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Introduction from the Mayor and Chief Executive

Exceptional climatic conditions experienced during the year have affected many residents, businesses and Council.

The July 2003 snow storm, the particularly wet August/September 2003 and then the very severe storm in February 2004 all tested the district's infrastructure - particularly the roading network.

Reinstatement of the roads will take at least 18 months and cost in excess of \$10 million. Initial repairs to get the many roads opened and then the start of the long term reinstatement has taken most of the available contracting resources away from the normal maintenance work. This has meant that much of the necessary programmed work has been unable to be undertaken during this financial period.

Some examples of the maintenance and capital work programmes that have been interrupted include:

	budget \$000's	completed \$000's
Road maintenance	4,885	2,700
Bridge maintenance	475	194
Drainage control	60	11
Makomako passing lane	250	15
Tyndall/Pitt Street sealing	74	Nil
Eketahuna Domain carpark	8	Nil
Woodville swimming pool entrance	7	Nil
Pahiatua Residential Subdivision	303	20

This work remains programmed to be completed as soon as resources are available.

Expenditure on storm damage repairs (roading) during the period has amounted to:

	\$000's
Total	4,437

Provided for by:

	\$000's
Subsidy	4,195
Rates	242

The support of central government is acknowledged in that the level of funding that has been made available has been outstanding.

Relatively minor damage was also experienced with the district's water supplies, landfills, stormwater systems and sewerage reticulation.

Library Service

In July 2003, following a service review, the Council resumed responsibility for the management of the district's libraries. It is recorded that excellent cooperation and support has been received from the Tararua District Library Trust during this process.

In the year to June 2004 a number of activities have been successfully implemented by library staff to improve the usage of the district's library service. These initiatives include a full stocktake of the library collection, removal of outdated and worn stock and a focus on purchasing quality books that appeal to a wide range of readers. The computer software system has been upgraded and the four branch library databases have been merged. The library catalogue is now on-line.

The introduction of a new library card and a small annual charge for this has been well received by library users knowing that the additional funds received are being reinvested in new books.

Governance

Community engagement has been constructive during the year with effective leadership ensuring that the desired outcomes are achieved. The three community boards (Dannevirke, Pahiatua, and Eketahuna) along with the community committee in Woodville (Woodville Districts' Vision) have continued to work positively with Council.

During the year Council undertook a review of its membership and basis of election, and of community boards. Resulting from an appeal to the initial proposal, the Local Government Commission determined that for the election to be held in October 2004 the following shall apply:

- Eight members and the Mayor
- Two wards
 - North Tararua (four members)
 - South Tararua (four members)
- Two communities
 - Dannevirke
 - Eketahuna

The Pahiatua Community shall be abolished and the Pahiatua Community Board dissolved.

Civic Award

During the year one civic honour was awarded to Mr H (Max) Cooper for outstanding community service.

Community Satisfaction

The annual community satisfaction survey undertaken by NRB (National Research Bureau), a nationally regarded survey organisation, has enabled Council to benchmark its activities with other local authority organisations.

Some interesting results of the work undertaken by Council has been received. This year's community survey included the following information:

Activity	% Satisfied Tararua	% Satisfied of Peer Group*
Roads - sealed	76%	65%
Roads - metalled	62%	65%
Libraries	93%	94%
Dog Control	74%	85%
Public Toilets	85%	77%
Footpaths	70%	78%
Recycling	61%	61%
Stormwater	63%	78%
Satisfaction with service	94%	86%
Satisfaction with rates	69%	65%

* Peer Group means Rural Territorial Local Authorities.

Financial Outcomes (Council Unconsolidated)

Key Indicators	Actual 2004 \$000	Annual Plan \$000	LTF5 2004 \$000
Operating Surplus (before asset changes)	2,491	1,485	1,375
Total Equity	574,354	457,105	456,996
Debt Funding	10,000	9,513	9,601
Capital Developments and Renewals	8,890	8,266	8,086

Cash Position and Working Capital

Cash at 30 June 2004 comprises the following	\$000
Operating cash	4,082
Special funds cash	7,365
Total cash	\$11,447

The cash position is sound because of a satisfactory operating surplus, and because work has been deferred due to the February storm event.

Working capital is good with current assets exceeding current liabilities by 4.00:1 (previous year 2.09:1).

Year Ended Position

An operating surplus of \$2.491 million is recorded due to increased revenue from fees and charges, and to expenditure being contained within budgets.

Rates Collection

	Levied \$(m)	Paid \$(m)	Balance \$(m)	Unpaid %
2004	13.40	13.19	0.21	1.57
2003*	13.73	13.55	0.18	1.31
2002*	12.80	12.58	0.22	1.72

(Annual rates figures include GST. * Prior years include Regional Councils rates)

The collection of rates levied during the year was good with the vast majority of people paying their rates - something that is very much appreciated and helps to allow us to provide many different services.

Trading Organisations

Infracon Limited (66% owned by TDC Holdings Limited), which trades within the district as Tararua Roding, has experienced a busy year due, in part, to the reinstatement work generated by the February storm event. Operating revenues exceeded \$35 million, flowing on to a net surplus after taxation of \$0.8 million. A distribution to Council of \$0.3 million has been provided.

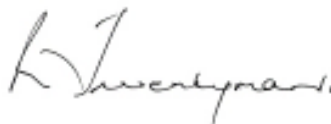
Tararua Forests Limited, a wholly owned subsidiary of TDC Holdings Limited, continued harvesting a small portion of one of its major forests during the summer. A distribution to Council of \$50,000 has been provided.

Acknowledgement

The invaluable work undertaken by Council members and staff over the past year is acknowledged with gratitude.



Maureen Reynolds
Mayor



Roger Twentyman
Chief Executive

How this Report Works

Purpose of this Annual Report

The purpose of this annual report is to compare the Council's actual performance for the year from 1 July 2003 to 30 June 2004 against what was forecast in the annual plan for that year.

An annual report is required by section 98(1) of the Local Government Act 2002 (the Act); Financial Statements and non-financial information (Statements of Service Performance) are required to be included for each significant activity. In addition, there is a transitional arrangement to comply with Part VIIA of the Local Government Act 1974 regarding financial management and borrowing.

Structure of this Report

This Report has five sections – Highlights, Reports and Policies, Statements of Service Performance, Financial Statements and General Information.

Highlights

Includes:

- Strategic Highlights – significant events that occurred during the year
- Council's 5 Year Summary – an overview of financial performance and position and key operational information.
- Capital Development and Renewal Programmes - comparisons of planned and actual Capital Development and Renewal programmes for the year.

Reports and Policies

Provides the linkage of these policies.

Reports on the Council's long-term planning and funding policies.

Reports that show how the Council fulfils its responsibilities to govern the District well.

Statements of Service Performance

This shows the detail of work done and money spent in each major area grouped by strategic goal, and reports our performance against targets we set for ourselves for each area.

Financial Statements

This shows detail of the Council's and group's position and recent performance in financial terms. Both the Financial Statements and Statements of Service Performance and Cost of Service are externally audited before publication.

These statements include a consolidation of Council's own operations and those of the Council controlled organisations.

General Information

This section provides the makeup of the Council, its Community Boards and Committees, Management, a directory, general statistics of the district, and the district's history and location. A glossary of the terms completes this section.

Relationship to Other Key Documents

Under the Act, a local authority must prepare and adopt these key documents:

- Long-Term Council Community Plan (LTCCP) (section 93)
- Investment Policy (sections 102, 105 and 106)
- Annual Plan (sections 95(1), 95(4) and 284)
- Annual Report (section 98(1))

The inter-relationship between each document is provided in the Reports and Policies section. The relative sections of the Act refer to the Local Government Act 2002, unless stated otherwise.

- Revenue and Financing Policy (sections 102 and 103)
- Liability Management Policy (sections 102 and 104)
- Development Contributions and Financial Contributions Policy (sections 102 and 106)
- Partnerships with the Private Sector Policy (sections 102 and 107)
- Remission and Postponement of Rates on Maori Freehold Land Policy (sections 102 and 108)
- Rates Remission Policy (sections 102 and 109)
- Rates Postponement Policy (sections 102 and 110)
- Significance Policy (section 90)

