

**Masterton District Council**

**Annual Report**

**2007/08**

ISSN 1178-5039

## CONTENTS

	<u>Page</u>
Organisation Structure	1
Masterton District Council Profile	2
Mayor & Chief Executive Officer's Report	3-6
Statement of Compliance and Responsibility	7
Financial Statistics	8-10
Report on Community Outcomes & Effects on Social, Economic, Environmental & Cultural Wellbeing	11-25
Report on Development of Maori Capacity	27
Report on Development and Financial Contributions	27
Report of the Auditor General	28-29
Statements of Service Performance (SSPs)	
Overall Performance (survey results)	31-33
SSPs for Council Activities	
Transport Services	
Roads, Streets and Footpaths	35-37
Parking Control	38
Hood Aerodrome	39
Waste Services	
Wastewater	41-43
Stormwater	44-45
Solid Waste Management	46-48
Water Services	
Urban and Rural Water Supplies	50-52
Community Services	
Community Services	53-55
Library and Archive	56-57
Community Facilities	
Property	59-61
Parks, Reserves and Sportsfields	62-63
Genesis Energy Recreation Centre	64
Cemeteries	65
Regulatory Services	
Resource Management and Planning	67-68
Building Control	69-70
Environmental Health, Liquor Licensing and Inspection	71-72
Animal Control	73
Rural Fire Control	74
Civil Defence and Emergency Management	75
Governance and Corporate Services	
Governance and Corporate Services	77-80
Report on Equal Employment Opportunities	81
Financial Statements	83-86
Notes to Financial Statements – Accounting Policies	87-96
Notes to Financial Statements	97-121
Statement of Resources	122
Map of District	123

---



**MASTERTON  
DISTRICT COUNCIL**  
*As at 30 June 2008*

**HIS WORSHIP THE MAYOR**

Mr G (Garry) Daniell

**DEPUTY MAYOR**

Cr J (Jane) Terpstra

**GENERAL WARD COUNCILLORS**

Cr J (Judith) Callaghan

Cr B (Brent) Goodwin

Cr D (David) Holmes

Cr C (Chris) Peterson

Cr J (Jane) Terpstra

**URBAN WARD COUNCILLORS**

Cr J (Jonathan) Hooker

Cr L (Lyn) Patterson

Cr E (Edwin) Perry

Cr J (Jeff) Workman

**RURAL WARD COUNCILLOR**

Cr R (Roddy) McKenzie

**DIRECTORY**

**Council Office**  
64 Chapel Street  
Masterton

**Auditor**

Audit New Zealand, Wellington  
on behalf of the Auditor  
General

**Bankers**

Westpac, Masterton

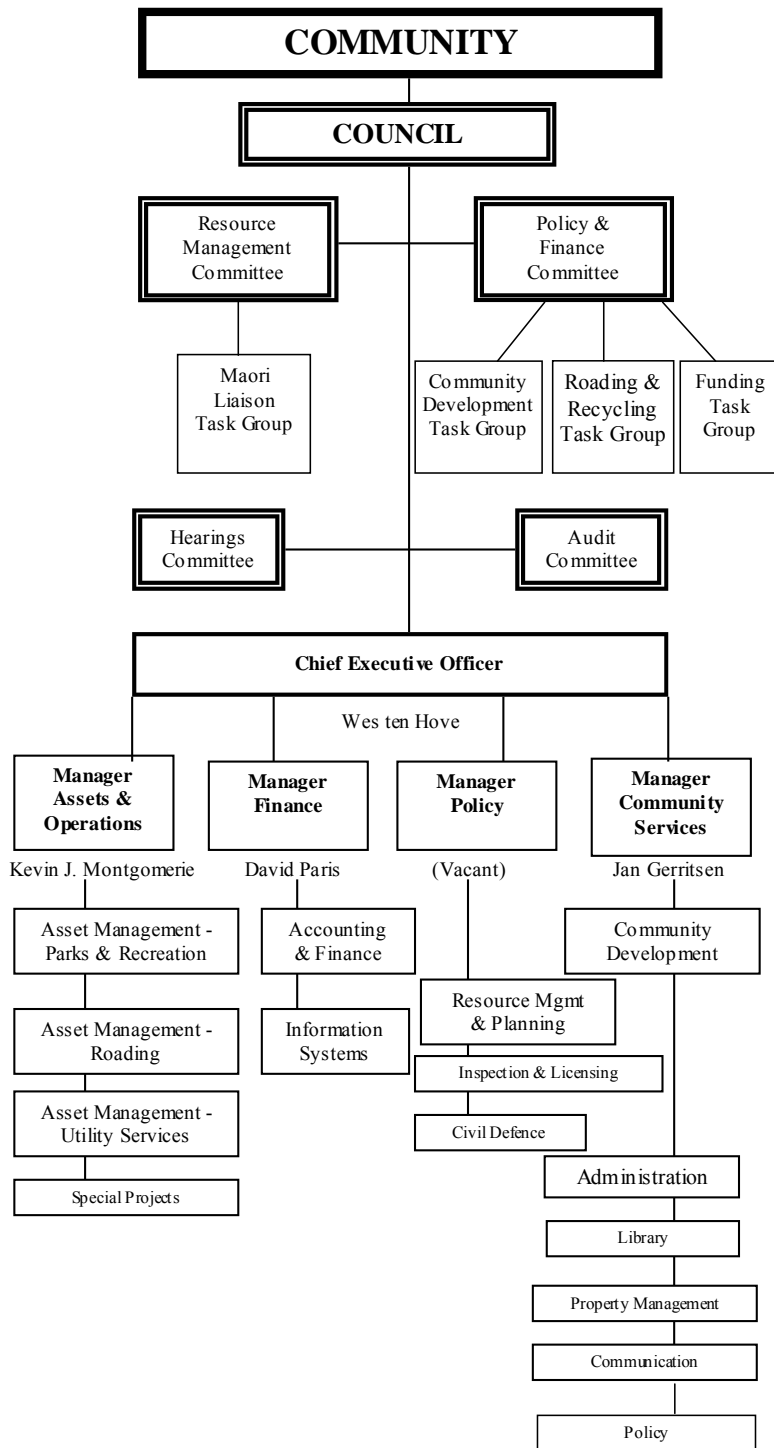
**Solicitors**

Gawith Burridge, Masterton

**Insurance Broker**

Jardine Risk Consultants Ltd

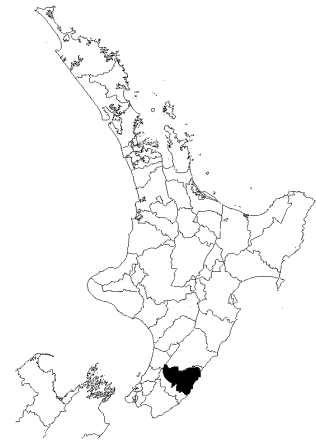
Organisation Structure



## **MASTERTON DISTRICT COUNCIL**

Masterton District Council was formed on 1st April, 1989 with the union of the Masterton Borough and County Councils. The Masterton District (with amended boundaries) was constituted from 1st November, 1989 as part of the reorganisation of local government at that time.

Masterton District comprises one large urban town and a large rural area which stretches from the Tararua ranges to the Pacific Ocean coast, within the central Wairarapa region. The land area is 229,500 hectares with land use ranging from sheep and beef farming to forestry, cropping and horticulture. The population at the 2006 census was 22,620, with close to 18,000 residing in the Masterton urban area.



### **Mission Statement**

**To manage and develop resources so as to ensure the environmental, cultural, social and economic well being of the district and its people.**

# **MAYOR & CHIEF EXECUTIVE OFFICER'S REPORT**

We are proud to introduce this Annual Report of the Masterton District Council for the 2007/08 year. It details the Council's performance in meeting the objectives and budget targets of Year 2 of the 2006/16 Long Term Council Community Plan (LTCCP) and 2007/08 Annual Plan. This report also highlights the activities which the Council has delivered or facilitated, towards achieving the community outcomes in the LTCCP.



We recognise that our District's economic well-being is tied to the land and the primary industries of farming, forestry, horticulture and viticulture. With this in mind, our District has faced some extreme weather conditions over the last year, with a very long dry summer and a poor autumn growing season. Despite these trying conditions, our District remains in good heart and is looking forward to more prosperous times.



The Council has also had a frustrating year where progress on a number of projects has not been as fast as many would have liked. The reasons for this are many and varied and further detail is provided below and in the body of this report. On the positive side, the Communitrak™ survey done in March 2008 produced results which showed increasing levels of satisfaction with nearly all of the Council services that were surveyed.

The Council will always walk a fine line between ensuring correct process is followed while completing projects as efficiently as possible. During the year the Council has achieved many of the planned targets and performance measures and staff continue to work hard to maintain a high standard of services to the ratepayers and public of Masterton. The following list is a summary of the major initiatives and activities the Council has been involved with and progressed over the 12 months to 30 June 2008.

## **Local Government Elections**

The October 2007 local government elections saw a number of changes occur in the elected representation on the Council. Most significant of these changes was the retirement of long-serving Mayor Bob Francis. Bob had served five terms as mayor and a further two terms as a councillor, giving him a total of 21 years service to the Masterton District Council and Masterton Borough Council (before 1989). His long service to our community was marked with a function in August 2007. Also not standing for Council again were Derek Daniell, Bruce Bishop and Owen Perry – we thank them for their contribution to the Council. Four new councillors were elected, with no current councillors losing their seats, which we see as a public vote of confidence in the governance of the organisation. We welcomed Lyn Patterson, David Holmes, Edwin Perry and Jeff Workman to the council table and the new Council has started building working relationships between themselves and with the Council staff.

## **Wairarapa Co-operation**

The Proposed Wairarapa Combined District Plan was launched in August 2006 and has progressed through the range of consultation stages since then. In July and August 2007 some 21 days of hearings were held, where interested people who had made submissions, could speak to a committee of commissioners representing the joint councils. The commissioners deliberated on the submissions and released decisions in late 2007 and early 2008. Since then a number of appeals have been lodged and they have been considered and opportunities for exchange of views has followed. It is expected that one or two of the disputed issues may end up as appeals to the Environment Court before the Plan is finally adopted. Masterton District Council has provided most of the administrative and logistical support for the hearing processes.

The Wairarapa Combined Plan is a first for the country in terms of co-operation between neighbouring local authorities, but it is not the only example of how the Wairarapa councils are working together. The Wairarapa Arts, Culture and Heritage Strategy, the Wairarapa Physical Activity Plan and the Gambling Venues policy are other examples of joint initiatives.

### **Sewerage System Upgrades**

In March 2007 the Council took the opportunity to purchase 107ha of additional land adjoining the Homebush sewerage treatment plant. This land has given the Council more options with respect to the shape of the upgrade needed to renew the resource consent. Although a resource consent application had been lodged with the Greater Wellington Regional Council (GWRC), the Council decided, in December 2007, to revise the original proposal to now include building new oxidation ponds and using the extra land for additional disposal of treated effluent. The new ponds are a more expensive option, but savings from not having to provide increased river protection have made them more affordable, while providing a longer term solution. Under the new scheme, the old ponds will be decommissioned and pasture re-established to further increase the land-based disposal area. The revised resource consent was lodged in September 2008 and hearings are expected in February 2009.

The Cockburn Street sewer main and laterals renewal contract was completed during the year. Further investigative work on the sewer reticulation network has been on-going during the year and a priority list for further renewal work has been established. Work has also been done to identify faults in the network (public and private) where excess infiltration of stormwater and groundwater into the sewer network is occurring.

### **Solid Waste**

The Masterton District Transfer Station, at Nursery Road, has handled 13,791 tonnes, which is 79% of the waste that the three Wairarapa councils transferred to Bonny Glen Landfill in the Rangitikei. Our percentage by population is some 58%. Clearly, the 7 days per week opening hours of the transfer station is attracting more than just Masterton residents' waste. The tonnage delivered for disposal was 4% less than the previous year and recycled items (excluding metal) increased 5.6% to 3,200 tonnes. The gate fees during the year were held at the level set in October 2006 and based on \$120/tonne (incl GST). This has resulted in user charges income not fully covering the costs of disposal of waste, resulting in a need to use reserve funds to make up the shortfall of revenue. Revised gate fee pricing was implemented from 1 July 2008.

### **Riversdale Beach Sewerage Scheme**

The Council and Riversdale Beach Sewerage Steering Group worked together through the year, considering the range of scheme options to be put in front of the community through a round of formal consultation. Delays occurred following calls to reconsider, cost and include for consultation, an option using grinder pumps, pressure reticulation and a sequencing batch reactor treatment plant. The basis of a cost allocation model was also developed with a number of meetings with groups within the Riversdale Beach community. Formal consultation was underway at year end and the Council is mindful that progress must be maintained on this project in order to ensure the government's Sanitary Works Subsidy is secured.

### **Castlepoint Seawall**

Stage II of the seawall was not proceeded with when Stage I was built in 2006 because of concerns raised by the Department of Conservation. An Integrated Foreshore Management Plan (IFMP) was required by the Environment Court before moving forward. Considerable work was done on the IFMP during the last year. Much of the cost was not planned for and has been funded by reserves. Both DoC and the Castlepoint Residents Association have been involved in the IFMP development. The Council will consider the options for Stage II of the project and its funding, as part of the development of the Long Term Council Community Plan through 2008/09.

### **Queen Elizabeth Park Rejuvenation**

Stage II of this project was largely completed during 2007/08. The promenade now runs the length of the Dixon Street frontage of the Park and the entrance gates opposite Bruce Street have been restored. The Masterton South Rotary Club has renewed and enlarged the miniputt area, while the miniputt kiosk and playground toilet building will be completed in 2008/09. The replacement of the Dixon Street toilets has been put on hold while the Council considers options and needs. The removal of the Hosking Garden and replacement with a water feature was delayed by the resource consent process and an appeal by a group of ratepayers who wanted to have the garden retained.

### **Airport Developments**

The Council was planning to reseal the runway and extend services (water & sewer) to parts of the airport in 2007/08. This work was put on hold when Air New Zealand subsidiary Eagle Air proposed a scheduled airline service from Masterton to Auckland. The Council has worked with Eagle Air through the year to finalise details with respect to operating the service and the upgrading of facilities that will be required. The Council has also successfully sought third party funding to assist with putting in place the infrastructure that will be required. As at 30 June 2008 the planning was still progressing, and in September 2008 a public announcement was made confirming the scheduled service would start in February 2009.

### **Sustainable Use of the Environment**

The Council's own infrastructural asset initiatives are often driven by the need to improve the environment and our community's effect on it. Council policies in delivering water, wastewater and solid waste services all have an environmentally sustainable focus that ranks equally with an economic focus. The Council's regulatory functions of administering the Wairarapa Combined District Plan, the Resource Management Act, Building Act and other legislation, are designed to ensure an equitable balance between development, heritage and the environment. The Council continues to collaborate with other agencies and organisations such as iwi, government departments, funding groups and businesses. All three Wairarapa councils belong to the Communities for Climate Protection Programme and EnergyWise Councils group. The Council has continued to support the Wairarapa Healthy Homes initiative, which attracts a 35% subsidy from the Energy Efficiency Conservation Authority (EECA).

### **Infrastructural Asset Revaluation**

At 30 June 2008 the Council's infrastructural assets have been revalued, as per the accounting policies. The three-yearly revaluation exercise has resulted in an overall increase in value of \$114.3m or 35%. By asset class, the carrying value of the roading assets increased \$84.8m (32%), the urban water supply assets increased \$9.04m (42%), the urban sewerage system assets increased \$11.1m (81%), and stormwater and other infrastructural assets increased \$5.6m (42%). The large value increases reflect the cost environment the Council has operated in over the last three years with construction cost increases running well above the consumer price index (CPI) due to things such as bitumen and oil prices rising and skill shortages affecting the contracting businesses that undertake the capital renewals programmes. The increased annual depreciation expense which results from these revaluations will be incorporated into the 2009-19 LTCCP and will drive cost increases well above the CPI.

### **Financial Summary**

The Council's overall financial result for the 2007/08 year is an operating surplus of \$628,127 which compares to a planned surplus of \$499,440. No single item accounts for the slightly better than planned result as there are numerous items where planned figures have been exceeded or not achieved for both revenue and expenditure. Some of the more significant items are described below and also in the Cost of Service Statements and Note 31 of the financial statements.

Two revenue variances of note are reserves and infrastructure contributions generating \$520,000 (160%) more than planned; and user charges income in the solid waste activity being \$339,400 (19%) less than planned. Costs of operating regulatory services were \$230,000 (2.3%) more than planned, partly due to the Council's share of the costs of developing the Wairarapa Combined District Plan being \$72,400 more than planned. Some \$100,000 of costs for developing the Castlepoint IFMP (referred to above) were not planned for.

Capital expenditure for the year totalled \$8.66m compared to a planned total of \$11.58m. Major items that were completed include:

- the full roading renewals programme of \$4.2m, including a 'catch-up' of work not able to be completed in the prior year
- a new footpath at High Street, Solway running some 600 metres in length
- a replacement purchased for the main water line boost pump
- Cockburn St sewer main renewed, including 1km of main, 19 manholes and 103 laterals
- Queen Elizabeth Park rejuvenation Stage II largely completed
- Urban wastewater upgrade costs included preliminary designs for new ponds and work on revising the resource consent application and assessment of environmental effects
- new Castlepoint toilets at the northwestern end of the beach were completed
- the library's airconditioning system was completed
- the Council's phone system was upgraded

Major items that did not proceed as planned were the upgrade of two water filters at the water treatment plant, the resealing of the airport runway and development of the airport facilities, upgrading of the waste handling facilities at Nursery Road, parking meter replacements, replacing the Dixon Street toilets and upgrading aspects of the town hall and district building offices.

## **Staff**

The Council has continued to be well served by its staff during the year. The organisation has found it a challenge to maintain full capacity and capability in the highly competitive employment environment where skills (particularly engineering) are in short supply. We express our appreciation to Council staff and the members of the management team, Manager of Assets and Operations, Kevin Montgomerie, Manager Finance, David Paris, and Manager Community Services, Jan Gerritsen. In particular we wish to acknowledge and thank Kevin, who left the Council's employment at the end of June 2008. During his more than 15 years with the Council, most of it in the senior asset management role, the Council has benefitted from his professional expertise, attention to detail and cautious approach which always put the interests of the organisation and ratepayers first. We wish him well in his new role at Wellington Airport.

## **Summary**

Through the 2007/08 year the Council has strived to deliver the work and outcomes that were set by the previous Council in the 2007/08 Annual Plan. The election of the new Council in October 2007 has seen new ideas and views brought to the Council table. The new Council has looked to come up to speed on the detail of the range of services and projects being delivered. We have looked to establish sound governance guidelines and begun working through a range of 'big picture' issues facing our District and region and will continue this work for incorporation of the draft LTCCP for 2009-19, to be consulted on in early 2009.

'Business as usual' is possibly the best way to describe the last 12 months. A number of projects have been completed, others have made progress and maintained their momentum and new projects have emerged and been addressed. Meanwhile, the organisation has continued to deliver the range of services that the residents of Masterton District rely on and have come to expect.



G E (Garry) Daniell  
Mayor



Wes ten Hove  
Chief Executive Officer

***MASTERTON DISTRICT COUNCIL***  
**STATEMENT OF COMPLIANCE AND RESPONSIBILITY**  
**FOR THE YEAR ENDING 30TH JUNE 2008**

**COMPLIANCE**

The Council and management of Masterton District Council certify that all the statutory requirements of the Local Government Act 2002 regarding financial management and borrowing have been complied with.

**RESPONSIBILITY**

The Council and management of Masterton District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

The Council and management of Masterton 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 reporting.

In the opinion of the Council and management of Masterton District Council, the annual Financial Statements for the year ended 30th June 2008 fairly reflect the financial position and operations of Masterton District Council.



.....  
G E Daniell  
Mayor



.....  
W ten Hove  
Chief Executive Officer



.....  
D E Paris  
Manager Finance

Date: 29<sup>th</sup> October 2008  
.....

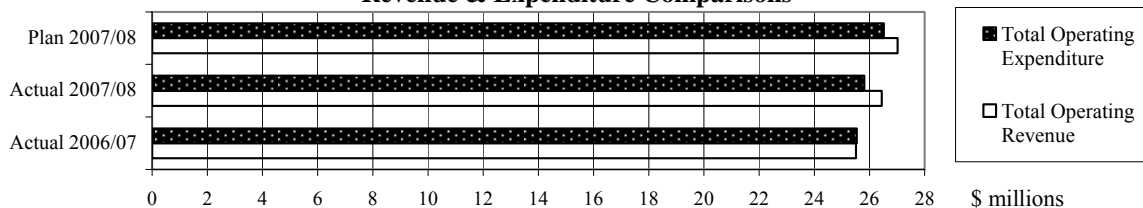
# MASTERTON DISTRICT COUNCIL

# FINANCIAL STATISTICS

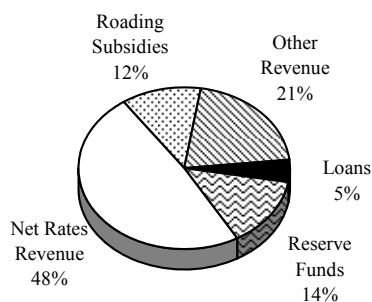
Last Year

2006/07		Actual 2007/08		Plan 2007/08	
\$ 33,601,495	<b>Total Expenditure (incl Capital items)</b>	<b>\$ 32,613,486</b>		<b>\$ 36,082,674</b>	
\$ 14,612,412	<b>Funded by:</b> Net Rates Revenue	<b>\$ 15,828,245</b>	48%	\$ 15,790,953	44%
\$ 3,853,884	Roading Subsidies	<b>\$ 3,985,640</b>	12%	\$ 4,051,101	11%
\$ 6,671,132	Other Revenue	<b>\$ 6,833,074</b>	21%	\$ 7,177,775	20%
\$ 5,252,415	Loans	<b>\$ 1,482,076</b>	5%	\$ 3,359,000	9%
\$ 3,211,652	Reserve Funds	<b>\$ 4,484,451</b>	14%	\$ 5,703,845	16%
\$ 33,601,495		<b>\$ 32,613,486</b>		<b>\$ 36,082,674</b>	

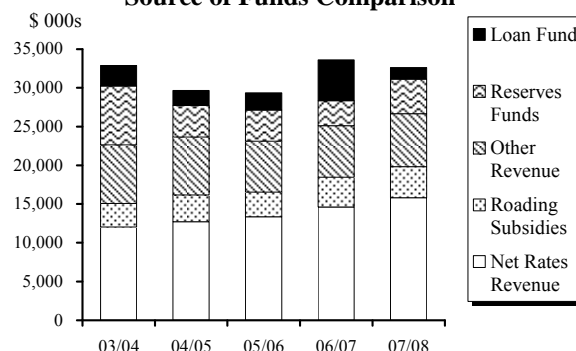
## Revenue & Expenditure Comparisons



## Source of Funds 2007/08

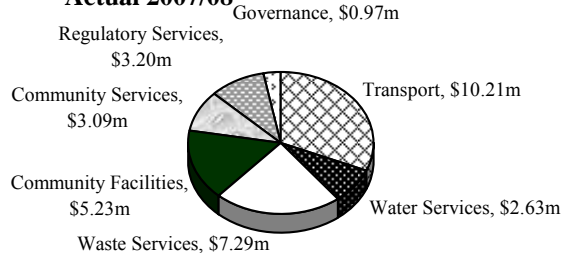


## Source of Funds Comparison

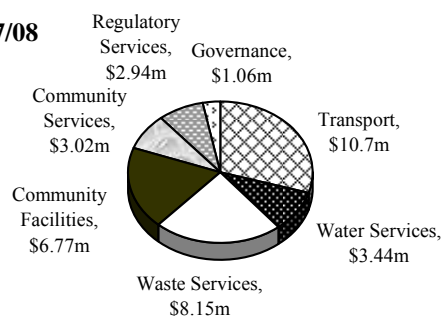


## Total Expenditure by Activity

### Actual 2007/08



### Plan 2007/08

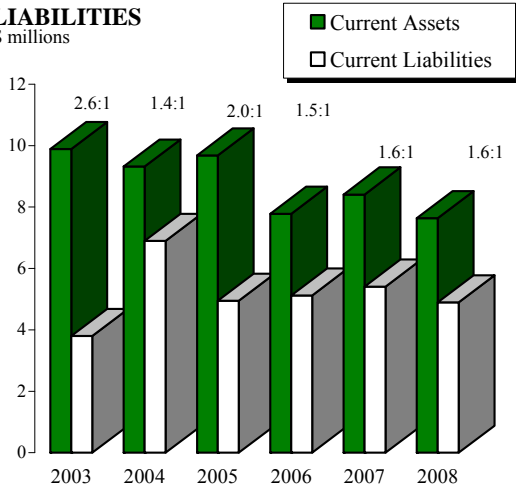


## Financial Ratios

	2005/06	2006/07	2007/08	Plan 07/08
Current Ratio	1.6	1.6	<b>1.6</b>	1.5
Liquidity Ratio	1.6	1.7	<b>1.7</b>	1.6
Long Term Debt (external) per rateable property	\$651	\$1,041	<b>\$1,112</b>	\$1,302
Long Term Debt (external) per capita	\$330	\$532	<b>\$575</b>	\$665
Interest costs as % of rates income	6.5%	7.4%	<b>9.5%</b>	9.1%
Debt servicing costs as % of rates income	11.2%	11.6%	<b>13.7%</b>	13.2%
Reserve Funds as % of rates income	101.9%	97.7%	<b>91.0%</b>	83.5%
Investments (external) as % of rates income	71.7%	66.9%	<b>66.2%</b>	63.0%
Rates receivable as % of rates levied	2.1%	1.1%	<b>0.7%</b>	2.0%

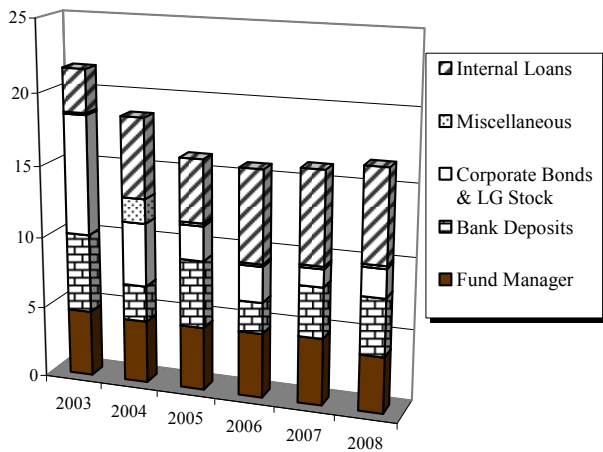
**CURRENT ASSETS TO CURRENT LIABILITIES**

**LIABILITIES**  
\$ millions

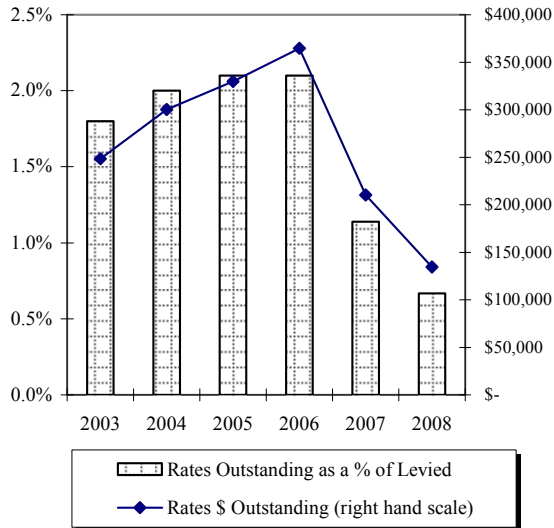


**INVESTMENTS**

\$ millions

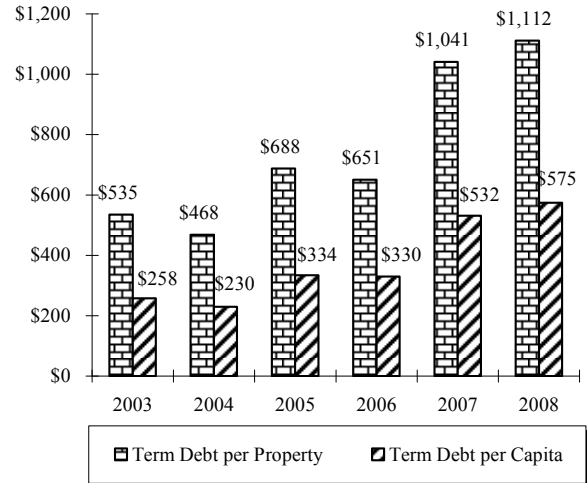


**RATES ARREARS**



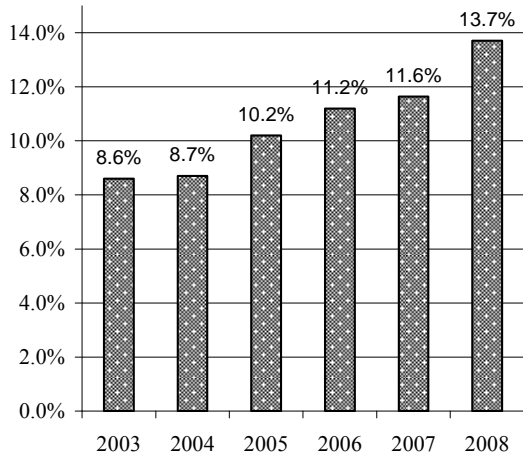
**TERM LIABILITIES (external)**

per Ratepayer and per Capita



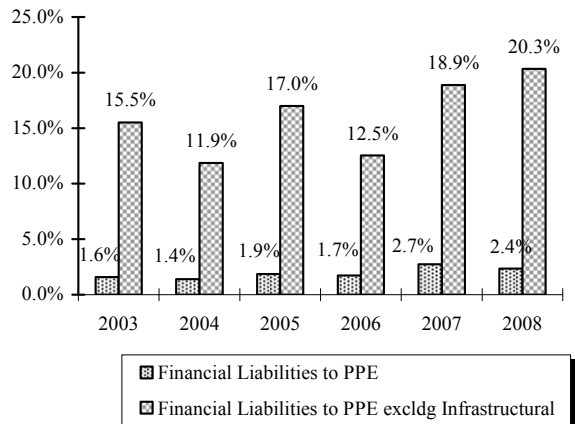
**DEBT SERVICING COST**

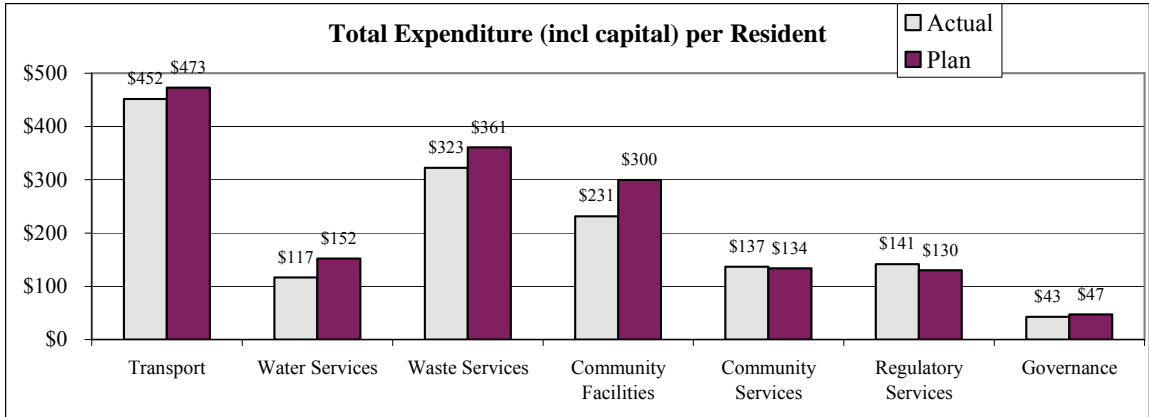
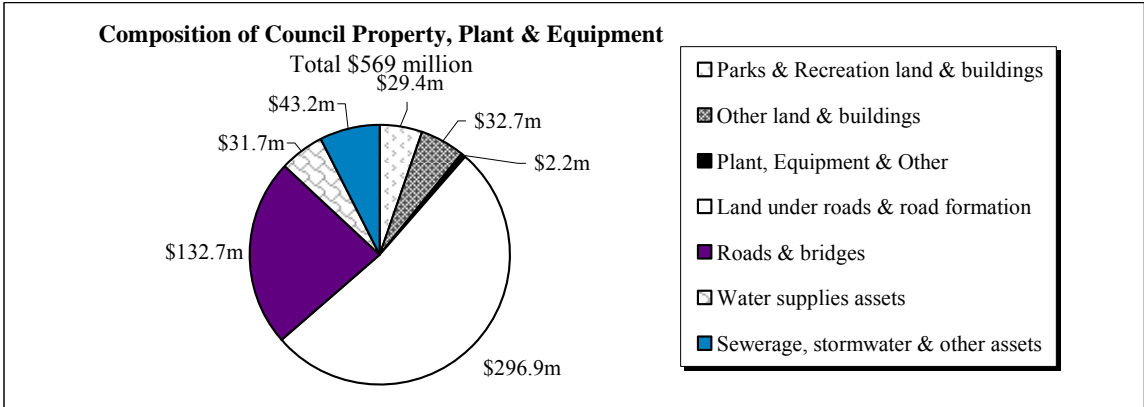
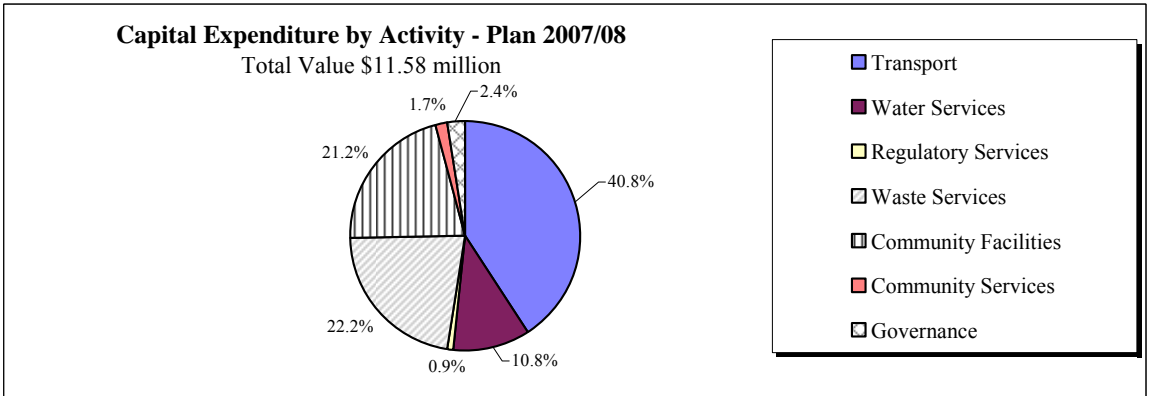
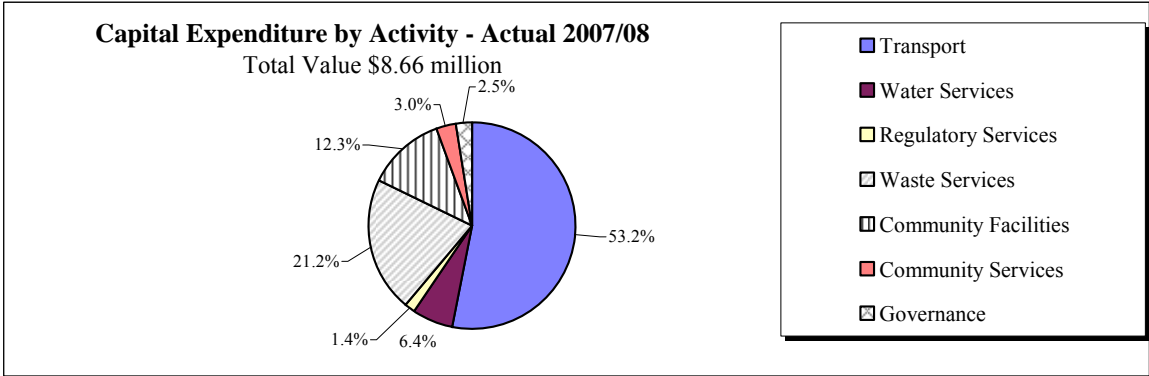
as a % of Rates Income



**FINANCIAL LIABILITIES (external)**

as a % of Property, Plant & Equipment





## STATEMENT OF RESOURCES

### Year Ended 30th June 2008

Masterton District Council provides a wide range of services to the residents, businesses and visitors to the area. In order to meet its objectives and provide the services required, the Council employs a large number of resources. Although some of these resources are valued within the Statement of Financial Position, in many cases the quantitative information is more meaningful.

This statement therefore tends to reflect in quantitative terms those resources the Council uses in its day-to-day activities in order to service the community.

#### Statistics

##### **Population (Census 2006)**

Masterton	Rural area	4,956	<u>Area</u>	229,500 ha
	Urban area	<u>17,664</u>		(urban area – 1,796 ha)
		<u>22,620</u>		

##### **District Rateable Valuations (June 2008)**

Land Value	Rural	\$1,597,170,000	Capital Value	Rural	\$2,244,400,000
	Urban	\$619,270,000		Urban	\$1,722,100,000

No. Rateable Properties (UAGCs)	Rural	3,602
	Urban	<u>8,095</u>
		11,697

#### **Staff**

	<u>Male</u>	<u>Female</u>	<u>Total</u>
Full time	33	32	65
Part time	8	17	25

##### **Water Reticulation (urban only)**

Storage capacity (megalitres)	12
Kaituna	9
Lansdowne	3
Length of watermains (kms)	160
Storage reservoirs and tanks (megalitres)	12
Hydrants	1,051
Valves	819
Peak daily demand (Mstn) (m <sup>3</sup> )	29,550
Water treatment plant at Kaituna	

##### **Sewage Reticulation (urban only)**

Length of sewers (kms)	132
Number of pumping stations	3
Number of manholes	1,760
Qty treated daily (average) (m <sup>3</sup> )	14,600

##### **Roading**

System length (kilometres)	801
Sealed	516
Metalled	285

##### **Buildings (owned)**

District Building (including offices, town hall, council chambers and meeting rooms)	
Rental houses	9
Retail outlets	0
Residential flats	86
Public halls	9
Library	1
Sports/recreation facilities	12
Off-street carparks	845
Fire stations	3
First aid post	1
Public toilets	13
Camping ground & cabins	24
Camping ground ancillary	5
Landfill buildings	6
Bentley Street ex-depot	1
Parks buildings	

##### **Vehicles**

Fleet number	24
Utilities/vans	9
Cars	8
Fire engines	7
Tractors	2

##### **Recreation Reserves**

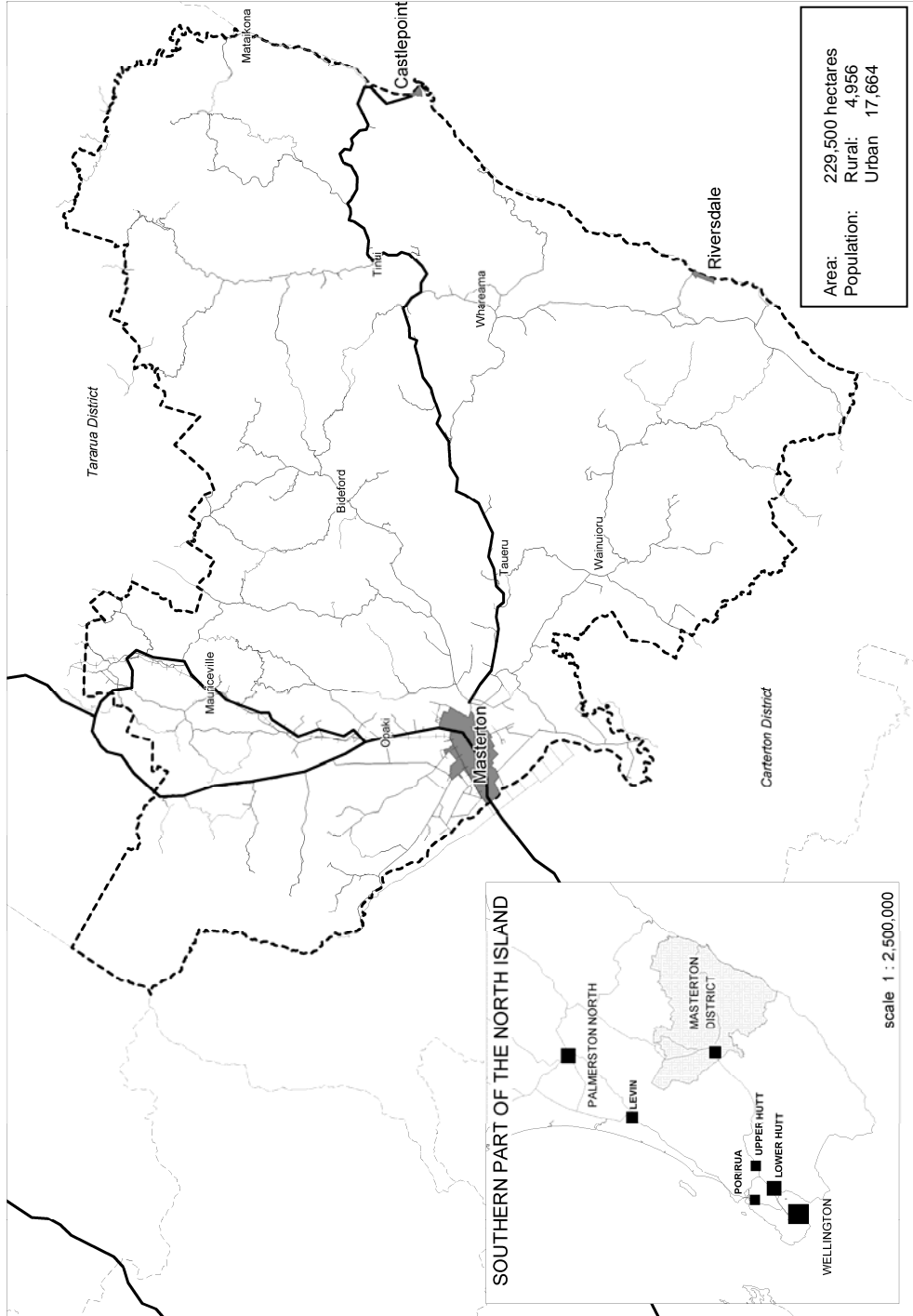
Total Area (hectares)	205
	<u>Urba</u> <u>Rural</u>
	<u>n</u>
Natural Bush	2    39
Beach Front esplanades	-    9
Nursery, cemeteries/sports grounds/formal gardens	54    5
Neighbourhood reserves	49    47

# MAP OF DISTRICT



## MASTERTON DISTRICT

SCALE 1 : 400,000



Area:	229,500 hectares
Population:	Rural: 4,956
	Urban: 17,664

