the delay in getting information into the new system, some consents were not entered and monitored within the 4 month timeframe.</p> <p>If a consent is monitored and it is identified that conditions have not been met then Council's monitoring officer initially tries to work with consent holders to achieve compliance. Unfortunately if this method is not successful, enforcement action is required and undertaken.</p>

## Environmental Care

### How Council measures its performance

Level of Service	Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Regulatory Planning</b>						
Decisions made by the regulatory department will be in accordance with the statutory requirements of the RMA	The percentage of reports peer reviewed that will meet statutory requirements	New measure	100%	100%	✓	<p>To ensure decision-making is fair and just the regulatory planning department need to be consistent when dealing with resource consents.</p> <p>Four reports were peer reviewed and all of these met the statutory obligations for reporting under the Resource Management Act (1991) and generally displayed logical and sound reasoning for the decision issued.</p>

## Environmental Care

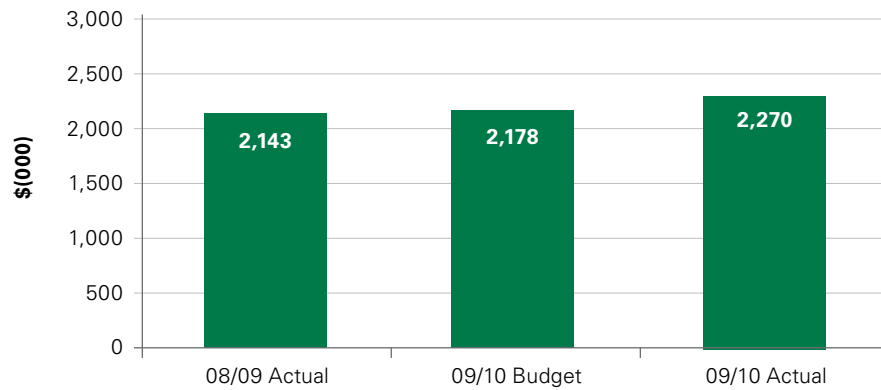
### Statement of revenue and expenses

Actual 2008/09		Budget 2009/10	Actual 2009/10
\$000		\$000	\$000
	<b>Operating expenditure</b>		
217	Animal control	226	241
741	Building	688	729
393	Community protection	457	383
792	Regulatory planning	808	917
<b>2,143</b>	<b>Total operating expenditure</b>	<b>2,178</b>	<b>2,270</b>
	<b>Operating revenue</b>		
1,146	Fees and charges	1,055	991
-	Targeted rates	-	-
1,094	General rates	1,115	1,133
13	Internal recoveries	8	30
-	Other	1	2
<b>2,253</b>	<b>Total operating revenue</b>	<b>2,179</b>	<b>2,156</b>
<b>110</b>	<b>Operating surplus/(deficit)</b>	<b>1</b>	<b>(114)</b>
110	Operating surplus transferred to reserves	1	(114)
<b>110</b>	<b>Net transfers to/(from) reserves</b>	<b>1</b>	<b>(114)</b>
	<b>Capital expenditure</b>		
-	Capital	-	-
-	External loans repaid	-	-
<b>-</b>	<b>Total funding required</b>	<b>-</b>	<b>-</b>
	<b>Funded by</b>		
-	Operating surplus	-	-
-	Loans raised	-	-
-	Transfers from reserves	-	-
<b>-</b>	<b>Total funding applied</b>	<b>-</b>	<b>-</b>

## Environmental Care

### Summary

#### Operating expenditure



### Explanation for major variances against budget

There were no significant variances in operating revenue and expenditure to budget.

## Financial Statements

### Statement of comprehensive income for the year ended 30 June 2010

Actual 2008/09		Notes	Budget 2009/10	Actual 2009/10
\$000			\$000	\$000
	<b>Income</b>			
23,777	Rates	3	24,657	24,918
933	Finance income		678	382
21,876	Other income	4	13,411	15,552
4	Other gains	5	-	-
<b>46,590</b>	<b>Total income</b>		<b>38,746</b>	<b>40,852</b>
	<b>Expenditure</b>			
1,609	Finance costs	6	1,807	1,614
10,465	Depreciation and amortisation	16/17	10,377	10,779
26,449	Other expenses	7	26,701	26,449
918	Other losses	5	-	1,121
<b>39,441</b>	<b>Total expenditure</b>		<b>38,885</b>	<b>39,963</b>
4	Share of joint venture surplus/(deficit)	8	-	(3)
<b>7,153</b>	<b>Surplus/(deficit) for the year</b>		<b>(139)</b>	<b>886</b>
	<b>Other comprehensive income</b>			
25,754	Gains/(losses) on property, plant and equipment revaluations	22	-	-
(1,829)	Gains/(losses) on financial assets at fair value through equity	22	(195)	-
<b>23,925</b>	<b>Total other comprehensive income</b>		<b>(195)</b>	<b>-</b>
<b>31,078</b>	<b>Total comprehensive income</b>		<b>(334)</b>	<b>886</b>

Explanations of major variances against budget are provided in note 34.  
The accompanying notes form part of these financial statements.

## Financial Statements

### Statement of changes in equity for the year ended 30 June 2010

Actual 2008/09		Notes	Budget 2009/10	Actual 2009/10
\$000			\$000	\$000
<b>506,118</b>	<b>Balance at 1 July</b>	<b>22</b>	<b>519,943</b>	<b>537,196</b>
31,078	Total comprehensive income		(334)	886
<b>537,196</b>	<b>Balance at 30 June</b>	<b>22</b>	<b>519,609</b>	<b>538,082</b>

Explanations of major variances against budget are provided in note 34.  
The accompanying notes form part of these financial statements.

## Financial Statements

### Statement of financial position as at 30 June 2010

Actual 2008/09		Notes	Budget 2009/10	Actual 2009/10
\$000			\$000	\$000
	<b>Current assets</b>			
5,590	Cash and cash equivalents	9	2,008	7,681
4,770	Trade and other receivables	10	1,886	4,425
-	Derivative financial instruments	11	-	43
2,960	Other financial assets	12	6,700	7,416
853	Inventory	13	131	621
587	Assets held for sale	14	-	128
<b>14,760</b>	<b>Total current assets</b>		<b>10,725</b>	<b>20,314</b>
	<b>Less current liabilities</b>			
6,743	Trade and other payables	18	4,100	5,816
975	Employee benefit liabilities	19	765	1,325
11,561	Borrowings	20	601	673
38	Provisions	21	80	21
<b>19,317</b>	<b>Total current liabilities</b>		<b>5,546</b>	<b>7,835</b>
<b>(4,557)</b>	<b>Working capital</b>		<b>5,179</b>	<b>12,479</b>
	<b>Non-current assets</b>			
18,662	Other financial assets	12	21,340	16,361
42	Forestry	15	79	-
530,530	Property, plant and equipment	16	529,439	535,998
940	Intangible assets	17	853	1,144
<b>550,174</b>	<b>Total non-current assets</b>		<b>551,711</b>	<b>553,503</b>
	<b>Non-current liabilities</b>			
7,679	Borrowings	20	36,013	26,995
324	Employee benefit liabilities	19	340	393
418	Provisions	21	928	512
<b>8,421</b>	<b>Total non-current liabilities</b>		<b>37,281</b>	<b>27,900</b>
<b>537,196</b>	<b>Net assets</b>		<b>519,609</b>	<b>538,082</b>
	Equity represented by:			
438,344	Retained earnings	22	406,025	438,836
98,852	Other reserves	22	113,584	99,246
<b>537,196</b>	<b>Total equity</b>		<b>519,609</b>	<b>538,082</b>

Explanations of major variances against budget are provided in note 34.  
The accompanying notes form part of these financial statements.

## Financial Statements

### Statement of cashflows for the year ended 30 June 2010

Actual 2008/09		Notes	Budget 2009/10	Actual 2009/10
\$000			\$000	\$000
	<b>Operating activities</b>			
	Cash was provided from:			
933	Interest		229	255
23,671	Rates		24,657	24,625
19,064	Revenue from services		12,811	14,489
229	Petrol tax		230	236
(157)	Net GST		-	(1,400)
	Cash was applied to:			
1,580	Interest paid		1,807	1,584
25,844	Employees and suppliers		26,701	23,997
<b>16,316</b>	<b>Net cashflow from operating activities</b>	<b>23</b>	<b>9,419</b>	<b>12,624</b>
	<b>Investing activities</b>			
	Cash was provided from:			
150	Repayment of loans and advances		-	133
25	Sale of assets		-	157
541	Dividends received		449	581
	Cash was applied to:			
16,233	Purchase of property, plant and equipment		18,791	15,701
844	Purchase of intangible assets		822	368
2,419	Acquisition of investments		1,771	3,763
<b>(18,780)</b>	<b>Net cashflow from investing activities</b>		<b>(20,935)</b>	<b>(18,961)</b>
	<b>Financing activities</b>			
	Cash was provided from:			
-	Proceeds from borrowings		9,616	10,000
	Cash was applied to:			
1,181	Repayment of borrowings		2,086	1,572
<b>(1,181)</b>	<b>Net cashflow from financing activities</b>		<b>7,530</b>	<b>8,428</b>
<b>(3,645)</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(3,986)</b>	<b>2,091</b>
9,235	Opening cash and cash equivalents		5,994	<b>5,590</b>
<b>5,590</b>	<b>Closing cash and cash equivalents</b>	<b>9</b>	<b>2,008</b>	<b>7,681</b>

Explanations of major variances against budget are provided in note 34. The accompanying notes form part of these financial statements. The GST (net) component of operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

## Financial Statement Notes

### 1. Statement of accounting policies

#### Reporting entity

Matamata-Piako District Council is a Local Authority governed by the Local Government Act 2002.

Matamata-Piako District Council has a 34% interest in a jointly controlled entity, Thames Valley Combined Civil Defence Committee, together with Hauraki District Council and Thames-Coromandel District Council. Each Council has equal representation on the committee. Thames-Coromandel District Council is the administering authority.

The primary objective of Matamata-Piako District Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly Matamata-Piako District Council has designated itself as a Public Benefit Entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of Matamata-Piako District Council are for the year ended 30 June 2010. The financial statements were authorised for issue by Council on 6 October 2010.

#### Basis of preparation

##### Statement of compliance

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Local Government Act 2002. They comply with NZ IFRS and other applicable financial reporting standards as appropriate for Public Benefit Entities.

##### Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, and certain infrastructural and other assets.

#### Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Council is New Zealand dollars.

#### Changes in accounting policies

There have been no changes in accounting policies during the financial year.

The Council has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

- New Zealand International Accounting Standard (NZ IAS) *1 Presentation of Financial Statements (Revised 2007)* replaces NZ IAS *1 Presentation of Financial Statements (issued 2004)*. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. Council has decided to prepare a single statement of comprehensive income for the year ended 30 June 2010 under the revised standard. Financial statement information for the year ended 30 June 2009 has been restated accordingly. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.
- Amendments to NZ IFRS *7 Financial Instruments: Disclosures*. The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk. The transitional provisions of the amendment do not require disclosure of comparative information in the first year of application. The Council has elected to disclose comparative information.

## Financial Statement Notes

- NZ IAS 24 *Related Party Disclosures (Revised 2009)* replaces NZ IAS 24 *Related Party Disclosures (Issued 2004)*. The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The Council has elected to early adopt the revised standard however its effect has been minimal.

### **Standards, amendments and interpretations issued that are not yet effective and have not been early adopted**

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

- NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 30 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cashflow characteristic of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. Council has not yet assessed the effect of the new standard and expects it will not be early adopted.

### **Significant accounting policies**

#### **Joint venture**

Council recognises its interest in its jointly controlled entity, Thames Valley Combined Civil Defence Committee, using the equity method. This investment is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the profit or loss of the jointly controlled entity after the date of acquisition. Council's share of the profit or loss of the jointly controlled entity is

recognised in Council's statement of comprehensive income. The carrying amount of the investment is shown as shares in the statement of financial position.

#### **Revenue**

Revenue is measured at the fair value of consideration received. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

#### **Rates**

Rates revenue is recognised at the due date of each installment.

#### **Private works**

The revenue from private works is recognised as revenue by reference to the stage of completion of the work at balance date.

#### **Government grants**

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Other grants and bequests received by Council are recognised as revenue when control over the asset is obtained.

#### **Fees and charges**

Fees and charges are recognised as revenue when the obligation to pay arises or, in the case of licence fees, upon renewal of the licence.

#### **Interest**

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

## Financial Statement Notes

### Dividends

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

### Rental income

Rental income arising on property owned by Council is accounted for on a straight line basis over the lease term.

### Development contributions

Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

### Vested assets

Vested asset income recognises the value of land and/or infrastructural works that have been handed over to Council following completion of the subdivision consent process. Vested assets are valued by applying standard unit rates to actual quantities of infrastructural components vested. The rates used are provided by the land developers and tested for reasonableness by Council engineering staff. Vested asset income is recognised as revenue when the control over the asset is obtained.

### Expenditure

Expenditure is recognised when Council is deemed to have been supplied with the service or has control of the goods supplied.

### Borrowing costs

Borrowing costs are recognised as an expense when incurred.

### Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

### Leases

Finance leases, which transfer to the Council substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating leases do not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straightline basis over the lease term.

### Cash and cash equivalents

Cash and short term deposits in the statement of financial position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Loans, including loans to community organisations made by Council at zero, or below market interest rates are initially recognised at the present value of their expected future cashflows, discounted at the current market rate of return for a

## Financial Statement Notes

similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the statement of comprehensive income as a grant. A provision for doubtful debts is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

### Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange risks arising from investing activities. In accordance with its Investment Policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. The associated gains or losses are recognised in the surplus or deficit in the statement of comprehensive income. The fair value of the foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise foreign exchange derivatives are classified as non-current.

### Other financial assets

Council classifies its financial instruments into the following four categories: financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments and financial assets at fair value through equity. The classification depends on the purpose for which the instruments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the statement of comprehensive income. Purchases and sales of investments are recognised on trade-date, the date on which Council commits to purchase or sell the asset. Financial assets are derecognised

when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at balance date. The quoted market price used is the current bid price. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

### Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit taking. Derivatives are also categorised as held for trading.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

### Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

## Financial Statement Notes

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

### Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

### Financial assets at fair value through equity

These are non-derivative financial assets that are designated as fair value through equity at initial recognition or are not classified as any of the categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date.

After initial recognition, these investments are measured at fair value. Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in equity is reclassified from equity to the surplus or deficit.

### Impairment of financial assets

At each balance date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

### Loans and other receivables, and held to maturity investments

Impairment is established when there is objective evidence that the Council will not be able to collect amount due according to the original terms of the debt. Significant

financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

For trade and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government stock and community loans are recognised directly against the instrument's carrying amount.

### Financial assets at fair value through other comprehensive income

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment. For debt instruments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in equity is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

## Financial Statement Notes

### Inventory

Inventory acquired for subsequent use in the provision of services is measured at cost adjusted for any loss in service potential. Inventory under development that will be subsequently sold in the ordinary course of business is classified as work in progress and measured at cost until such time as it is sold. Costs directly attributable to such inventory are capitalised to inventory work in progress and allocated over the total balance.

### Assets held for sale

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

Any impairment losses for write-downs of assets held for sale are recognised in the statement of comprehensive income. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

### Property, plant and equipment

Property, plant and equipment consists of:

#### Operational assets

These include land, buildings, restricted assets, plant and machinery, furniture and equipment, computer equipment and library collections.

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

### Infrastructure assets

Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, wastewater reticulation includes reticulation piping and wastewater pump stations.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

### Additions

The cost (and costs incurred subsequent to initial acquisition) of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of comprehensive income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than land and the library collection), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The library collection is depreciated on a diminishing value basis. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

## Financial Statement Notes

Operational assets	Useful life	Depreciation rate
Buildings	2 to 100 years	1% - 50%
Restricted assets (buildings)	2 to 100 years	1% - 50%
Plant and machinery	2 to 10 years	10% - 50%
Furniture and equipment	2 to 20 years	5% - 50%
Computer equipment	3 to 5 years	20% - 33%
Server hard drives	1 year	100%
Library collection	2 to 9 years	11% - 50%

Infrastructural assets	Useful life	Depreciation rate
<b>Roading network</b>		
Street lighting	8 to 50 years	2% - 12%
Formation carriageway	Indefinite	
Pavement surfacing	7 to 50 years	2% - 14%
Pavement structure	39 to 47 years	2% - 3%
Footpaths	5 to 50 years	2% - 20%
Drainage	60 to 90 years	1% - 2%
Bridges	100 years	1%
All other	1 to 57 years	2% - 50%
<b>Utility assets</b>		
Buildings	50 to 80 years	1% - 2%
Wastewater mains	60 to 80 years	1% - 2%
Wastewater other	60 to 80 years	1% - 2%
Wastewater pump station equipment	14 to 80 years	1% - 7%
Wastewater service lines	60 to 80 years	1% - 2%
Water mains	60 to 80 years	1% - 2%
Water valves	80 years	1.25%
Water hydrants	80 years	1.25%
Water nodes	80 years	1.25%
Water pump station equipment	15 to 100 years	1% - 7%
Water service lines	80 years	1.25%
Stormwater mains	60 to 80 years	1% - 2%
Stormwater manholes	60 to 80 years	1% - 2%
Stormwater pumps	60 to 80 years	1% - 2%
Stormwater service lines	80 years	1.25%

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

### Revaluation

Land, buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

### Accounting for revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of comprehensive income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in this statement will be recognised first in the statement of comprehensive income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

### Intangible assets

#### Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

## Financial Statement Notes

### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive income.

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

Computer software	2 to 15 years	6% - 50%
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### Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits of service potential. The value in use for cash-generating assets is the present value of expected future cashflows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

### Forestry assets

In 2009/10 Council resolved to convert the Te Miro forest standing to a recreational reserve. As such, no harvesting has been undertaken, and the forestry assets have been derecognised through the statement of comprehensive income.

For 2008/09 and previous years, standing timber was independently valued by Tempest and Associates Limited. It was valued at fair value less estimated point of sale costs.

### Trade and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are subsequently measured at amortised cost using the effective interest method.

### Employee entitlements

#### Short-term benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

## Financial Statement Notes

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave. Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

### Long-term benefits

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

- likely future entitlements accruing to staff, based on years of service, years to entitlement;
- the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cashflows.

A discount rate of 6% and an inflation factor of 3.5% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

### Defined contribution superannuation scheme

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of comprehensive income.

### Provisions

Provisions are recognised when the Council has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Council expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cashflows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### Provision for landfill aftercare

The council, as owner of three closed landfills, has a legal obligation under the resource consents to provide ongoing maintenance and monitoring services at the landfill sites. A provision for post-closure costs has been recognised as a liability. The provision is measured based on the present value of future cashflows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all reliably known costs associated with landfill post-closure. The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to Council.

### Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classed into a number of reserves to enable clearer identification of the specified uses of its accumulated surpluses.

## Financial Statement Notes

The components of equity are:

- Retained earnings
- Other reserves
  - Council created reserves
  - Restricted reserves
  - Financial assets at fair value through equity reserve
  - Asset revaluation reserves

### Reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council. Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain conditions are met. Council created reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council. Asset revaluation reserves represent unrealised gains on assets owned by Council. The gains are held in the reserve until such time as the gain is realised and a transfer can be made to retained earnings.

### Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Inland Revenue Department.

### Budget figures

The budget figures are those approved by the Council in its 2009-2019 Long Term Council Community Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of the financial statements.

### Cost allocation

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity. Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

### Critical accounting estimates and assumptions

In preparing these financial statements Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

## Financial Statement Notes

### Landfill aftercare provision

Note 21 discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

### Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost valuations over infrastructural assets.

These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets; estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive income.

To minimise this risk Council's infrastructural assets useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates. Experienced independent valuers perform or undertake a peer review of the Council's infrastructural asset revaluations.

### 2. Reconciliation between the group of activities' statements of revenue and expenses and the statement of comprehensive income

Actual 2008/09		Actual 2009/10
\$000		\$000
	<b>Operating expenditure</b>	
3,449	Community development	3,802
11,633	Community facilities	9,496
23,988	Community infrastructure	25,481
2,143	Environmental care	2,270
<b>41,213</b>	<b>Total operating expenditure</b>	<b>41,049</b>
1,772	Less internal expenditure	1,086
<b>39,441</b>	<b>Total expenditure</b>	<b>39,963</b>
	<b>Operating revenue</b>	
4,131	Community development	4,258
16,073	Community facilities	9,403
25,571	Community infrastructure	26,121
2,253	Environmental care	2,156
<b>48,028</b>	<b>Total operating revenue</b>	<b>41,938</b>
1,438	Less internal revenue	1,086
<b>46,590</b>	<b>Total revenue</b>	<b>40,852</b>
4	Share of joint venture surplus/(deficit)	(3)
<b>7,153</b>	<b>Surplus/(deficit) for the year</b>	<b>886</b>
23,925	Other comprehensive income	-
<b>31,078</b>	<b>Total comprehensive income</b>	<b>886</b>

Each group of activities is stated gross of internal costs and revenues. In order to fairly reflect the total external operations for the Council in the statement of comprehensive income, these transactions are eliminated as shown above.

## Financial Statement Notes

### 3. Rates

Actual 2008/09		Actual 2009/10
\$000		\$000
15,618	General rates	16,002
	Targeted rates attributable to activities:	
2,403	- Water	2,451
2,765	- Wastewater	3,510
1,123	- Stormwater	983
276	- Community Development	284
1,369	- Refuse	1,451
75	- Halls	86
148	- Rates penalties	151
<b>23,777</b>	<b>Total revenue from rates</b>	<b>24,918</b>

### Rates remissions

Actual 2008/09		Actual 2009/10
\$000		\$000
23,813	Total rates revenue	24,924
	Rates remissions:	
(3)	- Land used for sport	(1)
(33)	- Land protected for historical or cultural purposes	(5)
(36)	Total remissions	(6)
<b>23,777</b>	<b>Rates revenue net of remissions</b>	<b>24,918</b>

### 4. Other income

Actual 2008/09		Actual 2009/10
\$000		\$000
332	Lease revenue	344
4,482	User charges	4,869
354	Found assets	-
783	Development contributions	399
1,929	Vested assets	1,362
5,379	NZ Transport Agency subsidies	5,301
-	Other Government subsidies	572
627	Industry user recoveries	1,112
229	Petrol tax	236
568	Dividends	676
7,193	Mangawhero development revenue	681
<b>21,876</b>	<b>Total other income</b>	<b>15,552</b>

## Financial Statement Notes

There are no unfulfilled conditions or other contingencies attached to government grants recognised.

### 5. Other gains and losses

Actual 2008/09		Actual 2009/10
\$000		\$000
	<b>Gains</b>	
4	Change in fair value of forestry assets	-
<b>4</b>	<b>Total gains</b>	<b>-</b>
	<b>Losses</b>	
-	Derecognition of forestry assets	42
598	Unrealised loss on disposal of property, plant and equipment	679
320	Unrealised loss on financial assets at fair value through equity	-
-	Unrealised loss on financial assets at fair value through surplus or deficit	227
-	Unrealised loss on foreign exchange derivative	173
<b>918</b>	<b>Total losses</b>	<b>1,121</b>

### 6. Finance costs

Actual 2008/09		Actual 2009/10
\$000		\$000
1,574	Interest on bank borrowings	1,580
35	Provisions: discount unwinding (note 21)	34
<b>1,609</b>	<b>Total finance costs</b>	<b>1,614</b>

### 7. Other expenses

Actual 2008/09		Actual 2009/10
\$000		\$000
	Fees paid to the principal auditor:	
73	- 2009-2019 LTCCP audit fee	-
88	- Financial statement audit fee	90
-	Fees paid to other auditors	-
	Employee benefit expenses:	
11,101	- Salaries and wages	11,637
222	- Increase/(decrease)in employee benefit liabilities	419
(560)	Review of landfill provision (note 21)	(6)
31	Operating lease payments	28
168	Donations	277
2,029	Mangawhero development costs	256
106	Impairment of receivables (note 10)	23
27	Movement in fair value of industry loan	31
13,164	Other operating expenses	13,694
<b>26,449</b>	<b>Total other expenses</b>	<b>26,449</b>

## Financial Statement Notes

### 8. Joint venture

Council has a 34% interest in jointly controlled entity, Thames Valley Combined Civil Defence Committee, together with the Thames-Coromandel and Hauraki District Councils. The joint venture's balance date is 30 June, but its accounts have not been audited. Council's share of the deficit has been included in 'share of joint venture surplus/(deficit)' in the statement of comprehensive income. Council's share of equity has been recorded as shares in the statement of financial position.

The joint venture's 2008/09 annual report showed an initial profit of \$13,999, however this was subsequently reviewed to a loss of \$7,676.

Movements in the carrying amount of investment in the joint venture:

Actual 2008/09		Actual 2009/10
\$000		\$000
53	As at 1 July as previously reported	57
-	Adjustment of opening balance	(7)
53	Restated balance at 1 July	50
4	Share of surplus/(deficit)	(3)
<b>57</b>	<b>Balance at 30 June</b>	<b>47</b>

The Council's interest in the joint venture is disclosed in the financial statements under the classifications shown below:

Actual 2008/09		Actual 2009/10
\$000		\$000
27	Current assets	35
42	Non-current assets	26
12	Current liabilities	14
57	Net assets	47
(152)	Share of expenses	(186)
156	Share of income	183
<b>4</b>	<b>Share of surplus/(deficit)</b>	<b>(3)</b>

### 9. Cash and cash equivalents

Actual 2008/09		Actual 2009/10
\$000		\$000
106	Cash at bank and on hand	1,181
5,484	Term deposits and investments with maturities less than 3 months	6,500
<b>5,590</b>	<b>Total cash and cash equivalents</b>	<b>7,681</b>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements. The carrying value of cash at bank, term deposits and investments with maturity dates of three months or less approximates their fair value.

### 10. Trade and other receivables

Actual 2008/09		Actual 2009/10
\$000		\$000
1,075	Accrued income	948
189	Water receivables	187
1,269	Other general receivables	1,536
682	Rates receivables	867
1,509	NZ Transport Agency subsidy receivable	612
-	Related party receivables	-
325	GST receivables	577
<b>5,049</b>		<b>4,727</b>
(279)	Provision for impairment	(302)
<b>4,770</b>	<b>Total trade and other receivables</b>	<b>4,425</b>

Trade receivables are non-interest bearing and receipt is generally on 30 day terms. Therefore the carrying value of trade and other receivables approximates their fair value.

## Financial Statement Notes

The ageing profile of receivables at year end is detailed below:

2009/10	Gross	Impairment	Net
	\$000	\$000	\$000
Not past due	3,993	-	3,993
Past due 1-60 days	236	-	236
Past due 61-90 days	94	(3)	91
Past due > 90 days	404	(299)	105
<b>Total</b>	<b>4,727</b>	<b>(302)</b>	<b>4,425</b>

2008/09	Gross	Impairment	Net
	\$000	\$000	\$000
Not past due	4,515	-	4,515
Past due 1-60 days	131	(15)	116
Past due 61-90 days	35	(23)	12
Past due > 90 days	368	(241)	127
<b>Total</b>	<b>5,049</b>	<b>(279)</b>	<b>4,770</b>

The impairment provision has been calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collection history and debt write-offs.

Actual 2008/09		Actual 2009/10
\$000		\$000
185	Individual impairment	284
94	Collective impairment	18
<b>279</b>	<b>Total provision for impairment</b>	<b>302</b>

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors is as follows:

Actual 2008/09		Actual 2009/10
\$000		\$000
-	Past due 1-60 days	-
-	Past due 61-120 days	-
185	Past due > 120 days	284
<b>185</b>	<b>Total individual impairment</b>	<b>284</b>

Movements in the provision for impairment of receivables are as follows:

Actual 2008/09		Actual 2009/10
\$000		\$000
173	Balance at 1 July	279
106	Additional provisions made during the year	23
-	Receivables written off during period	-
<b>279</b>	<b>Balance at 30 June</b>	<b>302</b>

## Financial Statement Notes

### 11. Derivative financial instruments

Actual 2008/09		Actual 2009/10
\$000		\$000
-	Foreign exchange derivative	43
-	<b>Total derivative financial instruments</b>	<b>43</b>

The fair value of the foreign exchange derivative has been determined using a discounted cashflows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from instrument prices. The notional principal amount of the foreign exchange derivative was \$1,998,578 (2009: Nil).

### 12. Other financial assets

Actual 2008/09		Actual 2009/10
\$000		\$000
	<b>Current</b>	
1,500	Term deposits with maturities of 4 -12 months	7,000
4	Staff housing loan	2
2	Hillary Commission loan	2
130	Industry loan	138
1324	Local authority and other stock	274
<b>2,960</b>	<b>Total current</b>	<b>7,416</b>
	<b>Non-current</b>	
2,000	Term deposits with maturities > 12 months	-
16	Staff housing loan	16
6	Hillary Commission loan	7
1,600	Industry loan	1,460
11,108	Power New Zealand fund	10,431
1,095	Local authority and other stock	1,615
	Unlisted shares:	
2,623	- Waikato Regional Airport	2,623
55	- NZ Local Government Insurance Corporation	55
57	- Thames Valley Combined Civil Defence Committee	47
102	- Local Authority Shared Services Limited	107
<b>18,662</b>	<b>Total non-current</b>	<b>16,361</b>

Note that \$800,000 of Local Authority and other stock for 2008/09 has been reclassified from non-current to current due to a classification error in the prior year.

#### Term deposits

The carrying amount of term deposits approximates their fair value.

#### Staff housing loans

Staff housing loans are secured by mortgages or registered charges over the properties.

#### Industry loan

The industry loan is recognised at fair value, determined using cashflows discounted at a rate based on the ten year swap rate of 5.51% (2009 6.06%).

## Financial Statement Notes

### Local authority and other stock

The fair value of local authority and other stock is \$1,896,556 (2009 \$2,412,953). Fair value has been determined by discounting cashflows from the stocks using a discount rate derived from relevant market inputs.

### Power New Zealand fund

The Power New Zealand fund was established in 1998 using the proceeds from sale of the Power New Zealand Shares. Council has established an investment policy for the fund which provides for the placement in overseas and New Zealand equities by investment advisor, Michael Chamberlain and Associates New Zealand Limited. The overseas equities are vested with State Street Global Advisors. Council have resolved to commence realisation of the shares when the market value achieves its 1 July 2007 value of \$15.6 million. The fund is recognised at fair value determined by reference to published current bid price quotations in an active market.

### Unlisted shares

The fair value of unlisted shares are measured at cost because there is no active market for these assets.

### Local Authority Shared Services Limited

Local Authority Shared Services Limited (LASS) shares are made up of:

Actual 2008/09		Actual 2009/10
\$000		\$000
1	Local Authority Shared Services	1
45	Waikato Regional Transport Model	45
56	Shared Valuation Database Services	56
-	Waikato Regional Aerial Photography Service	5
<b>102</b>	<b>Total shares</b>	<b>107</b>

### Thames Valley Combined Civil Defence Committee

Council initially recognised the value of Thames Valley Combined Civil Defence Committee at cost, and the carrying amount is increased or decreased to recognise Council's share of the surplus or deficit of the Committee after the initial recognition.

### 13. Inventory

Actual 2008/09		Actual 2009/10
\$000		\$000
120	Inventory held for distribution	116
733	Inventory work in progress	505
<b>853</b>	<b>Total inventory</b>	<b>621</b>

The carrying amount of inventory held for distribution is measured at the lower of cost and current replacement cost. There was no write-down of inventory held for distribution (2009 nil).

Council has developed land for future sale and the costs capitalised to date (including the value of the land at the date of transfer to inventory) are expected to be recovered within the next financial year.

## Financial Statement Notes

### 14. Assets held for sale

At 30 June 2010, Council owns one 'own your own' property on Anderson Street, Morrinsville, which is being actively marketed for sale. The sale is anticipated within the next financial year.

Actual 2008/09		Actual 2009/10
\$000		\$000
	Assets held for sale are:	
311	- Buildings	78
276	- Land	50
<b>587</b>	<b>Total assets held for sale</b>	<b>128</b>

### 15. Forestry assets

Actual 2008/09		Actual 2009/10
\$000		\$000
<b>77</b>	<b>Opening balance as at 1 July</b>	<b>42</b>
(39)	Harvested timber transferred to inventories	-
4	Gains/(losses) from change in fair value less estimated point-of-sale	-
-	Derecognition of forestry assets	(42)
<b>42</b>	<b>Closing balance as at 30 June</b>	<b>-</b>

In 2009/10 Council resolved to convert the Te Miro forest standing to a recreational reserve. As such, no harvesting has been undertaken (2009 nil), and the forestry assets have been derecognised through the statement of comprehensive income.

## Financial Statement Notes

### 16. Property plant and equipment

	Cost/ valuation 1 July 2009	Accumulated depreciation and impairment charges 1 July 2009	Carrying amount 1 July 2009	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Revaluation surplus	Cost/ valuation 30 June 2010	Accumulated depreciation and impairment charges 30 June 2010	Carrying amount 30 June 2010
2009/10	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Operational assets</b>											
Land	21,001	-	21,001	-	46	-	-	-	20,955	-	20,955
Buildings	20,689	2,402	18,287	311	-	-	859	-	21,000	3,261	17,739
Restricted											
- Land	12,707	-	12,707	251	-	-	-	-	12,958	-	12,958
- Buildings	14,561	1,502	13,059	180	-	-	524	-	14,741	2,026	12,715
Plant and machinery	4,177	2,318	1,859	386	151	-	372	-	3,930	2,208	1,722
Furniture and equipment	1,340	1,061	279	76	-	-	55	-	1,416	1,116	300
Computer equipment	1,997	1,480	517	187	-	-	238	-	2,184	1,718	466
Library collections	2,385	1,893	492	170	-	-	155	-	2,555	2,048	507
Assets under construction	-	-	-	906	-	-	-	-	906	-	906
<b>Total operational assets</b>	<b>78,857</b>	<b>10,656</b>	<b>68,201</b>	<b>2,467</b>	<b>197</b>	<b>-</b>	<b>2,203</b>	<b>-</b>	<b>80,645</b>	<b>12,377</b>	<b>68,268</b>

## Financial Statement Notes

### Property plant and equipment

	Cost/ valuation 1 July 2009	Accumulated depreciation and impairment charges 1 July 2009	Carrying amount 1 July 2009	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Revaluation surplus	Cost/ valuation 30 June 2010	Accumulated depreciation and impairment charges 30 June 2010	Carrying amount 30 June 2010
2009/10	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Infrastructural assets</b>											
Roads	261,036	12,411	248,625	6,278	170	-	4,394	-	267,144	16,805	250,339
Roading land	68,650	-	68,650	18	-	-	-	-	68,668	-	68,668
Street lighting	4,279	458	3,821	149	11	-	142	-	4,417	600	3,817
Bridges	33,443	2,268	31,175	486	17	-	758	-	33,912	3,026	30,886
Water reticulation system	40,300	3,106	37,194	2,436	235	-	1,196	-	42,501	4,302	38,199
Stormwater system	30,867	1,446	29,421	604	45	-	722	-	31,426	2,168	29,258
Wastewater system	34,491	3,140	31,351	1,591	305	-	1,118	-	35,777	4,258	31,519
Assets under construction	6,168	-	6,168	2,977	-	-	-	-	9,145	-	9,145
Land	3,947	-	3,947	10	-	-	-	-	3,957	-	3,957
Buildings	2,066	89	1,977	47	-	-	82	-	2,113	171	1,942
<b>Total infrastructural assets</b>	<b>485,247</b>	<b>22,918</b>	<b>462,329</b>	<b>14,596</b>	<b>783</b>	<b>-</b>	<b>8,412</b>	<b>-</b>	<b>499,060</b>	<b>31,330</b>	<b>467,730</b>
<b>Total property, plant and equipment</b>	<b>563,622</b>	<b>33,092</b>	<b>530,530</b>	<b>17,063</b>	<b>934</b>	<b>-</b>	<b>10,615</b>	<b>-</b>	<b>579,705</b>	<b>43,707</b>	<b>535,998</b>

Note that the opening balances at 1 July 2009 have been adjusted due to reclassifications between asset categories as follows:

Restricted buildings valued at \$24,000 have been reclassified as infrastructural assets.

Restricted buildings valued at \$475,000 have been reclassified as restricted land.

Non-restricted buildings valued at \$29,000 have been reclassified as restricted buildings.

Disposals in these tables are reported net of accumulated depreciation.

## Financial Statement Notes

### Property plant and equipment

	Cost/ valuation 1 July 2008	Accumulated depreciation and impairment charges 1 July 2008	Carrying amount 1 July 2008	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Revaluation surplus	Cost/ valuation 30 June 2009	Accumulated depreciation and impairment charges 30 June 2009	Carrying amount 30 June 2009
2008/09	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Operational assets</b>											
Land	16,155	-	16,155	941	86	-	-	3,991	21,001	-	21,001
Buildings	18,093	1,534	16,559	1,002	-	-	868	1,623	20,718	2,402	18,316
Restricted											
- Land	10,023	-	10,023	203	-	-	-	2,006	12,232	-	12,232
- Buildings	13,414	974	12,440	900	-	-	528	717	15,031	1,502	13,529
Plant and machinery	3,629	1,967	1,662	592	44	-	351	-	4,177	2,318	1,859
Furniture and equipment	1,307	992	315	33	-	-	69	-	1,340	1,061	279
Computer equipment	1,721	1,159	562	276	-	-	321	-	1,997	1,480	517
Library collections	2,229	1,743	486	156	-	-	150	-	2,385	1,893	492
<b>Total operational assets</b>	<b>66,571</b>	<b>8,369</b>	<b>58,202</b>	<b>4,103</b>	<b>130</b>	<b>-</b>	<b>2,287</b>	<b>8,337</b>	<b>78,881</b>	<b>10,656</b>	<b>68,225</b>

## Financial Statement Notes

### Property plant and equipment

	Cost/ valuation 1 July 2008	Accumulated depreciation and impairment charges 1 July 2008	Carrying amount 1 July 2008	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Revaluation surplus	Cost/ valuation 30 June 2009	Accumulated depreciation and impairment charges 30 June 2009	Carrying amount 30 June 2009
2008/09	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Infrastructural assets</b>											
Roads	245,107	8,066	237,041	7,395	312	-	4,345	8,846	261,036	12,411	248,625
Roading land	68,130	-	68,130	520	-	-	-	-	68,650	-	68,650
Street lighting	4,532	317	4,215	235	2	-	141	(486)	4,279	458	3,821
Bridges	38,173	1,512	36,661	63	-	-	756	(4,793)	33,443	2,268	31,175
Water reticulation system	31,442	1,948	29,494	1,970	114	-	1,158	7,002	40,300	3,106	37,194
Stormwater system	24,587	882	23,705	608	132	-	564	5,804	30,867	1,446	29,421
Wastewater system	34,313	2,088	32,225	552	16	-	1,052	(358)	34,491	3,140	31,351
Assets under construction	3,546	-	3,546	2,622	-	-	-	-	6,168	-	6,168
Land	2,610	-	2,610	180	-	-	-	1,157	3,947	-	3,947
Buildings	1,443	48	1,395	354	-	-	41	245	2,042	89	1,953
<b>Total infrastructural assets</b>	<b>453,883</b>	<b>14,861</b>	<b>439,022</b>	<b>14,499</b>	<b>576</b>	<b>-</b>	<b>8,057</b>	<b>17,417</b>	<b>485,223</b>	<b>22,918</b>	<b>462,305</b>
<b>Total property, plant and equipment</b>	<b>520,454</b>	<b>23,230</b>	<b>497,224</b>	<b>18,602</b>	<b>706</b>	<b>-</b>	<b>10,344</b>	<b>25,754</b>	<b>564,104</b>	<b>33,574</b>	<b>530,530</b>

## Financial Statement Notes

### Valuation

#### Operational land and buildings

Operational land and buildings are valued at fair value as determined from market-based evidence or depreciated replacement cost where appropriate, by an independent valuer. The most recent valuation for land was performed by Curnow Tizard Limited, and the valuation was effective as at 1 July 2008. The most recent valuation of buildings was performed in-house by experienced staff and peer reviewed by SPM Consultants. The valuation was effective as at 1 July 2008.

#### Restricted land and buildings

Restricted land and buildings are valued at fair value as determined from market-based evidence by an independent valuer. The most recent valuation of land was performed by Curnow Tizard Limited, and the valuation was effective as at 1 July 2008. The most recent valuation of buildings was performed in-house by experienced staff and peer reviewed by SPM Consultants Limited. The valuation was effective as at 1 July 2008.

#### Infrastructural asset classes: roads, water reticulation, wastewater reticulation and stormwater systems

Water reticulation, wastewater reticulation and stormwater systems are valued at fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The land and buildings related specifically to an infrastructural asset are valued at depreciated replacement cost as at 1 July 2008. The valuation of land has been performed by Curnow Tizard Limited. The valuation of infrastructural buildings has been performed in-house and independently reviewed by PJ and Associates.

Other infrastructural assets have been revalued at 1 July 2008. Roading assets have been valued by GHD Limited, and all other utility assets have been valued in-house by experienced Council engineers, and the valuation peer reviewed by PJ and Associates.

The assets are recorded at their depreciated replacement cost as at 1 July 2008 plus subsequent additions at cost.

Land under the roads has been valued using the average land values for the urban and rural areas of the whole district as at 1 July 2001. This is considered to be the fair value of the land. Council has elected to use the fair value under roads as at 1 July 2001 as deemed cost. Subsequent additions are recorded at cost or fair value where cost does not equate to fair value. Land under roads is no longer revalued.

#### Total fair value of property, plant and equipment valued or peer reviewed by an independent party

	\$000
Curnow Tizard Limited	36,123
PJ and Associates	99,731
GHD Limited	349,615
SPM Consultants Limited	31,688

No classes of property, plant and equipment were revalued in 2010.

#### Impairment

There were no assets considered to be impaired in 2010 (2009 nil).

## Financial Statement Notes

### 17. Intangible assets

	Cost/ 1 July 2009	Accumulated amortisation and impairment charges 1 July 2009	Carrying amount 1 July 2009	Current year additions	Current year disposals	Current year impairment charges	Current year amortisation	Cost 30 June 2010	Accumulated amortisation and impairment charges 30 June 2010	Carrying amount 30 June 2010
<b>2009/10</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Intangible assets</b>										
Computer software	2,361	1,421	940	368	-	-	164	2,729	1,585	1,144

	Cost/ 1 July 2008	Accumulated amortisation and impairment charges 1 July 2008	Carrying amount 1 July 2008	Current year additions	Current year disposals	Current year impairment charges	Current year amortisation	Cost 30 June 2009	Accumulated amortisation and impairment charges 30 June 2009	Carrying amount 30 June 2009
<b>2008/09</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Intangible assets</b>										
Computer software	1,517	1,303	214	844	-	-	118	2,361	1,421	940

## Financial Statement Notes

### 18. Trade and other payables

Actual 2008/09		Actual 2009/10
\$000		\$000
3,079	Trade payables	3,585
865	Deposits and bonds	810
2,385	Accrued expenses	837
4	Amounts due to related parties (note 26)	1
410	Income in advance	583
<b>6,743</b>	<b>Total trade and other payables</b>	<b>5,816</b>

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

### 19. Employee benefit liabilities

Actual 2008/09		Actual 2009/10
\$000		\$000
206	Accrued pay	305
668	Annual leave	894
126	Long service leave	164
286	Retirement gratuities	328
12	Sick leave	27
1	Other	-
<b>1,299</b>	<b>Total employee benefit liabilities</b>	<b>1,718</b>
	Comprising:	
975	Current	1,325
324	Non-current	393
<b>1,299</b>	<b>Total employee benefit liabilities</b>	<b>1,718</b>

### 20. Borrowings

Actual 2008/09		Actual 2009/10
\$000		\$000
	<b>Current</b>	
12	Finance leases liabilities	3
11,549	Secured loans	670
<b>11,561</b>	<b>Total current borrowings</b>	<b>673</b>
	<b>Non-current</b>	
-	Finance leases liabilities	-
7,679	Secured loans	26,995
<b>7,679</b>	<b>Total non-current borrowings</b>	<b>26,995</b>
<b>19,240</b>	<b>Total borrowings</b>	<b>27,668</b>

All of Council's loans are issued at fixed rates of interest.

#### Security

The overdraft is unsecured. The maximum amount that can be drawn down against the overdraft facility is \$500,000 (2009 \$500,000). There are no restrictions on the use of this facility. Council's loans are secured over either separate or general rates of the district. Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default. Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management Policy. These policies have been adopted as part of the Council's Long-Term Council Community Plan.

#### Fair values of non-current borrowings

The carrying amount and the fair value of non-current borrowings are as follows:

Carrying amount 2008/09	Fair value 2008/09		Carrying amount 2009/10	Fair value 2009/10
\$000	\$000		\$000	\$000
7,679	7,652	Loans	26,998	25,686

## Financial Statement Notes

The fair values are based on cash flows discounted using forecasted borrowing rates as follows:

- 2 years 4.25%
- 3 years 4.57%
- 5 years 4.98%
- Over 5 years 5.51%

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

### 21. Provisions

Actual 2008/09		Actual 2009/10
\$000		\$000
	<b>Current</b>	
38	Landfill aftercare	21
<b>38</b>	<b>Total current provisions</b>	<b>21</b>
	<b>Non-current</b>	
-	Weather-tightness claims	64
418	Landfill aftercare	448
<b>418</b>	<b>Total non-current provisions</b>	<b>512</b>

#### Landfill aftercare provision

Matamata-Piako District Council gained resource consents for the following landfills:

- Morrinsville Landfill 31/5/2000
- Matamata Landfill 8/12/2001
- Te Aroha Landfill 9/12/1998

The Council has responsibility under the resource consents to provide ongoing maintenance and monitoring of these landfills after the sites have been closed.

There are closure and post closure responsibilities such as the following:

- Final cover application and vegetation;
- Incremental drainage control features;
- Completing facilities for leachate collection and monitoring;
- Completing facilities for water quality monitoring;
- Completing facilities for monitoring of gas;
- Treatment and monitoring of leachate;
- Gas and ground water and surface monitoring;
- Implementation of remedial measures such as needed for cover, and control systems; and
- Ongoing site maintenance for drainage systems, final cover and vegetation.

The cash outflows for landfill post closure are expected to occur in one to 25 years time (or between 2011 to 2036). The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and discounted using a discount rate of 8% (2009: 8%).

The following assumptions have been made in the calculation of the provision:

- Obligations for the post closure work are for 30 years after landfill closure; and
- That post closure expenditure has been estimated as \$8,300 per annum per landfill.

Actual 2008/09		Actual 2009/10
\$000		\$000
<b>1,007</b>	<b>Opening provision</b>	<b>456</b>
(560)	Reviewing adjustment	(6)
35	Interest unwind	34
(26)	Charged to provision	(15)
<b>456</b>	<b>Closing provision</b>	<b>469</b>

#### Weathertightness claims

Two claims have been assessed as eligible to be lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2010. The liable parties to these claims have not been established at this point, however, based on recent case law, Council has made provision for 25% of the estimated costs as assessed by a WHRS assessor.

## 22. Equity

### Retained earnings

Actual 2008/09		Actual 2009/10
\$000		\$000
<b>427,476</b>	<b>Balance at 1 July</b>	<b>438,344</b>
(188)	Transfers to restricted reserves	(26)
(12,968)	Transfers to Council created reserves	(12,056)
2,046	Transfers from restricted reserves	1,344
14,825	Transfers from Council created reserves	10,171
-	Transfers from asset revaluation reserves on disposal	173
7,153	Surplus/(deficit) for the year	886
<b>438,344</b>	<b>Balance at 30 June</b>	<b>438,836</b>

## Financial Statement Notes

### Other Reserves

Actual 2008/09		Actual 2009/10
\$000		\$000
	<b>Council created reserves</b>	
15,690	Balance at 1 July	13,833
(14,825)	Transfers to retained earnings	(10,171)
12,968	Transfers from retained earnings	12,056
<b>13,833</b>	<b>Balance at 30 June</b>	<b>15,718</b>
	<b>Restricted reserves</b>	
4,221	Balance at 1 July	2,363
(2,046)	Transfers to retained earnings	(1,344)
188	Transfers from retained earnings	26
<b>2,363</b>	<b>Balance at 30 June</b>	<b>1,045</b>
	<b>Financial assets at fair value through equity reserve</b>	
1,829	Balance at 1 July	-
(1,829)	Valuation gains/(losses) taken to equity	-
-	<b>Balance at 30 June</b>	-
	<b>Assets revaluation reserves</b>	
56,902	Balance at 1 July	82,656
25,754	Revaluation gains/(losses)	-
-	Transfer to retained earnings on disposal of assets	(173)
<b>82,656</b>	<b>Balance at 30 June</b>	<b>82,483</b>
	<b>Assets revaluation reserves consist of:</b>	
	Operational assets:	
12,357	Land	12,330
5,490	Buildings	5,490

Actual 2008/09		Actual 2009/10
\$000		\$000
	Infrastructural assets:	
30,429	- Roading	30,412
9,467	- Water	9,409
8,706	- Stormwater	8,692
5,890	- Wastewater	5,833
1,157	- Infrastructural land	1,157
245	- Infrastructural buildings	245
	Restricted assets:	
7,344	- Land	7,344
1,571	- Buildings	1,571
<b>82,656</b>	<b>Total asset revaluation reserves</b>	<b>82,483</b>
<b>98,852</b>	<b>Total other reserves</b>	<b>99,246</b>

## Financial Statement Notes

### 23. Reconciliation of surplus/(deficit) to net cash flow from operating activities

Actual 2008/09		Actual 2009/10
\$000		\$000
<b>7,153</b>	<b>Surplus/(deficit) for the year</b>	<b>886</b>
	<b>Add/(less) non-cash items</b>	
10,465	Depreciation/amortisation	10,779
(1,929)	Vested assets	(1,362)
(354)	Found assets	-
(4)	Gain/(loss) in fair value of forestry assets	42
(232)	Other non-cash operating items	17
	<b>Add/(less) movements in working capital items</b>	
134	Increase/(decrease) in trade and other receivables	345
1,460	Increase/(decrease) in trade and other payables	(927)
222	Increase/(decrease) employee benefit liabilities	(419)
1,549	Increase/(decrease) inventory	232
(551)	Increase/(decrease) in provisions	77
	<b>Add/(less) items classified as investing or financing activities</b>	
598	Gain/(loss) of disposal of property, plant and equipment	679
(320)	Gain/(loss) in fair value of financial assets through equity	-
-	Gain/(loss) on financial assets at fair value through surplus or deficit	227
-	Gain/(loss) on foreign exchange derivative	173
(1,875)	Trade and other payables related to investing activities	1,875
<b>16,316</b>	<b>Net cash inflow from operating activities</b>	<b>12,624</b>

### 24. Kaimai valley services business unit

This is the works unit of Council which undertakes operational and maintenance functions.

Actual 2008/09		Actual 2009/10
\$000		\$000
11,044	Operating recoveries	4,277
(10,545)	Operating costs	(3,810)
<b>499</b>	<b>Operating surplus/(deficit)</b>	<b>467</b>

The actual operating costs of the works unit include purchases of materials. The budget provisions for these costs were made in the respective significant activities.

### 25. Kaimai consultants business unit

This unit of Council provides engineering design and contract management functions.

Actual 2008/09		Actual 2009/10
\$000		\$000
643	NZ Transport Agency subsidy for design and supervision fees	963
752	Other operating recoveries	1,137
(965)	Operating costs	(2,004)
<b>430</b>	<b>Operating surplus/(deficit)</b>	<b>96</b>

## Financial Statement Notes

### 26. Related party transactions

#### Related party transactions with joint ventures

During the year there were no transactions with Council's joint venture, Thames Valley Combined Civil Defence Committee (2009:\$0). During the year Council made payments of \$32,057 (2009: \$102,429) to Local Authority Shared Services an entity in which Council holds shares. At balance date there was an amount of \$763.00 receivable from this entity (2009: \$0).

#### Transactions with key management personnel

##### Key management personnel compensation

Actual 2008/09		Actual 2009/10
\$000		\$000
1,118	Salaries and other short-term employee benefits	1,072
42	Post-employment benefits	35
<b>1,160</b>	<b>Total key management personnel compensation</b>	<b>1,107</b>

Key management personnel include the Mayor, Councillors and the executive management team.

During the year, Councillors and senior management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as payment of rates, purchase of rubbish bags, etc).

Council purchased services from John Harris & Associates Limited, in which Councillor John Harris is principal. These services cost \$13,318 (2009: \$9,355) and were supplied on normal commercial terms. There is a balance of \$201 (2009: \$3,784) outstanding for unpaid invoices at year end.

Council purchased services from R & J Barnes Holdings Limited, trading as Rex Barnes Engineering, of which Councillor Jan Barnes is a director. These services cost \$9,724 (2009: \$20,097) and were supplied on normal commercial terms. There is a balance of \$305 (2009: \$0) outstanding for unpaid invoices at year end.

Council purchased insurance from Hugh Vercoe and Associates Limited of which Mayor Hugh Vercoe is principal. The brokerage fees cost \$6,018 (2009: \$5,624) and were supplied on normal commercial terms. There were no balances outstanding for invoices at year end (2009: nil).

Council purchased services from AlphaMedia Productions Limited, of which Matamata Community Board Chairperson Daryl Anderson is director. These services cost \$84,431 (2009: \$57,266) and were supplied on normal commercial conditions. There were no balances outstanding for invoices at year end (2009: nil).

In the 2008/09 financial year, Council purchased services from Television Media Group Limited, Geyser TV, and TV Rotorua, all of which Matamata Community Board Chairperson Daryl Anderson is associated with. These services cost \$4,541 and were supplied on normal commercial terms. There were no balances for outstanding invoices at year end. There were no transactions with any of these entities during the 2009/10 financial year.

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or other receivables to related parties (2009: nil).

## Financial Statement Notes

### 27. Remuneration

#### Elected Representatives

Actual 2008/09		Actual 2009/10
	<b>Mayor</b>	
74,116	VERCOE, Hugh	75,678
	<b>Councillors</b>	
23,517	BARNES, Janet	23,936
20,449	GILLARD, Shirley	20,813
20,449	GREENVILLE, Carole	20,813
21,214	GRIBBLE, Michael	22,173
22,421	HARRIS, John	21,047
20,449	JAGER, Peter	20,813
21,384	JOHNSTON, Timothy	22,119
23,517	MCGRAIL, Robert	23,936
21,384	STANLEY, Garry	23,176
20,449	STEFFERT, Maurice	20,813
22,315	TISCH, Leonie	22,915
<b>293,259</b>	<b>Total elected representatives' remuneration</b>	<b>318,232</b>

#### Chief Executive

The Chief Executive, appointed under section 42 of the Local Government Act 2002 received the following remuneration:

Actual 2008/09		Actual 2009/10
194,800	Salary	194,809
23,050	Vehicle (market value plus FBT)	22,293
2,480	Medical insurance (market value plus FBT)	2,745
29,800	Superannuation contribution	29,800
<b>250,130</b>	<b>Total Chief Executive's remuneration</b>	<b>249,647</b>

### 28. Severance payments

Council made no severance payments for the year ended 30 June 2010. (2009: nil).

### 29. Capital commitments and operating leases

Actual 2008/09		Actual 2009/10
\$000		\$000
	<b>Capital commitments</b>	
552	Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment	5,213
<b>552</b>	<b>Total capital commitments</b>	<b>5,213</b>

There are no capital commitments in relation to the Council's interest in its joint venture.

#### Operating leases as lessee

Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 45 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

Actual 2008/09		Actual 2009/10
\$000		\$000
	<b>Non-cancellable operating leases as lessee</b>	
12	Not later than one year	-
-	Later than one year and not later than five years	-
-	Later than five years	-
<b>12</b>	<b>Total non-cancellable operating leases</b>	<b>-</b>

Leases can be renewed at Council's option, with rents set by reference to current market rates for items of equivalent age and condition. Council does have the option to purchase the asset at the end of the lease term. There are no restrictions placed on Council by any of the leasing arrangements.

## Financial Statement Notes

### Operating leases as lessor

Council leases its property under operating leases. The majority of these leases have cancellable terms of 36 months. Council also has five perpetual non-cancellable leases. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

Actual 2008/09		Actual 2009/10
\$000		\$000
	<b>Non-cancellable operating leases as lessor</b>	
99	Not later than one year	18
82	Later than one year and not later than five years	72
-	Later than five years	-
<b>181</b>	<b>Total non-cancellable operating leases</b>	<b>90</b>

No contingent rents have been recognised during the period.

### 30. Contingent liabilities

Council has a contingent liability of \$1.5 million for uncalled capital in respect of Council's 15.625% shareholding in the Waikato Regional Airport Limited (2009: \$1.5 million). There are no plans at this stage for the capital to be called.

Council also has an uncalled capital share of Local Authority Shared Services which amounts to \$1,000 as at 30 June 2010 (2009: \$1,000), and an uncalled capital share of Waikato Regional Aerial Photography Service of \$4,708 (2009: \$4,708).

As disclosed in note 21, a provision of \$64,000 (2009:nil), has been recognised for weathertightness claims, whereby Council is aware of specific potential future claims.

Council may also be exposed to potential future claims which have not yet been lodged, up until the statutory limitation period expires. The amount of potential future claims is not able to be reliably measured and is therefore unquantifiable. Claims must be made within 10 years of construction or alteration of the dwelling in order for the claim to be eligible under the Act, but other statutory limitation periods could also affect claims.

RiskPool provides public liability and professional indemnity insurance for its members. The Trust Deed of RiskPool provides that, if there is shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any fund year, then the Board may make a call on members for that fund year. The Council received a notice during 2009 for a call for additional contributions in respect of the 2002/03 and 2003/04 fund years as those funds are exhibiting deficits due to the "leaky building" issue. This notice also highlighted that it is possible that further calls could be made in the future. A liability will be recognised for the future calls when there is more certainty over the amount of the calls.

Council is party to a property settlement dispute. The potential liability, (if any), cannot be quantified at this stage, however legal costs related to any potential case may be up to \$20,000. The risk of any future liability is considered low.

There are no contingent liabilities associated with Council's joint venture, Thames Valley Combined Civil Defence Committee (2009: nil).

## Financial Statement Notes

### 31. Events after balance date

There were no significant events after balance date.

### 32. Financial instruments

#### 32A Financial instrument categories

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

Actual 2008/09		Actual 2009/10
\$000		\$000
	<b>Financial assets</b>	
	<b>Fair value through surplus or deficit</b>	
-	Derivative financial instruments	43
-	Power New Zealand fund	10,431
-	<b>Total fair value through surplus or deficit - held for trading</b>	<b>10,474</b>
	<b>Loans and receivables</b>	
5,590	Cash and cash equivalents	7,681
4,770	Trade and other receivables	4,425
	Other financial assets:	
20	- Staff housing loan	18
8	- Hillary Commission loan	9
1,730	- Industry loan	1,598
<b>12,118</b>	<b>Total loans and receivables</b>	<b>13,731</b>
	<b>Held to maturity</b>	
	Other financial assets:	
3,500	- Term deposits	7,000
2,419	- Local authority and other stock	1,889
<b>5,919</b>	<b>Total held to maturity</b>	<b>8,889</b>

Actual 2008/09		Actual 2009/10
\$000		\$000
	<b>Fair value through equity</b>	
	Other financial assets:	
2,837	- Unlisted shares	2,832
11,108	Power New Zealand Fund	-
<b>13,945</b>	<b>Total fair value through equity</b>	<b>2,832</b>
	<b>Financial Liabilities</b>	
	<b>Financial liabilities at amortised cost</b>	
6,743	Trade and other payables	5,816
	Borrowings:	
19,228	- Secured loans	27,665
<b>25,971</b>	<b>Total financial liabilities at amortised cost</b>	<b>33,481</b>

The Power New Zealand fund has been classified in prior years as a financial asset at fair value through equity. Council has re-evaluated this designation as at 1 July 2009 and reclassified the fund as a financial asset at fair value through surplus or deficit, as this designation more accurately reflects Council's intention for the fund. The fund lost \$227,000 in capital value for the 2010 financial year (2009: \$2,149,000 loss). This loss is recognised in the statement of comprehensive income. If the asset had not been reclassified as at 1 July 2009, this years loss would still have been recognised in the statement of comprehensive income, as all of the available reserve related to this fund had been expended in the 2009 financial year.

## Financial Statement Notes

### 32B Fair value hierarchy disclosures

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

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets;
- Valuation technique using observable inputs (level 2)- Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable;
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

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

2009/10				
Valuation techniques				
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$000	\$000	\$000	\$000
<b>Financial assets</b>				
Derivative financial instruments	43	-	43	-
Power New Zealand fund	10,431	10,431	-	-
Local authority and other stock	1,889	1,889	-	-
Unlisted shares	2,832	-	-	2,832
<b>Total</b>	<b>15,195</b>	<b>12,320</b>	<b>43</b>	<b>2,832</b>

2008/09				
Valuation techniques				
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$000	\$000	\$000	\$000
<b>Financial assets</b>				
Derivative financial instruments	-	-	-	-
Power New Zealand fund	11,108	11,108	-	-
Local authority and other stock	2,419	2,419	-	-
Unlisted shares	2,837	-	-	2,837
<b>Total</b>	<b>16,364</b>	<b>13,527</b>	<b>-</b>	<b>2,837</b>

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

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

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

Actual 2008/09		Actual 2009/10
\$000		\$000
<b>964</b>	<b>Balance at 1 July as previously reported</b>	<b>2,837</b>
-	Adjustment of opening balance	(7)
964	Restated balance at 1 July	2,830
4	Gain/(loss) recognised in the surplus or deficit	(3)
1,874	Purchases	5
(5)	Sales	-
<b>2,837</b>	<b>Balance at 30 June</b>	<b>2,832</b>

Refer to note 8 for explanation of the adjustment of the opening balance

## Financial Statement Notes

### 32C Financial instrument risks

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

#### Market risk

##### Price risk

Price risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate as a result of changes in market prices. Council is exposed to equity securities price risk on its Power New Zealand fund investment, which is classified as financial assets held at fair value through surplus or deficit. This price risk arises due to market movements in investments. This price risk is managed by diversification of Council's investment portfolio and the regular review and monitoring of the investment against the long-term objectives for the fund, as set out in Council's Investment Policy.

##### Currency risk

Currency risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate due to changes in foreign exchange rates. Council's Power New Zealand fund is invested in overseas equities, and is therefore exposed to currency risk. Council aims to minimise the impact of exchange rate movements by utilising hedging, which is currently set at a level of 50%.

##### Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose Council to fair value interest rate risk. Council's Liability Management Policy is to maintain not less than 30% of total borrowings in fixed rate instruments.

##### Cashflow interest rate risk

Cashflow interest rate risk is the risk that the cashflows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments

issued at variable interest rates expose Council to cash flow interest rate risk.

#### Credit risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows the Council invests surplus cash into term deposits and local authority stock which gives rise to credit risk.

Council invests funds only in deposits with registered banks and local authority stock and Council's Investment Policy limits the amount of credit exposure to any one institution or organisation. Investments in other local authorities are secured by charges over rates. Other than other local authorities, Council invests funds only with entities that have a Standard and Poor's credit rating of at least A1 for short term and A for long-term investments. Council have employed State Street Global to manage the Power New Zealand fund to minimise credit risk to this fund.

#### Maximum exposure to credit risk

Council's maximum credit risk exposure for each class of financial instrument is as follows:

Actual 2008/09		Actual 2009/10
\$000		\$000
5,590	Cash and cash equivalents	7,681
4,770	Trade and other receivables	4,425
	Other financial assets:	
20	- Staff housing loan	18
8	- Hillary Commission loan	9
1,730	- Industry loan	1,598
3,500	- Term deposits	7,000
2,419	- Local authority and other stock	1,889
-	Derivative financial instrument assets	43
11,108	Power New Zealand fund	10,431
<b>29,145</b>	<b>Total credit risk</b>	<b>33,094</b>

## Financial Statement Notes

### Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings or to historical information about counterparty default rates:

2010	Credit Ratings					
	AAA \$000	AA \$000	AA- \$000	A+ \$000	Not Rated \$000	Total \$000
Cash and cash equivalents	-	7,681	-	-	-	<b>7,681</b>
Term deposits	-	5,000	2,000	-	-	<b>7,000</b>
Local Authority and other stock	300	410	105	24	1,050	<b>1,889</b>
Derivative financial instruments	-	43	-	-	-	<b>43</b>
Staff housing loan	-	-	-	-	18	<b>18</b>
Hillary Commission loan	-	-	-	-	9	<b>9</b>
Industry loan	-	-	-	-	1,598	<b>1,598</b>

2009	Credit Ratings					
	AAA \$000	AA \$000	AA- \$000	A+ \$000	Not Rated \$000	Total \$000
Cash and cash equivalents	-	3,590	2,000	-	-	<b>5,590</b>
Term deposits	-	3,500	-	-	-	<b>3,500</b>
Local Authority and other stock	-	600	-	24	1,795	<b>2,419</b>
Staff housing loan	-	-	-	-	20	<b>20</b>
Hillary Commission loan	-	-	-	-	8	<b>8</b>
Industry loan	-	-	-	-	1,730	<b>1,730</b>

The counterparties that are not rated for credit quality (as shown in the tables above) have no history of defaults in the past. Trade and other receivables mainly arise from Council statutory functions, therefore there are no procedures in place to monitor or report the credit quality of trade and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to trade and other receivables, as it has a large number of credit customers, mainly ratepayers, and has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

### Liquidity risk

#### Management of liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available.

Council manages its liquidity by:

- Appropriate cash flow management to ensure that sufficient funds are available to meet all of its obligations as and when they fall due;
- Maintaining appropriate short-term borrowing facilities with Council's principal banker (current overdraft \$500,000);
- Maintaining the following debt maturity profile limits:
  - No more than 40% of the public debt may mature within one 12 month period;
  - No more than 25% of the total debt may mature within one calendar month.

### Contractual maturity analysis of financial liabilities

The following table analyses Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cashflows and include interest payments.

## Financial Statement Notes

	Carrying amount	Contractual cashflows	Less than 1 year	1-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000
<b>2010</b>					
Trade and other payables	5,816	5,816	5,816	-	-
Secured loans	27,665	34,747	2,554	31,253	940
Finance leases	3	3	3	-	-
<b>Total</b>	<b>33,484</b>	<b>40,566</b>	<b>8,373</b>	<b>31,253</b>	<b>940</b>
<b>2009</b>					
Trade and other payables	6,743	6,743	6,743	-	-
Secured loans	19,228	22,567	13,055	6,567	2,945
Finance leases	12	12	12	-	-
<b>Total</b>	<b>25,983</b>	<b>29,322</b>	<b>19,810</b>	<b>6,567</b>	<b>2,945</b>

### Contractual maturity analysis of financial assets

The following table analyses Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cashflows and include interest receipts.

	Carrying amount	Contractual cashflows	Less than 1 year	1-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000
<b>2010</b>					
Cash and cash equivalents	7,681	7,731	7,731	-	-
Trade and other receivables	4,425	4,425	4,425	-	-
Net settled derivative assets	-	-	-	-	-
Other financial assets:					
- Staff housing loan	18	30	5	11	14
- Hillary Commission loan	9	9	1	5	3
- Industry loan	1,598	2,144	238	953	953
- Term deposits	7,000	7,236	7,236	-	-
- Local authority and other stock	1,889	2,432	345	2,087	-
<b>Total</b>	<b>22,620</b>	<b>24,007</b>	<b>19,981</b>	<b>3,056</b>	<b>970</b>

## Financial Statement Notes

	Carrying amount	Contractual cashflows	Less than 1 year	1-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000
<b>2009</b>					
Cash and cash equivalents	5,590	5,590	5,590	-	-
Trade and other receivables	4,770	4,770	4,770	-	-
Other financial assets:					
- Staff housing loan	20	19	4	15	-
- Hillary Commission loan	8	9	2	7	-
- Industry loan	1,730	2,382	258	953	1,171
- Term deposits	3,500	3,645	1,620	2,025	-
- Local authority and other stock	2,419	2,692	160	2,532	-
<b>Total</b>	<b>18,037</b>	<b>19,107</b>	<b>12,404</b>	<b>5,532</b>	<b>1,171</b>

### Sensitivity analysis

The following table illustrates the potential effect on the surplus or deficit and equity (excluding retained earnings) for reasonably possible market movements, with all other variables held constant, based on Council's financial instrument exposures at balance date.

2010	Surplus	Other equity	Surplus	Other equity
	\$000	\$000	\$000	\$000
		-100bps		+100bps
<b>Interest rate risk</b>				
<b>Financial assets</b>				
Cash and cash equivalents	(12)	-	(12)	-
<b>Total sensitivity</b>	<b>(12)</b>	<b>-</b>	<b>(12)</b>	<b>-</b>
<b>Foreign exchange risk</b>				
<b>Financial assets</b>				
Derivative financial instrument assets	130	-	(265)	-
Power New Zealand fund	852	-	(852)	-
<b>Total sensitivity</b>	<b>982</b>	<b>-</b>	<b>(1,117)</b>	<b>-</b>

2009	Surplus	Other equity	Surplus	Other equity
	\$000	\$000	\$000	\$000
		-100bps		+100bps
<b>Interest rate risk</b>				
<b>Financial assets</b>				
Cash and cash equivalents	(1)	-	1	-
<b>Total sensitivity</b>	<b>(1)</b>	<b>-</b>	<b>1</b>	<b>-</b>
<b>Foreign exchange risk</b>				
<b>Financial assets</b>				
Power New Zealand fund	-	112	-	(110)
<b>Total sensitivity</b>	<b>-</b>	<b>112</b>	<b>-</b>	<b>(110)</b>

### Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 50 bps is equivalent to a decrease in interest rates of 0.5%.

## Financial Statement Notes

### Explanation of foreign exchange risk sensitivity

The foreign exchange sensitivity is based on a reasonable possible movement in foreign exchange rates, with all other variables held constant, measured as a percentage movement in the foreign exchange rate. The sensitivity for derivatives (forward foreign exchange contracts) has been calculated using a derivative valuation model based on movement in forward exchange rates of -10%/+10%.

### 33. Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its LTCCP and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act further sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTCCP.

Council has the following Council created reserves:

- Reserves for different areas of benefit;
- Self-insurance reserves; and
- Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers distinct from payers of general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds can generally be approved only by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

## Financial Statement Notes

### 34. Explanations of major variances against budget

Explanations for major variations from the Council's budget figures in the 2009-2019 Long-Term Council Community Plan are as follows:

Major Variations	Budget 2009/10 \$000	Actual 2009/10 \$000	Explanation for variation to budget
<b>Statement of comprehensive income</b>			
Other income	13,411	15,552	Other income received included revenue from vested assets and Mangawhero development sales that were not budgeted for. In addition, Council's dividend from the Power New Zealand fund exceeded what was budgeted for the year.
Other expenses	26,701	26,449	There are a number of movements contributing to the overall reduction of other expenses to budget. Cost savings were achieved throughout areas of Council.
Other losses	-	(1,121)	Other losses are not able to be reliably budgeted for. These include, for example, the cost of replacing assets before reaching the end of their expected useful lives.
<b>Statement of financial position</b>			
Current assets	10,725	20,314	The position at year end is as a result of the timing of cashflows associated with the draw down of debt and the capital expenditure programme.
Current liabilities	5,546	7,835	Trade and other payables exceed the level budgeted due to the timing of projects and payments. Employee benefit liabilities have increased in line with market salary movements.
Non-current assets	551,711	553,503	The increased carrying value of property, plant and equipment following the valuation in the prior year was not fully budgeted for, resulting in a significant increase in the closing value of these assets against budget. This increase was offset by a decrease in the value of other financial assets, due to the timing of the maturity of investments.
Non-current liabilities	37,281	27,900	Significantly the draw-down of debt has been delayed in line with the progress of the capital expenditure programme.
Equity	519,609	538,082	Equity is ahead of budget largely due to the impact of the prior year revaluation of property, plant and equipment.
<b>Statement of cashflows</b>			
Operating activities	9,419	12,624	Cashflows from operating activities exceeded budget in a number of areas, including receipts in respect of the Mangawhero development.
Investing activities	(20,935)	(18,961)	The capital expenditure programme was not as far progressed as budgeted. Investment acquisitions increased to budget due to a call on capital for Council's investment in the Waikato Regional Airport Limited that was paid during this financial year. This was offset slightly by an increase in dividends received from the Power New Zealand fund.
Financing activities	7,530	8,428	Repayments of borrowings were slightly ahead of that budgeted.

## Financial Statement Notes

### Involvement in Council-controlled organisations and Council organisations

#### Waikato Regional Airport Limited (WRAL)

This company established in 1989, operates the airport situated at Rukuhia within Waipa District. The local authority part owners negotiated the purchase of the Crown's former shareholding to secure the retention of the airport as a major infrastructural facility, important to the economy of the Waikato.

The objective of the airport company is to operate a successful commercial business, providing safe, appropriate and efficient services for the transportation of people and freight in and out of the port of Hamilton.

Council holds 15.625% of the airport company's shares. The remaining shares are owned by Hamilton City Council, Otorohanga, Waikato and Waipa District Councils.

Waikato Regional Airport Ltd reported a net deficit of \$5.608 million for the year ended 30 June 2010 (2009: net deficit of \$0.479 million). No dividend was paid in 2010 (2009: nil).

Net loss before taxation includes the impact of a \$356,000 write down to the value of investment property and a \$672,000 write down of development property. Neither item was included in the Statement of Corporate Intent target. Net loss after taxation also includes the impact of a \$4 million tax expense as a result of Government's legislative change to depreciation deductibility.

Earnings before interest, taxation and depreciation on assets is also impacted by the \$356,000 and \$632,000 write down of property. The debt/equity ratio shows a higher debt ratio because of shareholder funds reducing with a \$7.6 million reduction in the valuation of non-investment land as well as the substantial impact from the tax expense noted above.

A comparison for the Company's actual results for the year (excluding abnormal items) with those forecasted is given in the following table.

Group	Actual to 30 June 2010	Statement of corporate intent targets for 2009/10
Net loss after tax to average shareholder funds	-8.62%	-1.24%
Net loss before tax/interest to total assets	-1.30%	-0.30%
Net loss after tax to total assets	-7.13%	-0.83%
Net loss before tax/interest to average shareholder funds	-1.58%	-0.45%
Percentage of non-landing charges revenue	79.90%	73.11%
Earnings before interest, taxation and depreciation	545,384	1,200,000
Total liabilities/shareholders funds: debt/equity ratio	34:66	20:80
Interest rate cover	2.94x	2.49x

## Financial Statement Notes

Performance Measure	Actual Outcome
To achieve the Airport Certification Standards as requested by the Civil Aviation Authority.	The Civil Aviation Authority of New Zealand (CAA) carries out an annual survey audit of Aerodrome Safety and Operational Compliance and of Security Compliance against the requirements of Civil Aviation, Part 139, certification approvals. The audits carried out on 1 October 09 and 18 November respectively, confirmed compliance approved by CAA.
Achieve average satisfaction ratings through the conduction of a bi-annual international benchmarking survey.	No survey carried out 2009/10 year. The bi-annual survey is scheduled to be carried out in the 2010/11 year. The terminal facility continues to be very well received by users. Previous survey results put Hamilton International Airport well above average.
Collect, document and act (where viable) on customer feedback forms to continuously monitor and improve the customer experience. Maintain a database to ensure recurring negative feedback is promptly acted upon.	Customer feedback cards are positioned in the terminal. From 1 July 09 to 30 June 10, 135 customer feedback cards were collected and documented. There has been engagement with airlines and the Airport Association to bring focus on the inclusion of departure fees into the airline ticket price. All items are considered by the management team and addressed where appropriate. Personal complaints are all responded to.
Introduce a new international and/or domestic carrier to promote competition and thus competitive pricing options for travellers.	Pacific Blue commenced Trans-Tasman operations from 1 September 2010 with low cost fares.

Performance Measure	Actual Outcome
Continuance of the Joint Venture land development project and this continuing the path to enhancing regional economic value measured by land sales of Titanium Park.	Discussions with several parties interested in land purchase are ongoing. Throughout the year there has been good progress with development planning, awaiting the return of the market. In June 2010, Titanium Park Ltd purchased property in Raynes Road and this will be added to the Joint Venture development property.

## Financial Statement Notes

### Local Authority Shared Services Limited (LASS)

Council is a shareholder in Local Authority Shared Services Limited which was established to provide shared services to local authorities within the Waikato region. The primary activities of this company include the operation of a shared valuation database service (SVDS), the development of a Waikato Regional Transport Model (WRTM), and the operation of a Waikato Regional Aerial Photography Service (WRAPS).

Council holds 7.69% of the shares in LASS. The remaining shares are owned by Environment Waikato, Hamilton City Council, Franklin, Waikato, Thames-Coromandel, Hauraki, Waipa, Otorohanga, Waitomo, South Waikato, Taupo and Rotorua District Councils.

Council has contributed \$56,381 as a contribution to the capital cost of development of the SVDS, and this represents 3.5% of the service shares in the SVDS; \$4,500 to the capital cost of development of the regional transport model, and this represents 3.3% of the service shares in WRTM; and \$4,708 as a contribution to the capital cost of development of the Waikato Regional Aerial Photography Service, and this represents 1% of the service shares in WRAPS.

LASS reported a net surplus of \$1,260 for the year ended 30 June 2010 (2009: net surplus of \$451,264). The performance measures for LASS for the year ended 30 June 2010 are shown below.

Performance Measure	Actual Outcome
Positive cashflow will be maintained so that the equity ratio is maintained at a minimum of 40%.	Positive cashflow has been maintained, and a positive bank balance at the end of each month has allowed LASS accounts to be paid on time. No loan balance is held at balance date. Equity ratio at 30 June 2010 is 98%.
The company will carry out an annual survey of shareholders to assist directors in developing improvements on behalf of the shareholders, and to receive a majority of shareholder approval on the service provided.	A shareholder survey was forwarded to all 13 shareholders, with a total of 9 survey forms being completed and returned. The results show 100% satisfaction from the respondents with the LASS structure, reporting and service operations. Several shareholders requested that the LASS directors be more proactive in pursuing possible further shared services.
Expenditure shall not exceed that budgeted by more than 5% unless prior approval is obtained from the directors.	Total expenditure was under budget. All administration costs in the LASS were below budget, with savings being made in external audit fees.
The directors will provide a written report on the business operations and financial position of the LASS as a minimum on a six monthly basis.	Six monthly reports were provided.

### Other companies and organisations

#### New Zealand Local Government Insurance Corporation

The company's prime objective is to ensure the long-term provision of stable and cost effective risk financing products for local government in New Zealand. Council holds 0.9% of the shares in the company with the remaining shares being held by other Councils in New Zealand.







**matamata  
piako**  
district council

Matamata-Piako District Council

**Annual Report 2009/10 - Our Community Our Future**

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