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Introduction

Introduction from the Mayor and Chief Executive

It is a pleasure to report on a successful year during which much progress has been achieved.

Community Engagement

The Tararua District Council is committed to working with its communities to achieve their goals. It recognises that to have a healthy and sustainable community many organisations need to work together, taking a collaborative approach to community issues, and the achievement of the community outcomes.

For the first time Council is building an understanding of community needs expressed in terms of its future social, cultural, economic and environmental wellbeing.

Much work was done during the year, resulting in the publication of the Council paper 'Tararua District Community Outcomes – May 2005' (www.tararua.govt.nz)

The Tararua Community Outcomes (desired states) have been expressed as follows:

- a safe community
- a high standard of infrastructure
- access to local services
- a sustainable natural environment
- a strong, prosperous economy
- a connected community

This relationship is acknowledged as being long term and progress will be measured over time. The start has been made.

Infrastructure

The obligation to maintain robust infrastructural assets that continue to meet the needs of the Tararua stakeholders has been challenged on two fronts during the year.

Firstly, work continued on the roading network to recover from the storms of 2004. Through the excellent commitment from Tararua Roothing and a number of other contractors, \$17 (m) has been spent on the roads; up from \$11(m) in 2003/2004 and \$10.3(m) the previous year. An extraordinary year's work.

Secondly, the requirements to comply with increasing quality standards for wastewater discharge is placing serious questions on the district's ability to pay.

It is common knowledge that new drinking water standards are also about to be imposed and this is certain to exacerbate the demands on the ratepayers.

Contracts for Service

The single most important service contract provided to the district is the Road Maintenance contract.

This is a competitively tendered contract that has the direct responsibility for a network of 1951 kilometres of roads and 396 bridges, the sixth largest local authority network in the country.

This contract was re-let during the year and we are proud to acknowledge that Tararua Roothing is once again the appointed contractor. This is a multi-million dollar contract for a period of five years.

Engineering Cadetship

The Tararua District Council accepted the challenge during the year to support a national endeavour to improve the locally trained trade resource with New Zealand.

An engineering cadetship was therefore announced by the Mayor early in the year and a successful appointment made to this programme.

It is expected that this will be the beginnings of an ongoing commitment.

Financial Outcomes (Council Only)

The key indicators show:

Key Indicators	Actual	Annual
	\$000	Plan \$000
Operating surplus*	1,249	959
Total Equity	598,082	533,882
Public Debt	10,000	9,237
Capital Developments and Renewals	7,099	6,535

*before asset changes and extra depreciation

Cash Position and Working Capital

Cash at 30 June 2005 comprises the following:

	\$000
Operating Cash	4,026
Special Funds Cash	7,704
Total Cash	11,730

The cash position continues to be sound. The working capital position is satisfactory with Current Assets exceeding Current Liabilities in the ratio of 4:1 (previous year 4:1).

Rates Collection

Recent history of Rates Collection shows (including GST):

	Annual Charged \$000	Annual Paid \$000	Paid %	Balance (all years) \$000
2005	13,706	13,467	98.26	338
2004	13,400	13,190	98.43	381
2003*	13,730	13,550	98.69	321

(Annual Charged includes rates set, penalties and sundry recoveries.)

(Annual Paid includes the amount paid to Council by ratepayers for 2004/05 rates and discount.)

* Include Regional Council rates.

Governance

In the lead up to the 2004 local government election the Tararua District Council undertook a review of the membership and basis of election of the Council and of the community boards.

Resulting from extensive consultation and input from the community, Council finally resolved that the current wards and membership would be retained for Council; that the Eketahuna and Dannevirke Community Boards would be retained, with their current level of membership; and that the Pahiatua Community Board would be disestablished.

One appeal was received against this proposal and as a consequence the Local Government Commission conducted a hearing in Dannevirke on 18 February 2004.

The determination from the Commission, for the general election of the Council on 9 October 2004 was:



Maureen Reynolds
Mayor



Roger Twentyman
Chief Executive

1. Tararua District shall be divided into two wards – the North Tararua Ward and the South Tararua Ward.
2. The Council shall comprise the Mayor and 8 members elected as follows:
 - four members from the North Tararua Ward
 - four members from the South Tararua Ward
3. There shall be two communities as follows:
 - the Dannevirke Community, comprising the area of the North Tararua Ward, and
 - the Eketahuna Community comprising the area delineated on SO Plan No. 36024
4. The membership of the community board for each community shall be four elected members and one appointed member.
5. The Pahiatua Community shall be abolished and the Pahiatua Community Board shall be dissolved.

2004 Local Authority Election

Councillor Jim Crispin retired after 3 terms (9 years). His commitment and service to the Tararua Community was always in the best interests of the district and appreciated by Council and the wider community.

Chris Southgate was elected to fill the vacancy and, along with the rest of the team, is already making a strong contribution. Re-elected were Councillors Mullins, Roberts and Swenson in the North Ward and Councillor Davidson, the previous Eketahuna Ward Councillor, and Councillors Keltie, Lea and Matthews in the South Ward.

Acknowledgement

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

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 2004 to 30 June 2005 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.

Structure of this Report

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

Highlights

These include:

- 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 make up 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)