

SOUTH TARANAKI DISTRICT'S

Annual Report

SUMMARY

2009-2010



Vision Statement

The South Taranaki District Council will lead with fairness and integrity, and work to inspire a vibrant and caring spirit of community, while remaining an efficient and sensitive provider of services and facilities.

South Taranaki will be a district where . . .

- Essential services are provided efficiently and at reasonable cost.
- The community is involved in the planning of the district's future. The views and concerns of residents are listened to and respected.
- The rights of Tangata Whenua in terms of the Treaty of Waitangi and the Resource Management Act are fully respected.
- Economic development is welcomed and encouraged whenever it is undertaken with concern for the quality of our environment.
- The natural environment is cherished and cared for. The mountain, coastline, lakes, rivers, air and land are treated as the natural treasures they are.
- All visitors are made welcome.
- Every resident has the opportunity to be involved in sport, recreation, the arts and many cultural activities, and to develop and enhance their mental, spiritual and physical health.
- A strong sense of community and identification with the district is evident.
- We all share a sense of pride in our achievements.
- Our history is well understood, valued and preserved by the community.

Introduction

Welcome to the South Taranaki District Council's Annual Report Summary. The purpose of this summary is to provide an overview of the Council's activities over the last financial year (1 July 2009 to 30 June 2010) and to identify any major differences to what the Council set out to do in its 2009/10 Annual Plan (the first year of the 2009-19 Ten Year Plan). The Annual Report Summary shows how well the district's assets are being looked after and how well the Council is performing as an organisation.

The information included in this summary has been taken from the audited Annual Report which was adopted by the Council on 29 October 2010. The Annual Report Summary does not provide as complete an understanding as the full Annual Report.

For more detailed information covering all of the Council's activities please refer to the full Annual Report. Copies are available at the Hawera Administration Office, all LibraryPlus centres or from the Council website www.southtaranaki.com.

Where does the Annual Report fit in?

Every council in New Zealand is required to prepare a Ten Year Plan, as well as an Annual Plan and an Annual Report. These three documents form the essential guide to what Council does in any given year. The Ten Year Plan and the Annual Plan set out what the Council plans to do, while the Annual Report states what the Council has actually done. The 2009/10 Annual Report reflects progress made in Year 1 of our 2009-19 Ten Year Plan.

Message from the Mayor

2009/10 has been a huge year of achievements for the Council. The significant investment the Council has put into the district's infrastructure over the last few years is paying dividends with the completion of a number of major projects.

The water supply to Hawera, Normanby, Okaiawa and Ohawe has been vastly improved by the completion of a major overhaul of the Kapuni water supply valued at \$19.8 million. The project which included a new intake, reservoirs and water treatment plant means that the Kapuni water supply is now in excellent shape, (no water restrictions were needed in the summer) and we now have some surplus capacity for future development. The quality of the water in Opunake has also improved dramatically thanks to the addition of a \$490,000 clarifier at the Opunake Water Treatment Plant.

The new 18 kilometre Eltham-Hawera pipeline, which carries Eltham waste effluent to Hawera for further treatment and disposal, was commissioned in 2009/10. The diversion of Eltham's effluent will reduce the environmental impacts on the Mangawhero Stream.

The demolition and clean up of the old Patea Freezing Works has largely been completed. The remaining work, which involves top soiling and grassing the site and grouting up the wells, will continue in summer 2010/11, when it is warmer and drier.

The new Normanby Recreation Centre and the TSB Hub sports, events and recreation complex were also officially opened during 2009/10. The Normanby Recreation Centre replaces the old hall that burnt down. Since its official opening in March by the Prime Minister, the TSB Hub has also been a hive of activity with a range of functions, activities and events taking place. The most significant testament to the success of the facility is the thousands of people who use the facility on a weekly basis.

Patronage of the district's PowerCo Aquatic Centre has also risen considerably and is likely a result of the recent upgrades to the facility. The new attractions which include a thermal pool, children's spray park and hydro-slide were officially opened in September 2009.

It is my privilege to present the South Taranaki District Council's 2009/10 Annual Report.



Ross Dunlop
Mayor, South Taranaki



Message from the Chief Executive

The 2009/10 Annual Report reflects progress made in Year 1 of the 2009/19 Ten Year Plan and identifies how the Council has performed as an organisation across a range of services and facilities.

As has been outlined on the preceding page, the Council had another very busy year and completed \$35.5 million of capital works.

The Council's total income (\$52.414 million) was under budget by \$177,000 and total expenditure (\$52.794 million) was \$349,000 more than expected. The overall operating deficit was (\$380,000) against a budget surplus of \$146,000.

Included in the total expenditure is \$700,000 of additional cost incurred on the clean-up of the Patea Freezing Works. The Council is currently negotiating an additional contribution from the Ministry of the Environment towards this overrun. Any money received will form part of 2010/11 income.

Throughout the year the Council was able to obtain some very competitive loan funding and this resulted in savings on budgeted interest of almost \$1.5 million.

Another pleasing aspect was the in-house efficiency review that generated over \$1 million of operational savings including \$318,000 on personnel costs at the end of the 2009/10 year.

The Council is in a sound financial position, is fully staffed and has a clear direction and a detailed work programme for the next few years.

We look forward to the 2010/11 year ahead.

A handwritten signature in black ink, appearing to read 'Craig Stevenson', written in a cursive style.

Craig Stevenson
Chief Executive



Your Council

The South Taranaki District Council is made up of the District Mayor and 12 Councillors. The Mayor is elected at large over the district with the Councillors elected from Wards. There are four Community Boards, Hawera, Egmont Plains, Eltham and Patea and 16 Community Board members. These positions are all subject to election every three years. The Council's purpose is to facilitate democratic local decision-making to promote the social, economic, environmental and cultural well-being of the district now and into the future.

The Council groups its activities and services within the Annual Report under the following headings:

- Democratic Process (the elected members)
- Cultural Services (libraries, cemeteries, arts and heritage)
- Recreation and Leisure (halls, pools, parks and reserves, toilets, TSB Hub)
- District Economy (tourism, events, i-SITE and economic development)
- Community and Social Development (community development, pensioner housing)
- Environment and Development (animal services; environmental policy; licensing of premises e.g. food and liquor; emergency management; resource consents and building consents).
- Water Supply Services
- Roothing and Stormwater Network
- Waste Services (kerbside collection, waste disposal, wastewater)

Council focused on performance

The performance measures within the Annual Report were adopted by the Council as part of the 2009-19 Ten Year Plan. We get performance information from a wide variety of sources: council systems such as the complaints records management system, the finance system, databases for quality tests; satisfaction surveys; and reports from external organisations (Taranaki Regional Council and District Health Board).

The Council commissions an independent resident satisfaction survey every year (it was biennial until 2008) to find out what South Taranaki residents think of our district and the Council's services and facilities. A number of the performance measure results summarized in this Summary are based on the results of this satisfaction survey.

For a detailed list of all the Council's performance measures please refer to the full Annual Report.

Highlights of 2009/10

Democratic Process

Patea Freezing Works Site

A grant of \$1.5 million was received from the Ministry for the Environment to carry out the demolition and remediation of the Patea Freezing Works which was destroyed by a fire on Waitangi Day in 2008. The demolition of the Freezing Works has been successfully completed. The clean-up of the site proved to be quite challenging due to all the unforeseen asbestos discovered underground as formwork to foundations and tanks. The remaining work involves top soiling and grassing the site and grouting up the wells, which will continue in summer, when the site dries out.



Before the fire and clean up



The site cleared and ready for topsoil

Performance Measures

Measure	Target	Achieved	Not Achieved
More than 75% of the community feel well informed about local affairs	75%		✓ 72% (new measure)
More than 69% of the community agree that decisions of Council represent best interests of the Community.	69%		✓ 65% (2008:68%)
More than 65% of community feel satisfied with way they are involved in decision making	65%		✓ 55% (2008:56%)

Cultural Services

New Museum building completed

The South Taranaki Museum Trust raised \$900,000, along with a \$100,000 Council loan, to complete a brand new Museum in September 2009. The new building is architecturally beautiful as well as practical. The gallery is made up of a long-term exhibition and a changing exhibition area. A dedicated reading and research room and an education space will complete what will be a fantastic heritage facility.



New museum building

The Garden of Tutunui

In December 2009, a magnificent whale sculpture, created by artist Kim Jarrett, was installed at Patea. It is up-lit at night to create a subtle eerie effect. This public artwork is an attraction for travellers and locals because of its strategic location on the main highway. Patea school students, community members and Council staff planted approximately 300 native plants around the Garden of Tutunui. Bringing the sculpture to Patea was an initiative led by Ngāti Ruanui and Ngā Rauru Iwi.



The Garden of Tutunui's official opening

LibraryPlus Visitor Numbers

An increase of 24,264 (7.7%) people coming into the LibraryPlus sites district-wide is evidence that LibraryPlus facilities are offering more than just books to customers. Since the Aotearoa People's Network Kaharoa free internet service was introduced in 2008, visitor numbers have risen significantly to 339,000 and many of these customers have found libraries a great place to be.

Performance Measures

Measure	Target	Achieved	Not Achieved
More than 80% of artists/operators are satisfied with the level of promotion they receive from the Council	80%	✓ 96% (new measure)	
Library membership is 40% of the district population	40%	✓ 44% (2008:36%)	
81% of customers are satisfied with LibraryPlus services and facilities	81%	✓ 83% (2008:83%)	
81% of Public are satisfied with the standard of cemetery grounds maintenance	81%		✓ 78% (2008:80%)

Recreation and Leisure

Normanby Hall

The people of Normanby celebrated the official opening of the Normanby Recreation Centre last December. The Recreation Centre replaces the old hall that burnt down and since opening there has seen a significant increase in the use of the facility. The Normanby Indoor Bowling Club has said that the tongue and groove floor is the best in Taranaki for their sport.

Opunake Beach Dune Stabilisation

The Opunake Beach dune stabilisation was an excellent community project where all the Opunake schools participated in helping to make the beach a safer place by planting over 9,000 native plants after the big dune which was threatening to take over the car park and road was removed. This also increased the sight lines from the surf club to the beach making it a far safer place to enjoy the surf.



Opunake Beach planting

Memorial Gates at King Edward Park

The King Edward Park gates, built in 1904 and 1905 to celebrate the Hawera Exhibition of 1903 and Boer War respectively, were completely refurbished this year. The work involved the removal of the gates, posts and side gates. A lot of research went into bringing back the original design and making sure the gates will stand for another 100 years. The newly refurbished gates look stunning.

TSB Hub Operations

The TSB Hub was officially opened by Prime Minister John Key in March 2010. Significant events held this year include the Clubs Expo, the Central Netball Premier tournament and the Paddy Manu Sports Awards. There have also been a number of large business functions held at the TSB Hub.



Right: TSB Hub

PowerCo Aquatic Centre

The Learn to Swim programme has increased by 300% with 884 participants during this year. The new attractions which include the thermal pool, children's spray park and hydro-slide were officially opened in September 2009, in time for the September school holidays.

Performance Measures

Measure	Target	Achieved	Not Achieved
Satisfaction with appearance of Parks	91%		✓ 89% (2008:89%)
Satisfaction with standard of toilets	68%		✓ 62% (2008:67%)
Attendance at PowerCo Aquatic Centre increases by 3%	3% increase	✓ 32% increase (New measure)	
90% of customers are satisfied user fees fairly reflect with services and activities at PowerCo Aquatic Centre	90%	✓ 99% (2008:57%)	

District Economy

Predicament Filming

Novel Productions spent three months in the district filming the movie *Predicament*, based on the novel by Ronald Hugh Morrieson. The economic benefits to the district were substantial with cast and crew staying in the district for up to three months.

Right: Scene from 'Predicament'



Town Co-ordinator for Hawera

The Council worked with Bizlink Hawera to establish the position of Town Co-ordinator for Hawera which is funded from the Hawera Business Rate. The Town Co-ordinator was appointed in December 2009 and has implemented a number of initiatives including regular business networking opportunities, a monthly business newsletter, retail promotions and training opportunities.

Qualmark Awards

The South Taranaki i-SITE Visitor Centre underwent a Qualmark assessment in December 2009, and achieved 91% with a quality score of 4 out of 5 in the Enviro Green section. A bronze Environ Green award was achieved.

Right: i-SITE team with award



South Taranaki District Marketing Plan

The district marketing design was approved by the Council ready for use in marketing the district through tourism advertising, brochures, web banner adverts and billboards. New directional signage into Hawera uses the *Alive with Opportunity* branding.

Performance Measures

Measure	Target	Achieved	Not Achieved
95% of event attendees are satisfied with events	95%		✓ 89.5% (2008:98%)
A minimum of one event per ward is supported through the Council's Event's Programme	1 per ward	✓ 1 per ward (new measure)	
80% of new/emerging businesses supported by Council incentive grants are still operating after 12 months	80%		✓ One grant awarded but business not operating
6 new businesses are established per annum	6 new businesses	✓ 8 new businesses (new measure)	
Tourism numbers will increase by 1% each year	1% increase	✓ 6.8% increase (2008:-16.8%)	
Satisfaction with i-SITE service	95%	✓ 98% (2008:99%)	

Community Development

Club Expo

A very successful Club Expo was held at the TSB Hub with over 70 clubs and groups participating and thousands of visitors attracted to the event. A range of activities were held throughout the day. This was an excellent example of community engagement.

Youth Development Programme

The Youth Development Programme has continued to increase the level of involvement of young people in community initiatives and decision making including SouthTru Drivers License Programme, Opunake Skate Park Upgrade, Family Challenge Day and the Active South Project.



Club Expo Day at TSB Hub

Performance Measures

Measure	Target	Achieved	Not Achieved
Two new partnerships which positively contribute to our Community Outcomes will be established	2 new	✓ 5 new (2008:2)	
Pensioner housing tenants have 80% satisfaction rating	80%	✓ 97% (new measure)	
Pensioner housing units rent remains affordable	Rent increases do not exceed increase in benefit	✓ 5% rental increase applied, half the annual benefit increase (new measure)	

Environment and Development

Building Accreditation expanded

In June 2010, the Council expanded its national accreditation as a Building Consent Authority. The additional accreditation relates to Quality Assurance and means that our customers (the building industry and building owners alike) can have confidence that they are receiving a top class service from our Building Team.

Liquor Policy

In April 2010, the Council adopted a revised District Licensing Agency Policy for the control of liquor. Changes in the Policy means small clubs face less of a financial burden in gaining a liquor licence. The Policy continues the district-wide requirement for premises to stop selling liquor at 2am.



Application numbers in review

2009/10 was another busy year for processing applications for consents and licences: 753 building consents, 171 resource consents, 21 new food premises licences, 184 renewed food premises licences and 315 liquor licences were processed.

Fewer dog complaints

This year we saw a significant reduction in the number of complaints about dogs (from roaming, to barking, to attacking). Overall, incidents were down 12% on the previous year, a total of 163 incidents in real terms. The most heartening statistic is that dog attacks reduced by 30%; that is 26 fewer children, posties and animals that have been hurt. The reduction in incidents is mainly due to a renewed hard-line focus on less responsible dog owners and a zero tolerance to dogs that re-offend.

Significant Natural Areas

Two successful applications were made to the Significant Natural Areas Fund this year. These two grants assisted with the protection of 2.4 hectares of indigenous forest near Ararata and a 10 hectare forest remnant bordering the Patea River at Whenuakura. These are two areas that have been legally protected and will make an important contribution to maintaining South Taranaki's biodiversity.

Performance Measures

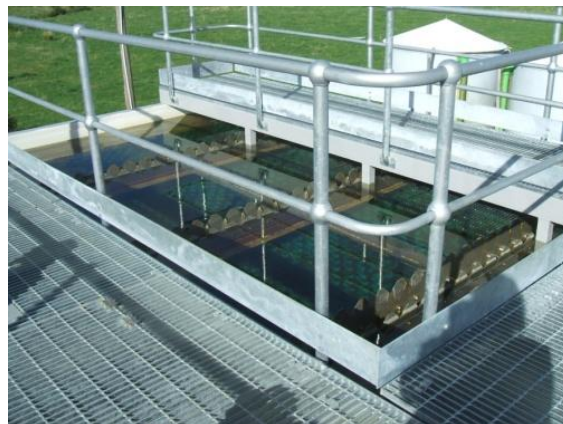
Measure	Target	Achieved	Not Achieved
95% of licensed premises are regularly inspected (annually)	95%	✓ 98% (new measure)	
95% of liquor licensed premises are regularly inspected (annually)	95%	✓ 100% (new measure)	
90% noise complaints responded to within one hour	90%	✓ 90% (new measure)	
95% of all building consent applications are processed within 15 working days	95%	✓ 99% (2008:96%)	
95% of all building inspections are carried out within 24 hours of request	95%	✓ No complaints were received	
97% of customer requests related to dogs roaming, barking, general incidents will be responded to within 1 working day	1 day	✓ 97% (2008:98%)	
Number of dog attacks, rushing and roaming will decrease by 1% each year	1% decrease	✓ 8.8% decrease (new measure)	

Water Supply Services

Opunake Water Treatment Plant Clarifier

The quality of the water in Opunake has improved dramatically thanks to the addition of a clarifier at the Opunake Water Treatment Plant. This means bottled water is no longer distributed during times of heavy rainfall. The clarifier removes most of the “dirt” from the river water before reaching the existing sand filters. This means that the filters don’t become overloaded and high quality water is consistently produced. The Council was successful in obtaining Ministry of Health funding of \$295,000 towards this \$490,000 project which has reduced the financial burden to water consumers.

Opunake water clarifier



Environmental Award

The Council received an Environment Award from the Taranaki Regional Council for how we manage water leakage and loss on the Inaha water supply. Two hundred new farm flow meters were installed on each farm connection and flow meters added to each of the pressure control stations.

These meters store data detailing how much water is used and when. This data can be downloaded in a couple of hours and allows us to account for every drop of water entering the reticulation system. Farmers are now provided with information on potential leaks on their properties and how much the leaks are costing them.

Right: Howard Wilkinson and Neil McCann with award



Kapuni Water Supply

The water supply to Hawera, Normanby, Okaiawa and Ohawe has been vastly improved by the completion of a major overhaul of the Kapuni water supply valued at \$19.8 million. The main element was the construction of a new water treatment plant, costing \$12.1 million. This plant uses microfiltration technology to produce a reliable supply of high quality drinking water.

A new intake from the Kapuni River and pipeline to the water treatment plant also replaces the old intake and the 100 year old tunnel which has been prone to collapse in recent years. The reliability of the water supply has been further improved by the addition of two new 4,500m³ reservoirs and a borehole capable of supplementing what is taken from the Kapuni Stream by 2,800m³ a day. The Kapuni water supply is now in excellent shape, no water restrictions were needed in the summer and we have some surplus capacity for future development.

Performance Measures

Measure	Target	Achieved	Not Achieved
55% of customers are satisfied with the quality of their drinking water	55%	✓ 63% (2008:53%)	
90% of water stoppages will be less than 10 hours long	90%	✓ 99% (2008:100%)	

Roading and Stormwater Network

The Roothing activity had a budget of \$12 million in 2009/10; approximately 50% is funded by the government. The work completed this year included:

- 18 kilometres of pavement rehabilitation (\$2.6 million)
- 112 kilometres of reseal (\$2.4 million)
- Replacement of a one lane bridge with a two-lane bridge on Parihaka Road (\$160,000)
- The strengthening of the Limeworks Bridge's abutment at Waitotara (\$200,000)
- Repairs from two major flood events (\$600,000)

Performance Measures

Measure	Target	Achieved	Not Achieved
90% of South Taranaki roads meet the NAASRA roughness standard	90% satisfaction	✓ 91% (new measure)	
95% of footpath defects are made safe within 48 hours	95%		✓ 82% (new measure)

Waste Services

Eltham-Hawera pipeline

The new Eltham-Hawera pipeline was commissioned in 2009/10. The new 18 kilometre pipeline is taking waste effluent from Eltham to Hawera for further treatment and disposal. The total discharge consent at the Hawera Wastewater Treatment Plant is now at a limit of 14,500 cubic metres/per day over a 7 day average. The diversion of Eltham effluent will minimise environmental impacts on the Managawhero Stream which used to receive the treated wastewater from the Eltham Treatment Plant. In an effort to free up capacity in the western wastewater trunk main in Hawera, a new dedicated sewer line for Silver Fern Farms Limited has been laid on the eastern side of Hawera. This line has provided an extra 42 litres per second in the western wastewater trunk main. The new line has been fully commissioned.

Part of the Hawera-Eltham pipeline project included the upgrading of the Hawera Wastewater Treatment Plant. The plant now has a new overflow pond with maturation cells for improving the treatment process. In times of heavy wet weather, the overflow pond can now accommodate overflows from the treatment ponds.

Solid Waste Activity

The Council received a commendation for the "Environmental and Sustainability Award" at the 2009 Taranaki Chamber of Commerce Business Awards. This award recognises the Council's district-wide recycling efforts and other initiatives such as water treatment and in-house recycling designed to minimise impacts on the environment.

Performance Measures

Measure	Target	Achieved	Not Achieved
Residents are satisfied with rubbish collection service	90% satisfaction		✓ 75% (2008:75%)
Residents are satisfied with recycling service	90% satisfaction		✓ 79% (2008:79%)
More than 30% of refuse is diverted from the landfill each year	30%		✓ 26% diverted (2008:38%)

Financial Overview

The following pages provide an overview of the Council and Consolidated financial performance for the year to 30 June 2010.

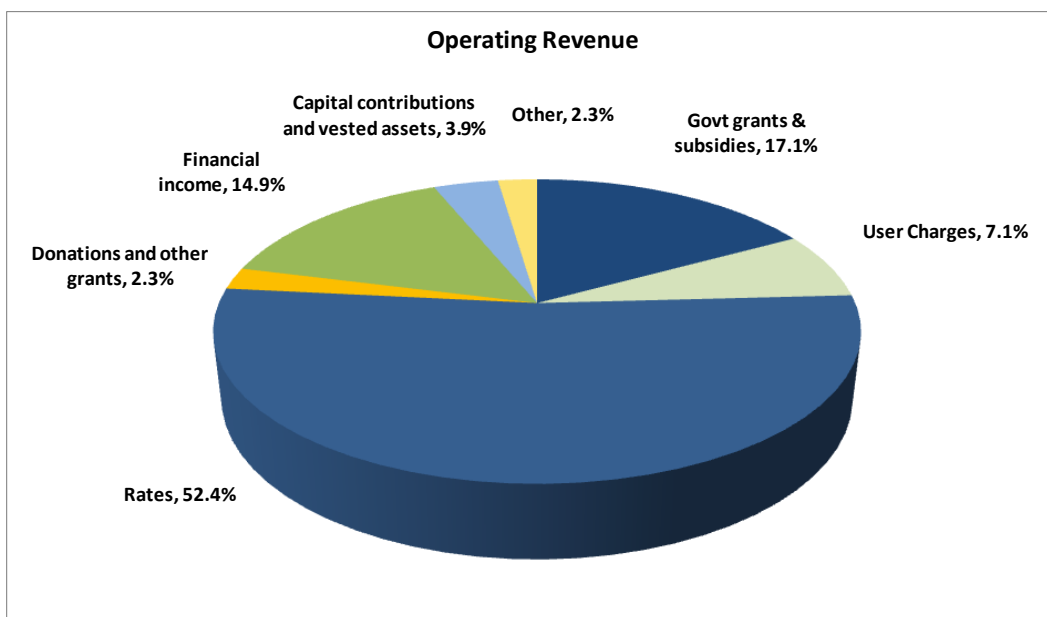
	Council	Consolidated
Net surplus/(deficit)	(380,000)	(380,000)
Total assets	\$795 million	\$795 million
Total liabilities	\$ 85 million	\$ 85 million
Total equity	\$ 710 million	\$ 710 million

Statement of Financial Performance

The Council delivered an operating net deficit of \$380,000 for the year compared with a budgeted surplus of \$146,000. The most notable reasons for the variance in expense and income are as follows:

- The overspend due to Patea Freezing Works demolition and remediation
- Savings in personnel costs due to efficiency reviews
- The lower interest expense due to lower debt requirements
- Depreciation underspend due to the timing of the capital projects
- Unbudgeted costs for the provision for doubtful debts, loss on disposal of assets and loss on derivatives
- More than budgeted investment income
- More than budgeted capital contributions
- Unbudgeted vested assets

The savings made in interest expense, depreciation and personnel costs are offsetting the unbudgeted expenses and overspend resulting in the deficit for the year.



Statement of Financial Position

Net assets as at 30 June 2010

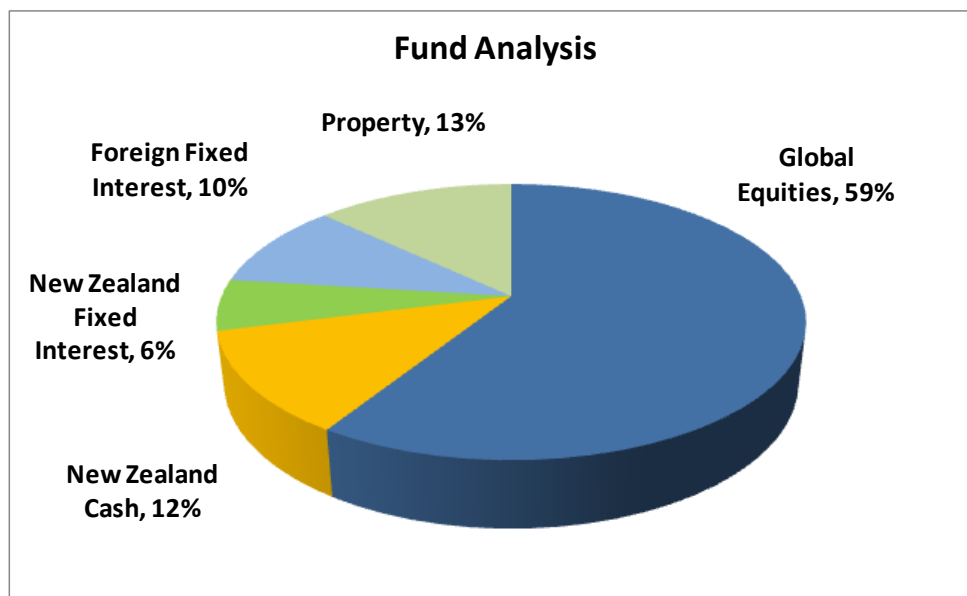
	Council		Consolidation	Council	Consolidation
	Actual	Budget	Actual	Actual	Actual
	2009/10	2009/10	2009/10	2008/09	2008/09
	\$000	\$000	\$000	\$000	\$000
Current assets	74,944	3,172	74,944	58,583	58,583
Non-current assets	719,826	830,080	719,826	700,078	700,078
Total Assets	794,770	833,252	794,770	758,661	758,661
Current liabilities	44,597	6,550	44,597	18,073	18,073
Non-current liabilities	40,149	109,761	40,149	30,189	30,189
Total Liabilities	84,746	116,311	84,746	48,262	48,262
Total Equity/Net Assets	710,024	716,941	710,024	710,399	710,399

Long Term Investment Fund

- The value of the Long Term Investment Fund increased to \$96.85 million (\$93.8 million 2009) as at balance date after allowing for the withdrawal of the rates subsidy.
- The value of the fund is made up of: external investments with fund managers \$78.09 million (\$63.1 million 2009); loan to Southcare \$1.2 million (\$1.3 million 2009); and internal borrowing \$18.76 million (\$19.22 million 2009).

External Funds

Last year was a better year than 2008/2009 for global markets and investment funds as markets are slowly recovering from the global recession. During the year the Council invested \$5 million in Banquo as part of its strategy in conjunction with its external advisors. The external funds received a net return of \$7.6 million in 2009/10 year.

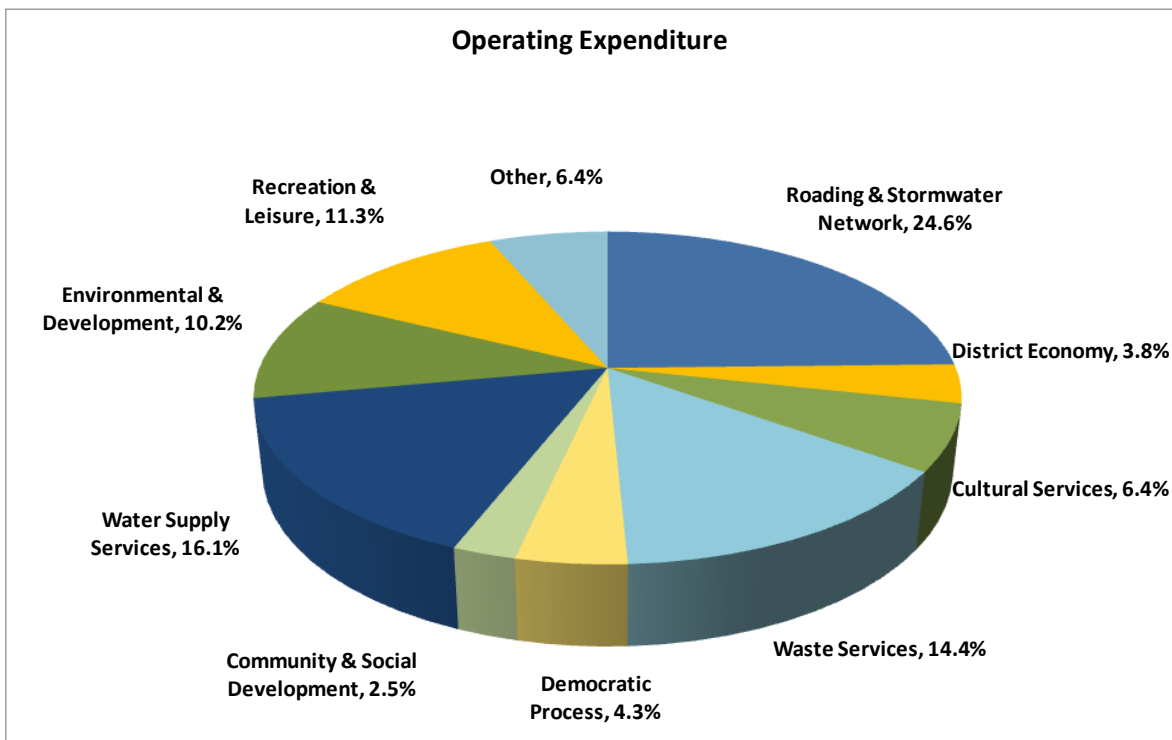


Financial Performance

Summary Statement of Comprehensive Financial Performance

	Council		Consolidation		
	Actual	Budget	Actual	Council	Consolidation
	2009/10	2009/10	2009/10	Actual	Actual
	\$000	\$000	\$000	2008/09	2008/09
				\$000	\$000
Total Income	52,414	52,591	52,414	48,316	48,316
Total expenses (excluding finance cost)	48,972	45,772	48,972	46,916	46,916
Finance cost	3,822	6,673	3,822	924	924
Total operating surplus/(deficit) before tax	(-380)	146	(-380)	476	476
Other comprehensive income					
Increase/(decrease) in revaluation reserves	5	0	5	-103	-103
Gain on asset revaluation	0	8,490	0	616	616
Total other comprehensive income	5	8,490	5	513	513
Total comprehensive income for the year	(-375)	8,636	(-375)	989	989

The variance between budget and actual in the movements in equity is due to the culmination of the unbudgeted vesting of assets, the write-off of some assets that were replaced through the capital projects programme, and the valuation of Council's swap contracts.



Summary Statement of changes in Equity

	Council		Consolidation	Council	Consolidation
	Actual	Budget	Actual	Actual	Actual
	2009/10	2009/10	2009/10	2008/09	2008/09
	\$000	\$000	\$000	\$000	\$000
Equity at the beginning of the year	710,399	708,305	710,399	709,410	709,410
Net surplus/(deficit) for the year	(-380)	146	(-380)	476	476
Other comprehensive income/(loss)	5	8,490	5	513	513
Total comprehensive income for the year	(-375)	8,636	(-375)	989	989
Equity at the end of the year	710,024	716,941	710,024	710,399	710,399
Comprising:					
Accumulated balances	528,751	517,781	528,751	529,450	529,450
Restricted and statutory reserves	2,342	0	2,342	2,023	2,023
Investment revaluation reserves	42	0	42	37	37
Asset revaluation reserves	178,889	199,160	178,889	178,889	178,889
Equity at the end of the year	710,024	716,941	710,024	710,399	710,399

Summary of Statement of Cashflows

	Council		Consolidation	Council	Consolidation
	Actual	Budget	Actual	Actual	Actual
	2009/10	2009/10	2009/10	2008/09	2008/09
	\$000	\$000	\$000	\$000	\$000
Net cashflows from operating activities	5,444	10,916	5,444	17,517	17,517
Net cash flows from investing activities	(-46,681)	(-32,984)	(-46,681)	(-44,336)	(-44,336)
Net cash flows from financing activities	39,894	20,705	39,894	28,445	28,445
Net Increase/(Decrease) in Cash and Cash Equivalents	(-1,343)	(-1,363)	(-1,343)	1,626	1,626
Total cash resources at 1 July	1,847	0	1,847	221	221
Total cash resources at 30 June	504	(1,363)	504	1,847	1,847

Audit Report

To the readers of South Taranaki District Council and group's summary annual financial statements, service provision information and the other requirements for the year ended 30 June 2010

We have audited the summary financial statements, service provision information and the other requirements of Schedule 10 of the Local Government Act 2002 as set out in pages 6 to 19.

Unqualified opinion

In our opinion:

- the summary financial statements, service provision information and the other requirements represent, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements, service provision information and the other requirements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements, service provision information and the other requirements from which they are derived.

We expressed an unqualified audit opinion, in our report dated 29 October 2010, on:

- the full financial statements;
- the service provision information ; and
- the Council and group's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report.

Basis of opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in South Taranaki District Council or any of its subsidiaries.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary financial statements, service provision information and the other requirements of Schedule 10 of the Local Government Act 2002 and we are responsible for expressing an opinion on those summary financial statements, service provision information and the other requirements of Schedule 10 of the Local Government Act 2002. These responsibilities arise from the Local Government Act 2002.

Clint Ramoo
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand
22 November 2010

How we prepared these statements

These financial statements have been prepared in compliance with “Financial Reporting Standard No. 43 - Summary Financial Statements” issued by the Financial Reporting Standards Board of the New Zealand Institute of Chartered Accountants (May 2007).

This summary financial report has been taken from the South Taranaki District Council 2009/10 Annual Report dated 29 October 2010. The Annual Report received an unqualified audit opinion dated 29 October 2010. This summary report has been audited and an unqualified opinion dated 22 November 2010 has been received. Financial statements are presented in New Zealand dollars. The summary Annual Report was authorised by the Chief Executive Officer of the South Taranaki District Council on 22 November 2010.

The South Taranaki District Council is the ultimate parent of the group comprising the Council and its 100% owned non-trading subsidiary Novus Contracting Ltd.

Details relating to transactions between individual councillors and Council are fully disclosed in Note 18 of the main financial statements.

Apart from the normal customer relationships involving such items as the payments of rates, water charges etc, there were no significant transactions between senior management, councillors and the Council during the year.

The main purpose of the South Taranaki District Council is to provide goods and/or services to the ratepayers and communities of the South Taranaki district. Accordingly the Council has designated itself and the group as Public Benefit Entities for the purposes of the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). The full set of financial statements included in the Annual Report has been prepared in accordance with New Zealand Generally Accepted Accounting Practices (NZ GAAP). The full set complies with New Zealand IFRS, and other applicable Financial Reporting Standards as appropriate for Public Benefit Entities. These summary financial statements are in accordance with the recognition and measurement requirements of New Zealand IFRS but, in accordance with FRS-43, do not, nor are required to; comply with the presentation and disclosure requirements of NZ IFRS.

The South Taranaki District Council has a number of contingent liabilities and capital commitments as at balance date. These are detailed in Notes 20 and 21 of the financial statements. These are mainly the estimated settlement of legal disputes \$136,205 (2008/09 \$549,272), future operating lease payments for office equipment \$232,000 (2008/09 \$448,000) and commitments relating to capital expenditure projects \$2,347,000 (2008/09 \$20,817,000).