



**I hereby give notice that  
an Ordinary Meeting of Council will be held on:**

**Date:** Tuesday, 28 March 2017  
**Time:** 1.30pm  
**Location:** Council Chamber, Wairoa District Council,  
Coronation Square, Wairoa

# **AGENDA**

## **Ordinary Council Meeting**

**28 March 2017**

**Fergus Power  
Chief Executive Officer**

The agenda and associated papers are also available on our website: [www.wairoadc.govt.nz](http://www.wairoadc.govt.nz)

For further information please contact us 06 838 7309 or by email [info@wairoadc.govt.nz](mailto:info@wairoadc.govt.nz)



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- 1 KARAKIA**
- 2 APOLOGIES FOR ABSENCE**
- 3 DECLARATIONS OF CONFLICT OF INTEREST**
- 4 CHAIRPERSON'S ANNOUNCEMENTS**
- 5 LATE ITEMS OF URGENT BUSINESS**
- 6 PUBLIC PARTICIPATION**

A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 3 minutes per person is allowed.

**7 MINUTES OF THE PREVIOUS MEETING**

Ordinary Meeting - 14 February 2017

Extraordinary Meeting - 28 February 2017

Extraordinary Meeting - 14 March 2017

**COUNCIL MINUTES – FEBRUARY/MARCH 2017**

**Author:** James Baty, Corporate Services Manager

**Authoriser:** Fergus Power, Chief Executive Officer

- Appendices:**
1. Public Minutes of Council on 14 February 2017
  2. Public Minutes of Extraordinary Council on 28 February 2017
  3. Public Minutes of Extraordinary Council on 14 March 2017


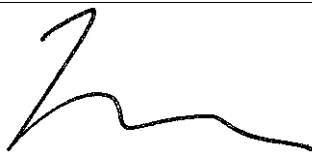
**1. PURPOSE**

- 1.1 For Council to confirm that the minutes of the aforementioned meetings are the true and correct record.

**RECOMMENDATION**

*That the minutes of the Ordinary Meeting of Council held on 14 February 2017 and the Extraordinary Meetings held on the 28 February 2017 and 14 March 2017 be confirmed as a true and correct record of the proceedings.*

**Signatories**

	
<p>James Baty Author</p>	<p>Fergus Power Approved by</p>

**MINUTES OF WAIROA DISTRICT COUNCIL  
ORDINARY COUNCIL MEETING  
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA  
ON TUESDAY, 14 FEBRUARY 2017 AT 1.30PM**

**PRESENT:** His Worship the Mayor Craig Little (Mayor), Cr Denise Eaglesome-Karekare (Deputy Mayor), Cr Hine Flood, Cr Michael (Mike) Bird, Cr Jeremy Harker, Cr Michael (Min) Johansen, Cr Charles (Charlie) Lambert, Mr Paul Kelly, Mr Kiwa Hammond

**IN ATTENDANCE:** F Power (CEO), Helen Montgomery (COO), Chris Hankey (ACFO), Jamie Cox (EM), James Baty (CSM), Kitea Tipuna (CS), Charlotte Knight (GAPS)

**1 KARAKIA**

Mr K Hammond

**2 APOLOGIES FOR ABSENCE**

Nil

**3 DECLARATIONS OF CONFLICT OF INTEREST**

Cr Harker declared a pecuniary interest on item 10.1

**4 CHAIRPERSON'S ANNOUNCEMENTS**

Nil

**5 LATE ITEMS OF URGENT BUSINESS**

Wairoa Wasterwater Consent Update

**6 PUBLIC PARTICIPATION**

A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 5 minutes per person is allowed.

**7 MINUTES OF THE PREVIOUS MEETING**

**8 GENERAL ITEMS**

**8.1 COUNCIL MINUTES - DECEMBER 2016 AND JANUARY 2017**

**RESOLUTION 2017/01**

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Hine Flood

*That the public and confidential minutes of the Ordinary Meeting of Council held on 6 December 2016 and the Extraordinary Meeting held on the 24 January 2017 be confirmed as a true and*

*correct record of the proceedings.*

**CARRIED**

## **8.2 COMMITTEE MEMBERSHIP AND REPRESENTATIVE ON TE MATAU A MAUI HEALTH TRUST**

### **RESOLUTION 2017/02**

Moved: Cr Denise Eaglesome-Karekare

Seconded: His Worship the Mayor Craig Little

*That Cr Charles Lambert be the Council's nominee for the Te Matau a Maui Health Trust*

**CARRIED**

### **RESOLUTION 2017/03**

Moved: Cr Hine Flood

Seconded: His Worship the Mayor Craig Little

*That remuneration options be investigated and reported back to Council for elected members that were members of external boards in their role as Councillors.*

**CARRIED**

### **RESOLUTION 2017/04**

Moved: Cr Hine Flood

Seconded: Cr Denise Eaglesome-Karekare

*That the following be appointed:*

*ED Committee: Crs Eaglesome-Karekare and Johansen; Mr P Kelly (MSC Representative)*

*FAR Committee: Crs Harker, Eaglesome-Karekare, and Flood; Mr Philip Jones (independent member)*

*MSC: Crs Harker and Lambert*

*That the terms of reference membership for the FAR Committee be amended to 3 councillors.*

**CARRIED**

## **8.3 LOCAL GOVERNANCE STATEMENT**

### **RESOLUTION 2017/05**

Moved: His Worship the Mayor Craig Little

Seconded: Cr Jeremy Harker

*That Council adopts the Local Governance Statement attached to the report as Appendix 1.*

**CARRIED**

**8.4 REVIEW OF POLICIES: GAMING VENUE AND BOARD VENUE****MOTION**

Moved: Cr Jeremy Harker

Seconded: His Worship the Mayor Craig Little

*That Council commence the special consultative procedure for the Board (T.A.B) Venue Policy, and the Class 4 Gaming Venue Policy*

**AMENDMENT**

Moved: Cr Michael (Min) Johansen

Seconded: Cr Denise Eaglesome-Karekare

*That more information be obtained for gaming machines on:*

- *DIA statistics: what goes into machines in Wairoa versus what is paid out to the Wairoa community in grants*
- *Summarised version of the social impact assessment is included in the consultation documentation with information about what Council can/could do in the policy*
- *DIA statistics – problem gambling funding for Wairoa*

**8.5 ANNUAL PLAN 2017/18 FRAMEWORK****RESOLUTION 2017/06**

Moved: Cr Jeremy Harker

Seconded: Cr Denise Eaglesome-Karekare

*That Council receive the report and approves the timetable for preparation of the 2017/18 Annual Plan.*

**CARRIED**

**8.6 CHIEF EXECUTIVE OFFICER'S MONTHLY REPORT****RESOLUTION 2017/07**

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Michael (Min) Johansen

*That Council receive the report.*

**CARRIED**

**LATE ITEMS**

**8.1 WAIROA WASTEWATER CONSENT UPDATE****ADJOURNED 3.02PM****RECONVENED 3.08PM****RESOLUTION 2017/08**

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Charles (Charlie) Lambert

*That Council receive the report.***CARRIED****ACTION:** Report to be forwarded to MSC**9 RECEIPT OF MINUTES FROM COMMITTEES/ACTION SHEETS**

Nil

**10 PUBLIC EXCLUDED ITEMS****RESOLUTION TO EXCLUDE THE PUBLIC****RESOLUTION 2017/09**

3.08pm

Moved: His Worship the Mayor Craig Little

Seconded: Cr Charles (Charlie) Lambert

That the public be excluded from the following parts of the proceedings of this meeting. That MSC members Mr K Hammond and Mr P Kelly be permitted to stay for the following parts of the meeting due to their knowledge.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<b>10.1 - QRS Director Vacancy - Panel recommendation for appointment</b>	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>10.2 - Wairoa District Heritage &amp; Museum Trust - Contract</b>	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out,	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting

	<p>without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<p><b>CARRIED</b></p>		

**RESOLUTION 2017/10**

Moved: His Worship the Mayor Craig Little  
 Seconded: Cr Jeremy Harker

*That Council moves out of Closed Council into Open Council at 3.38pm.*

**CARRIED**

Closing karakia: Mr K Hammond

**The Meeting closed at 3.38pm.**

**The minutes of this meeting were confirmed at the Ordinary Council Meeting held on 28 March 2017.**

.....  
**CHAIRPERSON**

**MINUTES OF WAIROA DISTRICT COUNCIL  
EXTRAORDINARY COUNCIL MEETING  
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA  
ON TUESDAY, 28 FEBRUARY 2017 AT 1PM**

**PRESENT:** Cr Denise Eaglesome-Karekare (Deputy Mayor), Cr Hine Flood, Cr Michael (Mike) Bird, Cr Jeremy Harker, Cr Michael (Min) Johansen, Mr Paul Kelly, Mr Kiwa Hammond

**IN ATTENDANCE:** F Power (CEO), Helen Montgomery (COO), Chris Hankey (ACFO), Jamie Cox (EM), James Baty (CSM), Kitea Tipuna (CS), Charlotte Knight (GAPS)

**1 KARAKIA**

Given by Chair of MSC – Mr Hammond.

**2 APOLOGIES FOR ABSENCE**

**APOLOGY**

**RESOLUTION 2017/11**

Moved: Cr Hine Flood

Seconded: Cr Jeremy Harker

That the apology received from His Worship the Mayor be accepted and leave of absence granted.

**CARRIED**

**3 DECLARATIONS OF CONFLICT OF INTEREST**

None.

**4 PUBLIC PARTICIPATION**

None.

**5 GENERAL ITEMS**

**5.1 TRIENNIAL AGREEMENT**

**RESOLUTION 2017/12**

Moved: Cr Jeremy Harker

Seconded: Cr Hine Flood

*That Council receive the report and adopt the Triennial Agreement attached as Appendix 1 with the exception of the 2 changes added by the HBRC without consultation with the other councils.*

**CARRIED**

Closing karakia by MSC Chair Mr Hammond.



The Meeting closed at 1.20 p.m.

The minutes of this meeting were confirmed at the Council Meeting held on 28 March 2017.

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**CHAIRPERSON**

**MINUTES OF WAIROA DISTRICT COUNCIL  
EXTRAORDINARY COUNCIL MEETING  
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA  
ON TUESDAY, 14 MARCH 2017 AT 1PM**

**PRESENT:** His Worship the Mayor Craig Little (Mayor), Cr Michael (Mike) Bird, Cr Jeremy Harker, Cr Michael (Min) Johansen, Cr Charles (Charlie) Lambert, Mr Paul Kelly, Mr Kiwa Hammond

**IN ATTENDANCE:** Mr F Power (WDC Chief Executive Officer)  
Mr J Baty (WDC's Corporate Manager)  
M K Tipuna (WDC's Economic Development & Engagement Manager)

**1 KARAKIA**

The karakia was given by Councillor C Lambert.

**2 APOLOGIES FOR ABSENCE**

**APOLOGY**

**RESOLUTION**

Moved: Cr Michael (Mike) Bird

Seconded: Cr Jeremy Harker

That the apology received from Cr Eaglesome-Karekare be accepted and leave of absence granted.

**CARRIED**

**3 DECLARATIONS OF CONFLICT OF INTEREST**

None

**4. CHAIRMAN'S ANNOUNCEMENT**

None

**5. ITEMS OF URGENT BUSINESS NOT ON THE AGENDA**

Delegations – Warrant to Act

**5 PUBLIC PARTICIPATION**

None.

**4 GENERAL ITEMS**

**5.1 EASTER TRADING POLICY PROPOSAL**

In Favour: Crs Craig Little and Jeremy Harker

Against: Cr Michael (Mike) Bird

Abstained: Crs Michael (Min) Johansen, Charles (Charlie) Lambert, Paul Kelly and Kiwa Hammond

**RESOLVED:**

*That Council:*

1. *Receives the report.*
2. *Adopt a policy that allows trading across the entire district*

**5.2 LATE ITEM - DELEGATIONS - WARRANT TO ACT**

**RESOLVED:**

1. *The report be received.*
2. *The delegations and appointments as scheduled in the Schedule of Delegations be approved with immediate effect:*

***Bird/Harker***

**CARRIED**

<b>NAME</b>	<b>DELEGATION/AUTHORITY</b>
Fergus Power	1. The Council delegates to Fergus Power (Chief Executive) all its powers that it is lawfully able to delegate in relation to its status as the lawful occupier of any Council land (including local roads). This includes, for the avoidance of doubt, the Council's power to authorise an employee or other person to act under the authority of the Council in terms of the Trespass Act 1980.

The meeting closed at 1.45pm with a closing karakia by Councillor C Lambert

.....  
**CHAIRPERSON**

## 8 GENERAL ITEMS

### 8.1 QRS SIX MONTHLY FINANCIAL STATEMENTS

**Author:** Christopher Hankey, Acting Chief Financial Officer

**Authoriser:** Fergus Power, Chief Executive Officer

**Appendices:** 1. QRS Six Monthly Financial Statements to 31 December 2016

#### 1. PURPOSE

- 1.1 This report provides information for Council on the six monthly financial statements and results for QRS. No decisions are required by Council at this stage.

#### RECOMMENDATION

*The Acting Chief Financial Officer RECOMMENDS that Council receive the report.*

#### 2. BACKGROUND

- 2.1 This is a regular report provided to Council by QRS and provides details on the financial performance and financial position of the company for the period ending 31 December 2016, along with comparative figures for the same period last year.
- 2.2 QRS is 100% owned by the Wairoa District Council and by virtue of that shareholding, QRS is a Council Controlled Organisation (CCO). Notwithstanding the above, the Management and Operations of QRS are independent of Council.
- 2.3 The Wairoa District Council equity ("shareholder funds") in QRS as at 31 December 2016 totalled \$5.9m (31 Dec 2015 \$5.9M). This includes an initial Wairoa District Council investment of \$1.25m with the balance being made up of retained earnings.

#### 3. SUMMARY OF THE STATEMENTS

- 3.1 The QRS report for the six months ending 31 December 2016 is attached at Appendix 1. The Results of the report in comparison to the Statement of Intent targets are:

Analysis Point	Six Months to 31 Dec 16	Six Months to 31 Dec 15	12 Months to 30 Jun 16	Statement of Intent Target
Revenue	\$5.6M	\$5.2M	12.1M	
Gross Profit Margin	73%	73%	63%	
Pre-Tax Profit	\$2,854	\$229,629	\$427,477	
Pre-Tax Profit as a % of opening shareholder funds	0.05%	3.98%	7.4%	7% (Annual)
Staff Employed Full Time Permanent	98	94	97	>60
Debt Servicing costs Less than 20% of Revenue	0.84%	0.99%	0.83%	<20%
Gearing – Shareholders Funds to	62.8%	65.6%	63.24%	>45%

Assets not less than 45%				
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**4. OTHER POINTS OF NOTE**

- 4.1 For the full year ending 30 June 2016 QRS achieved the Pre-Tax Profit as a Percentage of Opening Shareholders Funds target of 7% at 7.14%. The latest six monthly position indicates that a return of only 3.98% has been achieved.
- 4.2 An interim cash dividend of \$50,000 (31 December 2015: \$50,000) has been declared and paid. This brings the total cash dividend received this financial year to \$140,000 (Financial Year 30 June 2016: \$50,000).
- 4.3 There has been significant investment in property, plant and equipment over the period of \$861,142 (31 December 2016 \$339,260).

**5. CONCLUSION**

- 5.1 The Chairman’s report states that this period of trading has been difficult for QRS and that they are behind their projected budget for the year.
- 5.2 Two significant contracts have been reported that are likely to provide financial benefit over the balance of this financial year:
  - 5.2.1. Rollover of the WDC Network Maintenance Contract; and
  - 5.2.2. Securing a sub-contract role with Higgins Contractors on their Network Outcomes Contract.
- 5.3 It is recommended that Council Receive this report.

**Signatories**

	
Christopher Hankey Author	Fergus Power Approved by



# **SIX MONTHLY REPORT**

**For the Period Ended 31 December 2016**



QUALITY ROADING AND SERVICES (WAIROA) LIMITED

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**QUALITY ROADING AND SERVICES (WAIROA) LIMITED**

**DIRECTORY**

**Directors**

Mr Chris Torrie (Chairman until December 2016)  
Mr Guy Gaddum (Elected Chairman December 2016)  
Mrs Wendie Harvey  
Mr Ian Redshaw

**Registered Office**

Kaimoana Road  
Wairoa

**Postal Address**

P O Box 83  
Wairoa

Phone: (06) 838 9030

Fax: (06) 838 9049

**Auditor**

Stuart Mutch of Ernst & Young on behalf of the Office of the Auditor General

**Bankers**

ANZ Banking Group  
Wairoa

**Solicitors**

Mr Ian McDonald  
Wairoa



## Chairman's Six Month Report 2016

For the six-month period to December 2016

The QRS Directors declare a pre-tax profit of \$3,000 which is behind projected budget for the first six months of the 2017 financial year (2016: \$230,000).

The Company has reported revenue to 31 December 2016 of \$5,600,000 incurring expenses of \$5,597,000.

	31/12/14	31/12/15	31/12/16
REVENUE	5,500,000	5,200,000	5,600,000
EXPENSES	6,620,000	4,970,000	5,597,000
SURPLUS/(DEFICIT)	(120,000)	230,000	3,000

While the first six months of the year have been financially challenging for the company in a very competitive market, QRS has been positioning itself well for the balance of the financial year.

Highlights have been the 2 year rollover in our important 13/02 contract with the WDC and the securing of a significant sub-contract role with Higgins Contractors on their NOC (Network Outcomes Contract).

We have seen significant improvements in staff culture which is flowing through to our Health and Safety statistics where incidents and the severity of incidents continue to decline.

Current staff levels are 104 (2015: 99), with 94% on full time permanent contracts.

The Directors have resolved to pay an interim dividend of \$50,000 (2015: \$50,000) for the six month period.

The Directors thank CEO Mark Browne and the QRS team for their dedication to the company and our clients.



Guy Gaddum  
Chairman  
Quality Roding and Services (Wairoa) Limited  
28 February 2017

QUALITY ROADING AND SERVICES (WAIROA) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016



	Notes	6 mths to 31/12/2016	6 mths to 31/12/2015	12 mths to 30/06/2016
Revenue		5,615,488	5,245,702	12,062,161
Cost of Sales		1,522,457	1,380,840	4,455,611
<b>Gross Profit</b>		<b>4,093,031</b>	<b>3,864,862</b>	<b>7,606,548</b>
Personnel Expenses	2	2,940,816	2,765,018	5,424,788
Depreciation Expense	12	468,617	438,278	922,976
Administrative Expenses		567,575	476,001	529,288
Other Operating Expenses	1	65,553	59,616	201,802
		4,042,561	3,738,913	7,078,854
<b>Operating Profit Before Financing Costs</b>		<b>50,470</b>	<b>281,593</b>	<b>527,694</b>
Financing Income		1,092	2,117	4,309
Financing Expenses		(48,708)	(54,081)	(104,526)
<b>Net Financing Costs</b>		<b>(47,616)</b>	<b>(51,964)</b>	<b>(100,217)</b>
<b>Profit/(Loss) Before Tax</b>		<b>2,854</b>	<b>229,629</b>	<b>427,477</b>
Income Tax Expense	9	(799)	(64,296)	(119,796)
<b>Profit/(Loss) For The Period</b>		<b>2,055</b>	<b>165,333</b>	<b>307,681</b>
<b>Other Comprehensive Income</b>				
<b>Total Comprehensive Income/(Loss) for the Period</b>		<b>2,055</b>	<b>165,333</b>	<b>307,681</b>

The accompanying accounting policies and notes form part of these financial statements.

QUALITY ROADING AND SERVICES (WAIROA) LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016



	Notes	6 mths to 31/12/2016	6 mths to 31/12/2015	12 mths to 30/06/2016
EQUITY AT BEGINNING OF THE YEAR		6,020,747	5,763,066	5,763,066
Profit for the period		2,055	165,333	307,687
Total recognised revenues and expenses for the period		2,055	165,333	307,687
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	-	-
Transactions with owners in their capacity as owners:		-	-	-
Dividends Paid	11	(90,000)	-	(50,000)
EQUITY AT THE END OF THE PERIOD		5,932,802	5,928,399	6,020,747

*The accompanying accounting policies and notes form part of these financial statements.*

QUALITY ROADING AND SERVICES (WAIROA) LIMITED  
STATEMENT OF FINANCIAL POSITION  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016



	Notes	6 mths to 31/12/2016	6 mths to 31/12/2015	12 mths to 30/06/2016
<b>ASSETS:</b>				
<b>Current Assets</b>				
Bank		525,136	936,471	1,141,396
Trade and Other Receivables	5	2,071,692	1,970,516	2,006,883
Taxation Refundable		28,993	622	1,339,503
Inventories	4	1,433,711	1,294,388	-
<b>Total Current Assets</b>		<b>4,059,532</b>	<b>4,201,997</b>	<b>4,487,782</b>
<b>Non Current Assets</b>				
Deferred Tax	9	292,907	255,796	292,907
Intangible Assets	12	291,458	104,150	210,740
Property, Plant and Equipment	13	4,809,188	4,463,653	4,529,149
<b>Total Non Current Assets</b>		<b>5,393,553</b>	<b>4,823,599</b>	<b>5,032,796</b>
<b>TOTAL ASSETS</b>		<b>9,453,085</b>	<b>9,025,596</b>	<b>9,520,578</b>
<b>EQUITY:</b>				
Share Capital	10	1,250,000	1,250,000	1,250,000
Retained Earnings	10	4,682,802	4,678,399	4,770,747
<b>TOTAL EQUITY</b>		<b>5,932,802</b>	<b>5,928,399</b>	<b>6,020,747</b>
<b>LIABILITIES:</b>				
<b>Current Liabilities</b>				
GST Payable		112,492	147,640	36,277
Trade and Other Payables	6	830,411	794,366	1,063,213
Employee Benefits	8	628,051	488,766	617,992
Interest-Bearing Loans and Borrowings	7	802,586	787,320	754,825
Taxation Payable		-	-	26,334
<b>Total Current Liabilities</b>		<b>2,373,540</b>	<b>2,218,092</b>	<b>2,498,641</b>
<b>Non Current Liabilities</b>				
Employee Benefits	8	68,001	67,084	62,883
Quarry Aftercare Provision	14	156,814	148,849	154,943
Interest-Bearing Loans and Borrowings	7	921,928	663,172	783,364
<b>Total Non Current Liabilities</b>		<b>1,146,743</b>	<b>879,105</b>	<b>1,001,190</b>
<b>TOTAL LIABILITIES</b>		<b>3,520,283</b>	<b>3,097,197</b>	<b>3,499,831</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,453,085</b>	<b>9,025,596</b>	<b>9,520,578</b>

For and on behalf of the Board, who authorised the issue of these financial statements on 28th February 2016

Director

Director

The accompanying accounting policies and notes form part of these financial statements.

QUALITY ROADING AND SERVICES (WAIROA) LIMITED  
STATEMENT OF CASH FLOW  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016



	Notes	6 mths to 31/12/2016	6 mths to 31/12/2015	12 mths to 30/06/2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash was provided from:				
Receipts from Customers		5,550,679	5,817,167	12,597,259
Financing Income		1,092	2,117	4,309
		<u>5,551,771</u>	<u>5,819,284</u>	<u>12,601,568</u>
Cash was disbursed to:				
Payments to Suppliers		2,456,389	2,686,366	5,943,350
Payments to Employees		2,889,891	2,716,902	5,293,236
Taxes Paid		56,126	(48,579)	17,076
Financing Expense		48,708	54,081	104,526
		<u>5,451,114</u>	<u>5,408,770</u>	<u>11,358,188</u>
Net Cash Inflow/(Outflow) from Operating Activities	13	<u>100,657</u>	<u>410,514</u>	<u>1,243,380</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash was provided from:				
Proceeds from Sale of Property, Plant and Equipment		47,900	73,848	85,849
		<u>47,900</u>	<u>73,848</u>	<u>85,849</u>
Cash was applied to:				
Purchase of Property, Plant and Equipment		761,881	339,260	893,922
Purchase of Intangibles		99,261	-	122,977
		<u>861,142</u>	<u>339,260</u>	<u>1,016,899</u>
Net cash Inflow/(Outflow) from Investing Activities		<u>(813,242)</u>	<u>(265,412)</u>	<u>(931,050)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash was provided from:				
Loans and Borrowings		564,801	325,453	650,736
		<u>564,801</u>	<u>325,453</u>	<u>650,736</u>
Cash was applied to:				
Payment of Dividends		90,000	-	50,000
Loans and Borrowings		378,476	294,354	531,940
		<u>468,476</u>	<u>294,354</u>	<u>581,940</u>
Net Cash Inflow/(Outflow) from Financing Activities		<u>96,325</u>	<u>31,099</u>	<u>68,796</u>
Net Increase / (Decrease) in Cash Held		<u>(616,260)</u>	<u>176,201</u>	<u>381,126</u>
Add Opening Cash and Cash Equivalents		1,141,396	760,270	760,270
Closing Cash and Cash Equivalents		<u>525,136</u>	<u>936,471</u>	<u>1,141,396</u>
Cash Balances in the Statement of Financial Position				
Cash / (Overdraft)		525,136	936,471	1,141,396
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<u>525,136</u>	<u>936,471</u>	<u>1,141,396</u>

The accompanying accounting policies and notes form part of these financial statements.

**QUALITY ROADING AND SERVICES (WAIROA) LIMITED  
STATEMENT OF ACCOUNTING POLICIES  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016**



### Reporting Entity

Quality Roding and Services (Wairoa) Limited ("QRS") is incorporated and domiciled in NZ and is wholly owned by the Wairoa District Council. The Company is a Council Controlled Trading Organisation as defined in Section 6 of the Local Government Act 2002.

The principal activities for the company are Roding Maintenance and Construction, Reserves Maintenance, Quarrying, Heavy Transport, Civil Construction, Lime Production and Utility Services within the Wairoa District and wider East Coast Region.

### Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and the requirements of the Companies Act 1993, Financial Reporting Act 2013 and the Local Government Act 2002. The financial statements have also been prepared on a historical cost basis except where specifically provided for within these financial statements. The financial statements are presented in New Zealand dollars.

### Statement of compliance

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to IFRSs and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities in tier 2 (NZ IFRS RDR).

The company is eligible to report in accordance with Tier 2 for profit accounting standards on the basis that it does not have public accountability and is not a large for profit public sector entity.

### Accounting Policies

The following particular accounting policies which materially affect the measurement of results and financial position have been applied.

#### a) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Specifically, revenue on contracts is recognised progressively over the period of each contract. The amount included in the Statement of Comprehensive Income, and the value of the contract work in progress, are established by assessment of individual contracts taking into account the proportion of work completed, cost analysis and estimated final results.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

#### b) Expenses

Expenses shown in the Statement of Comprehensive Income comprise the amounts paid and payable by the Company for completed contracts for the supply from suppliers of goods and services in the ordinary course of business.

#### c) Borrowing costs

Borrowing costs are recognised as an expense when incurred.



QUALITY ROADING AND SERVICES (WAIROA) LIMITED  
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016



d) **Goods and Services Tax**

The Financial Statements have been prepared exclusive of goods and services tax (GST) with the exception of receivables and payables which are stated with GST included. Where GST is irrecoverable as an input tax, it is recognised as part of the related asset or expense.

e) **Employee Benefits**

Provision is made in respect of the Company's liability for annual leave, sick leave, long service leave and retirement gratuities.

The provision for sick leave is based on the additional amount that the company expects to pay as a result of the unused entitlement that has accumulated at balance date.

The provision for gratuities is based on the number of weeks the employee will be paid at retirement, the expected pay rate along with the probability of the employee still being employed by QRS at retirement age.

The provision for long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

Expected future payments for gratuities and long service leave are discounted using market yields at the reporting date.

Defined Contribution Pension Plan obligations are recognised as an expense in the Statement of Comprehensive Income as incurred.

f) **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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 material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

While discounting is used, the increase in the provision due to the passage of time is recognised as a financing cost.

g) **Taxation**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

QUALITY ROADING AND SERVICES (WAIROA) LIMITED  
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016



The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

**h) Accounts Receivable**

Accounts Receivable are recognised initially at fair value and subsequently at amortised cost less an allowance for any uncollectable amounts.

An estimate for doubtful debts is made when collection of the amount is no longer probable. Bad debts are written off when identified.

**i) 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.

**j) Inventories**

Inventories are valued on the basis of the lower of cost, determined on a first-in, first-out basis, and net realisable value.

**k) Property, Plant and Equipment**

Property, Plant and Equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the property plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred. There are six classes of Property, Plant and Equipment:

- a.) Freehold Land
- b.) Quarries
- c.) Freehold Buildings
- d.) Plant, Equipment and Motor Vehicles
- e.) Office Equipment and Furniture
- f.) Computer Hardware

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.



QUALITY ROADING AND SERVICES (WAIROA) LIMITED  
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016



If any such indication exists where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

Impairment losses are recognised in the Income Statement in other operating expenses.

#### l) Depreciation

Depreciation is calculated to allocate the cost less estimated residual value of property, plant and equipment over their estimated useful lives.

Depreciation is provided on a straight line basis on Freehold Buildings and Quarries. Freehold Land is not depreciated.

Plant, Equipment and Motor Vehicles, Office Equipment and Furniture, and Computer Hardware are depreciated using the diminishing value method

The rates for major classes of assets have been estimated as follows:

a.) Quarries:	(3.3 % Straight Line)
b.) Freehold Buildings	(3.3 % Straight Line)
c.) Plant, Equipment & Motor Vehicles	(20 % Diminishing Value)
d.) Office Equipment and Furniture	(20 % Diminishing Value)
e.) Computer Hardware	(48 % Diminishing Value)

Depreciation is calculated on a monthly basis from the date of acquisition. The assets useful lives, residual values and depreciation method are reviewed at least every financial year.

#### m) Intangible Assets

Intangible assets acquired separately are capitalised at cost. Following initial recognition, the cost model is applied to all classes of intangible assets.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

The amortisation of the software class of intangible assets has been estimated at 20%-48% diminishing value, depending on the nature of the software.

QUALITY ROADING AND SERVICES (WAIROA) LIMITED  
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2016



n) **Statement of Cash Flows**

Operating activities include cash received from all income sources of the Company and records the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of the Company.

o) **Interest-Bearing Loans and Borrowings**

All loans and borrowings are initially recognised at fair value net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

p) **Trade and Other Payables**

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the end of the financial year that are unpaid and arise when QRS becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

g) **Financial Instruments**

Financial instruments are recognised in the Balance Sheet when QRS becomes party to a financial contract. They include cash balances, bank overdrafts, receivables, payables and term borrowings. All revenues and expenses in relation to the financial instruments are recognised in the Income Statement.

r) **Leases**

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating surplus in equal instalments over the lease term.

s) **Significant Accounting Judgements, Estimates and Assumptions**

**Quarry Aftercare Make good provisions**

A provision has been made for the present value of anticipated costs of future restoration of quarry sites. The provision includes future cost estimates associated with quarry aftercare. The calculation of this provision requires assumptions such as application of environmental legislation and life of metal extraction from each quarry site. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting both the expense or asset (if applicable) and provision.

t) **New Accounting Standards and Interpretations**

The accounting policies adopted are consistent with those in the previous financial year except for changes arising due to the first time adoption of NZ IFRS RDR, as detailed in note (v). The company has elected not to early adopt any new standards or interpretations, which have been issued but are not yet effective. There are no new or revised standards that had a material impact on the financial statements.

QUALITY ROADING AND SERVICES (WAIROA) LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (Unaudited)  
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2016



	6 mnths to 31/12/2016	6 mnths to 31/12/2015	12 mnths to 30/06/2016
<b>OTHER OPERATING EXPENSES</b>			
Auditors remuneration	29,759	26,661	61,830
Directors fees	41,921	42,209	111,580
Impairment of trade receivables (bad and doubtful debts)	-	1,552	13,540
Loss on disposal of property plant and equipment	4,078	24	1,407
Gain on disposal of property plant and equipment	(38,752)	(40,480)	(49,397)
Amortisation of intangibles	18,543	14,042	30,430
lease payments - operating lease	5,272	5,373	12,530
- rental costs	4,732	10,235	19,882
	<b>65,553</b>	<b>59,616</b>	<b>201,802</b>
<b>PERSONNEL EXPENSES</b>			
Wages and salaries	2,889,891	2,716,902	5,293,236
Liability for long-service leave	(658)	(3,536)	4,690
Liability for sick leave	9,073	5,233	15,891
Liability for gratuities	(32,445)	(16,720)	(15,845)
Contribution to defined contribution plans	74,955	63,138	126,816
	<b>2,940,816</b>	<b>2,765,018</b>	<b>5,424,788</b>
<b>OPERATING LEASES</b>			
<b>Leases as lessee</b>			
Non-cancellable operating lease rentals are payable as follows:			
Not later than one year	9,413	12,752	13,447
Later than one year and not later than five years	448	1,344	4,481
	<b>9,861</b>	<b>14,096</b>	<b>17,928</b>
<b>INVENTORIES</b>			
Metal Stocks	626,117	761,446	709,883
Other Supplies	100,359	86,787	106,437
Work in Progress	707,235	446,155	523,183
	<b>1,433,711</b>	<b>1,294,388</b>	<b>1,339,503</b>
Some inventories are subject to retention of title clauses. Work in progress is held at cost.			
<b>TRADE AND OTHER RECEIVABLES</b>			
Trade Debtors	1,016,884	683,576	802,513
Wairoa District Council	566,804	777,782	792,411
Provision for Doubtful Debts	(3,609)	(1,552)	(3,609)
Tender Deposits	0	-	-
Retentions	404,325	385,799	392,693
Prepayments	87,288	124,911	22,875
	<b>2,071,692</b>	<b>1,970,516</b>	<b>2,006,883</b>
<b>TRADE AND OTHER PAYABLES</b>			
Trade Creditors	510,749	587,633	771,273
Other	319,662	206,733	291,940
	<b>830,411</b>	<b>794,366</b>	<b>1,063,213</b>

QUALITY ROADING AND SERVICES (WAIROA) LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (Unaudited)  
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2016



	6 mnths to 31/12/2016	6 mnths to 31/12/2015	12 mnths to 30/06/2016
<b>INTEREST BEARING LOANS AND BORROWINGS</b>			
UDC Term Loan	986,720	414,232	651,259
Less Current portion	(318,667)	(128,904)	(183,318)
	<u>668,053</u>	<u>285,328</u>	<u>467,941</u>
<b>Interest Rate</b>			
UDC Term Loan	6.00%	6.25%	6.20%
UDC Current Account	357,730	537,730	447,730
Less Current Portion	(357,730)	(537,730)	(447,730)
	<u>-</u>	<u>-</u>	<u>-</u>
Porter Finance Limited	175,665	196,596	186,648
Less Current Portion	(25,581)	(20,931)	(23,169)
	<u>150,084</u>	<u>175,665</u>	<u>163,479</u>
<b>Interest Rate</b>			
Porter Finance Loan	11.00%	11.00%	11.00%
ANZ Term Loan	204,400	301,934	252,552
Less Current portion	(100,609)	(99,755)	(100,608)
	<u>103,791</u>	<u>202,179</u>	<u>151,944</u>
<b>Interest Rate</b>			
ANZ Term Loan	6.47%	6.47%	6.47%
<b>Made up of:</b>			
Current	802,586	787,320	754,825
Non-Current	921,928	663,172	783,364
	<u>1,724,514</u>	<u>1,450,492</u>	<u>1,538,189</u>
<b>EMPLOYEE BENEFITS</b>			
Long-service Leave	30,112	30,770	25,694
Annual Leave	399,073	357,688	366,471
Sick Leave	19,126	10,053	20,711
Gratuities	37,889	70,334	71,209
Time In Lieu	66,287	62,891	103,581
Accrued Pay	143,565	24,114	93,209
	<u>696,052</u>	<u>555,850</u>	<u>680,875</u>
<b>Made up of:-</b>			
Current	628,051	488,766	617,992
Non-current	68,001	67,084	62,883
	<u>696,052</u>	<u>555,850</u>	<u>680,875</u>

QUALITY ROADING AND SERVICES (WAIROA) LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (Unaudited)  
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2016



	6 mths to 31/12/2016	6 mths to 31/12/2015	12 mths to 30/06/2016
<b>1 TAXATION</b>			
Profit/(Deficit) before taxation	2,854	229,629	427,477
Prima facie taxation 28%	799	64,296	119,693
Plus taxation effect of permanent differences:			
- Non deductible expenses		-	103
	799	64,296	119,796
Income tax expense at effective tax rate of 28%			
<b>Major components of taxation expense are:</b>			
Current taxation			162,877
Deferred taxation			
Origination and reversal of temporary differences	-	-	43,081
Recognised tax losses	-	-	-
			119,796
<b>Imputation Credit Account:</b>			
<b>2 EQUITY</b>			
<b>(a) Share Capital</b>			
Opening balance	1,250,000	1,250,000	1,250,000
Closing Balance	1,250,000	1,250,000	1,250,000
At 31 December the company had issued 1,250,000 shares which are fully paid. All shares carry equal voting rights and the right to share in any surplus on winding up the company. None of the shares carry fixed dividend rights. The shares do not have a par value.			
<b>(b) Retained Earnings</b>			
Retained earnings at 1 July	4,770,747	4,513,066	4,513,066
Net operating surplus/deficit	2,055	165,333	307,681
Final Dividend	(90,000)	-	(50,000)
Interim Dividend	-	-	-
Retained earnings at 31 December	4,682,802	4,678,399	4,770,747
<b>3 BANK FACILITY</b>			
A bank facility is available at the ANZ Bank, and is secured by a fixed and floating charge over the company's assets. The facility available totals \$200,000 (2016: \$200,000). The current interest rate is 6.95% (2016: 6.95%).			
<b>4 INTANGIBLE ASSETS</b>			
<b>Software</b>			
Balance at 1 July	470,035	446,595	446,595
Additions	198,798		23,440
Disposals			-
Balance at 31 December	668,833	446,595	470,035
<b>Amortisation and Impairment Losses</b>			
Balance at 1 July	358,832	328,403	328,403
Amortisation for the year	18,543	14,042	30,429
Disposals			
Balance at 31 December	377,375	342,445	358,832
<b>Carrying Amounts</b>			
At 1 July	111,202	118,192	118,192
At 31 December	291,458	104,150	111,202



QUALITY ROADING AND SERVICES (WAIROA) LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (Unaudited)  
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2016



## 3 PROPERTY, PLANT AND EQUIPMENT

6 mths to 31/12/16

Cost	Land	Quarries	Buildings	Plant & Machinery	Fixtures, fittings & equipment	Computer Hardware	Total
Balance at 1 July	286,719	12,223	519,130	12,866,914	522,072	409,821	14,616,879
Additions			6,270	737,479	22,185	19,835	785,769
Disposals				(187,840)	(5,932)		(193,772)
Balance at 31 December	286,719	12,223	525,400	13,416,553	538,325	429,656	15,208,876
<b>Depreciation and Impairment Losses</b>							
Balance at 1 July	-	8,879	303,816	9,239,356	216,038	319,642	10,087,731
Depreciation for the year		202	8,002	406,840	32,017	21,556	468,617
Disposals	-			(178,437)	2,109		(180,546)
Balance at 31 December	-	9,081	311,818	9,239,356	245,946	341,198	10,147,399
<b>Carrying Amounts</b>							
At 1 July	286,719	3,344	215,314	3,627,557	306,034	90,181	4,529,149
At 31 December	286,719	3,148	213,582	3,924,903	292,377	88,459	4,809,188

6 mths to 31/12/15

Cost	Land	Quarries	Buildings	Plant & Machinery	Fixtures, fittings & equipment	Computer Hardware	Total
Balance at 1 July	266,240	12,223	519,130	12,571,547	436,183	327,613	14,132,936
Additions				308,765	26,044	4,452	339,261
Disposals				(341,950)			(341,950)
Balance at 31 December	266,240	12,223	519,130	12,538,362	462,227	332,065	14,130,247
<b>Depreciation and Impairment Losses</b>							
Balance at 1 July	-	8,473	288,293	8,797,726	151,970	290,411	9,536,873
Depreciation for the year	-	202	7,761	391,626	30,083	8,605	438,277
Disposals				(308,557)			(308,557)
Balance at 31 December	-	8,675	296,054	9,189,352	182,053	299,016	9,975,150
<b>Carrying Amounts</b>							
At 1 July	266,240	3,750	230,837	3,773,821	284,212	37,203	4,596,063
At 31 December	266,240	3,547	223,075	3,657,567	280,174	33,050	4,463,653

12 mths to 30/06/16

Cost	Land	Quarries	Buildings	Plant & Machinery	Fixtures, fittings & equipment	Computer Hardware	Total
Balance at 1 July	266,240	12,223	519,130	12,571,547	436,183	327,613	14,132,937
Additions	20,479			705,344	85,889	82,209	893,921
Disposals				(409,978)			(409,978)
Balance at 30 June	286,719	12,223	519,130	12,866,914	522,072	409,822	14,616,880
<b>Depreciation and Impairment Losses</b>							
Balance at 1 July	-	8,474	288,293	8,797,726	151,970	290,411	9,536,874
Depreciation for the year		405	15,523	813,749	64,068	29,231	922,976
Disposals				(372,119)			(372,119)
Balance at 30 June	-	8,879	303,816	9,239,356	216,038	319,642	10,087,731
<b>Carrying Amounts</b>							
At 1 July	266,240	3,749	230,837	3,773,821	284,213	37,203	4,596,063
At 30 June	286,719	3,344	215,314	3,627,557	306,034	90,181	4,529,149

QUALITY ROADING AND SERVICES (WAIROA) LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (Unaudited)  
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2016



	6 mths to 31/12/2016	6 mths to 31/12/2015	12 mths to 30/06/2016
<b>14 OTHER PROVISIONS</b>			
<b>QUARRY AFTERCARE PROVISION</b>			
Balance at beginning of the year	154,943	146,324	144,913
Provided for during the year	1,871	2,525	10,030
Expenditure during the year	-	-	-
Balance at the end of the year	<u>156,814</u>	<u>148,849</u>	<u>154,943</u>

A provision is recognised for expected Quarry reinstatement costs based on past experience of the level of metal extraction.

	6 mths to 31/12/2016	6 mths to 31/12/2015	12 mths to 30/06/2016
<b>15 RECONCILIATION OF NET OPERATING PROFIT AFTER TAXATION WITH CASH INFLOW FROM OPERATING ACTIVITIES</b>			
Reported net operating profit after taxation	2,055	165,333	307,681
Add back non-cash items:			
Depreciation	468,617	438,278	922,977
Amortisation	18,543	14,042	30,430
(Increase)/Decrease in Deferred Taxation	-	-	(37,112)
Increase/(Decrease) in Employee Benefits	5,118	(2,942)	(7,143)
Increase/(Decrease) in Quarry Aftercare Provision	1,871	2,525	8,619
	<u>496,204</u>	<u>617,236</u>	<u>1,225,452</u>
<b>Add back items classified as investment activities:</b>			
Net loss on sale of Property, Plant and Equipment	4,078	24	1,407
Gain on sale of Property, Plant and Equipment	(38,752)	(40,480)	(49,397)
	<u>(34,674)</u>	<u>(40,456)</u>	<u>(47,990)</u>
Movements in Working Capital:			
(Increase)/Decrease in Receivables & Prepayments	(64,809)	571,465	535,098
(Increase)/Decrease in Inventories	(94,208)	(368,444)	(413,559)
Increase/(Decrease) in Trade and Other Payables and GST	(156,587)	(319,709)	(162,225)
Increase/(Decrease) in Employee Benefits	10,058	(162,453)	(33,227)
(Increase)/Decrease in Tax Payable/Receivable	(55,327)	112,875	139,831
	<u>(360,873)</u>	<u>(206,722)</u>	<u>65,918</u>
Net Cash (outflow)/inflow from Operating Activities	<u>100,657</u>	<u>370,058</u>	<u>1,243,380</u>

**8.2 QRS STATEMENT OF INTENT FOR PERIODS ENDING 30 JUNE 2018 TO 30 JUNE 2020****Author:** Christopher Hankey, Acting Chief Financial Officer**Authoriser:** Fergus Power, Chief Executive Officer**Appendices:** 1. QRS Draft Statement of Intent 2018-2020**1. PURPOSE**

- 1.1 To present the Draft QRS Statement of Intent for Consideration and Adoption by Council.

**RECOMMENDATION**

The Acting Chief Financial Officer RECOMMENDS that Council Adopt the proposed Statement of Intent for the 2018 – 2020 Financial Years, without amendment.

**2. BACKGROUND**

- 2.1 The Local Government Act 2002 (Schedule 8, paragraph 2) requires a Council Controlled Organisation (CCO) to deliver to its shareholders a Draft Statement of Intent (SOI) on or before 1st March each year.
- 2.2 Having received a Draft Statement of Intent, Council are required to comment, if it chooses to do so, within two months of 1st March. (LGA 2002 (Sch. 8 para.3))
- 2.3 The last statement of intent was presented to the Council meeting of 26 April 2016, where it was adopted.

**3. PURPOSE AND ANALYSIS OF THE PROPOSED STATEMENT OF INTENT**

- 3.1 The Draft Statement of Intent sets out the overall activities and intentions of QRS for the financial year 01 July 2017 to 30 June 2018 and the two succeeding years, and how QRS plans to achieve these activities and intentions.
- 3.2 Proposed targets for the upcoming years are:

Target	2018	2019	2020
Net Profit Before Tax as a percentage of Shareholders Funds	6%	6.2%	6.7%
Total cost of Debt Servicing costs not more than percent of Revenue	20%	20%	20%
Ratio of Shareholders Funds to Assets not less than:	45%	45%	45%
Staff Employed Full Time Permanent	>60	>60	>60

- 3.3 It is noted that the draft SOI has a primary assumption that the current contracts that QRS is party to will be successfully retained. This includes the Three Waters contract with WDC that is currently being re-tendered. The re-tendering process commenced in late 2016 and is currently being worked through by council's Engineering Department.



- 3.4 The only changes to this document from the SOI adopted last year for the 2017-2019 years are:
- 3.4.1. Net Profit Before Tax as a percentage of Shareholders Funds has been reduced from 7% to 6% for this year, along with a reduction in the 2019 target.
  - 3.4.2. The Three Waters management contract re-tendering process this year has been updated from 2016 to 2017, noting that this is in line with the process currently under way in the WDC Engineering Department.
- 3.5 Term Deposit Investment rates are currently 3.5% for a five month investment period, with longer term bonds and notes currently yielding in the 4-4.25% range. It is noted that Council is receiving greater expected returns from its investment in QRS than it would if the funds were invested as a term deposit or as a bond or capital note.

#### 4. OPTIONS

- 4.1 The options identified are:
- a. Adopt the Draft Statement of Intent without amendment; or
  - b. Request changes to the Draft Statement of Intent 2018-2020.
- 4.2 The preferred option is option A, this meets the purpose of local government as it will help meet the current and future needs of communities for good-quality infrastructure and local public services in a way that is most cost-effective for households and businesses.

#### 5. CONCLUSION

- 5.1 The Draft Statement of Intent for QRS for the 2018-2020 financial years is consistent with previous years, except that the target for Net Profit Before Tax compared to shareholders funds has reduced.

#### 6. CORPORATE CONSIDERATIONS

##### What is the change?

- 6.1 There are no changes to council operations resulting from this decision.
- 6.2 This will not trigger a s17A review.

##### Compliance with legislation and Council Policy

- 6.3 This statement complies with the Local Government Act 2002, except that it was delivered after the required date of 1 March 2017.

##### What are the key benefits?

- 6.4 This statement provides an oversight of the company and supports the development of the Annual Plan documentation.

##### What is the cost?

- 6.5 There is no cost with this decision.

##### What is the saving?

- 6.6 No savings are generated with this decision.

**Who has been consulted?**

6.7 No consultation is required or has been undertaken on this report.

**Service delivery review**

6.8 This report does not trigger a need for a s17A review.

**Maori Standing Committee**

6.9 This has not been referred to the Maori Standing Committee.

**7. SIGNIFICANCE**

7.1 The decision can be changed by using LGA 2002 Section 8 paragraph 5(1) which allows for shareholders by resolution to require the CCO Board to modify a statement of intent after due consultation with the Board.

**8. RISK MANAGEMENT**

8.1 The strategic risks (e.g. publicity/public perception, adverse effect on community, timeframes, health and safety, financial/security of funding, political, legal – refer to S10 and S11A of LGA 2002, others) identified in the implementation of the recommendations made are as follows:

- a. None.

**Further Information**

Not Applicable.

**Background Papers**

Not Applicable.

**References (to or from other Committees)**



Not Applicable.

**Confirmation of statutory compliance**

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

**Signatories**

	
Christopher Hankey Author	Fergus Power Approved by

**DRAFT**

## QRS Quality Roading and Services (Wairoa) Limited STATEMENT OF INTENT

**2017-2018  
(covering periods ending 30 June 2018 to 2020)**

Quality Roading and Services (Wairoa) Limited ("QRS") is incorporated and domiciled in NZ and is wholly owned by the Wairoa District Council. QRS is a Council Controlled Trading Organisation as defined in Section 6 of the Local Government Act 2002.

This Statement of Intent sets out the overall activities and intentions of QRS for the financial year 1 July 2017 to 30 June 2018 and the two succeeding financial years. It also states the objectives to which those activities will contribute.

### 1. NATURE AND SCOPE OF ACTIVITIES OF THE COMPANY

The principal activities for the company are Roading Maintenance and Construction, Reserves Maintenance, Quarrying, Heavy Transport, Civil Construction, and Utility Services within the Wairoa District and wider East Coast Region.

### 2. VISION

To grow and sustain a profitable and locally valuable business on a foundation of safety and quality.

### 3. OBJECTIVES

To achieve this overall vision, the Company will focus on:

- Retention of key contracts.
- People
  - Having the right people doing the right job, now and in the future as the business and technology changes.
- Health and Safety
  - Develop a business culture that achieves zero harm and where employee participation is encouraged.
  - Understand risks and hazards.
  - Have effective reporting systems in place.
  - Ensure compliance with relevant legislation and company standards are achieved.
- Quarries
  - QRS to grow aggregate supply beyond local district.
- Growth
  - Identify new business opportunities and develop strategic and commercial relationships.
  - Expand client base both locally and regionally.

#### 4. GOVERNANCE

The role of the Board is to effectively represent and promote the interests of the shareholder, by ensuring shareholder value is enhanced while meeting the needs and expectations of customers, and maintaining the long term financial success of the company.

The Board will regularly review and monitor the management of the business and affairs of the company by:

- Ensuring that the company goals are clearly established, and that strategies are in place for achieving them (such strategies initiated by management);
- Ensure that management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
- Appointing the CEO, setting the terms of the CEO's employment contract and, where necessary, terminating the CEO's employment with the company;
- Regularly monitoring the performance of the Chief Executive Officer;
- Ratifying the appointment of CFO and members of the senior executive team;
- Taking appropriate steps as necessary to protect the company's financial position and the ability to meet its debts and other obligations when they fall due;
- Ensuring that the company's financial statements are true and fair and otherwise conform with law;
- Approving and fostering a corporate culture which requires the board, management and every employee to operate to a high level of ethical and professional behaviour;
- Reviewing and adopting the Statement of Intent;
- Ensuring that the company has appropriate risk management/regulatory compliance policies in place.

Day to day management of the company will be delegated to the Chief Executive Officer.

#### 5. RATIO OF SHAREHOLDER FUNDS TO TOTAL ASSETS

To provide the company with the capacity to grow, whilst maintaining an efficient capital structure that minimizes risk, QRS will target the ratio of shareholder funds to total assets for each year at not less than 45%. The shareholder funds and total assets are defined as disclosed in the Audited statement of financial position as at 30 June.

#### 6. ACCOUNTING POLICIES

The Company's accounting policies comply with the requirements of the Financial Reporting Act 1993 and are consistent with generally accepted accounting principles.

Details of the accounting policies and their application are contained in the appendix.

#### 7. PERFORMANCE TARGETS

The following performance targets are the measures by which the Company's performance will be judged:

	2018	2019	2020
Net profit pre tax as a percentage of opening shareholder funds	6%	6.2%	6.7%
Total cost of public debt servicing not to exceed 20% of operating revenue	20%	20%	20%
Ratio of shareholder funds to total assets - not less than	45%	45%	45%
Local permanent workforce	>60	>60	>60

*Please note Net Profit pretax as a percentage of opening shareholder funds is on the assumption that current contracts are retained when re-tendered in 2017.*

## **8. REPORTS TO SHAREHOLDER**

### **8.1 General**

The company will disclose sufficient information on its operations as is necessary to enable the shareholder to make an informed assessment of the performance of the company.

### **8.2 Draft Statement of Intent**

The Directors will deliver on or before the 1<sup>st</sup> of March in the year prior to commencement of the year of the draft Statement of Intent including indicative Performance Targets.

### **8.3 Completed Statement of Intent**

The board must –

- (a) Consider any comments on the draft statement of intent that are made to it within two months of 1 March by the shareholder; and
- (b) Deliver the completed statement of intent to the shareholder on or before 30 June each year.

### **8.4 Half Year Report**

The directors will by 28 February each year, deliver to the Shareholder the following information:

- o Unaudited financial statements consisting of a Statement of Financial Position, Statement of Financial Performance and Cash Flow Statement for the six months to 31 December, together with statements of explanation and accounting policies upon which the financial statements are based.
- o A written report by the directors on operations of the company during the period, and the amount of any interim dividend, that is recommended and the outlook for the next six months, including any significant changes to previous forecasts or reports.
- o The company to make formal presentation of the report at a meeting called by the shareholder. This meeting will be a formally constituted meeting of the Wairoa District Council called in terms of the Local Government Act 2002.

### **8.5 Annual Report**

The company will make available to the shareholder and public, audited Financial Statements in accordance with Section 67 of the Local government Act 2002 within three months after the end of each financial year being 30 September.

The AGM of the company will be held no later than 21 days after the delivery of the Annual Report to the Shareholder.

The Company will make a formal presentation of the report to a meeting called by the shareholder. This meeting will be a formally constituted meeting of the Wairoa District Council called in terms of the Local Government Act 2002.

## **9. CONSENT FOR SHAREHOLDING**

Notwithstanding anything else contained in the Constitution or the Act, the Board may not subscribe for, purchase, or otherwise acquire shares in any other company or other person without the prior written approval of the Shareholder.

## 10. ESTIMATE OF COMMERCIAL VALUE OF THE SHAREHOLDERS' INVESTMENTS

The Directors will make an estimate of the commercial value of the company each year. An independent valuation will be performed three yearly. The shareholder will be advised of the value of their investment accordingly.

## 11. PROFIT DISTRIBUTION POLICY

### Dividend Payments

The Company will pay the shareholder a minimum annual dividend of 40% of the audited tax paid profit and may pay an interim dividend after the six monthly result, subject to the Directors signing a solvency certificate.

In arriving at a recommendation in respect to a dividend the Directors will have regard to:

- The company's vision and objectives.
- The company's financial performance for the past financial year taking regard for the future commercial environment.
- The company's ability to meet financial commitments.
- The company's investment proposals and profitability thereof.
- The company's ability to secure suitable financial arrangements.
- The company's requirements to reinvest in renewal of assets.
- Shareholder expectations with respect to overall performance of the company's commercial outcomes.

NOTE: The Company may declare dividends but no dividend shall exceed the amount recommended by the directors. The directors may from time to time recommend the payment of dividends in addition to those contained within this Statement of Intent.

## 12. TREASURY POLICY

### Corporate Objectives

Ensure the company is able to meet its future commitments as they fall due in both the short term and the long term through active liquidity management.

1. Reduce company cost of borrowing through effective control and management of its interest rate and to maintain the company's exposure to interest rate risk within acceptable levels.
2. Ensure the selection of the best available methods for long term financing requirements among the various financial alternatives.
3. Manage the company's return on funds invested through the effective control and management of its interest risk and to maintain company exposure to interest risk within acceptable levels.
4. Maintain adequate internal controls to ensure that funds are invested and borrowed in accordance with Company Policy.
5. Company assets can be given as security. The use of long-term funds will be restricted to development and establishment of capital assets and the repayment of equity.

## 13. INVESTMENT POLICY

The Directors acknowledge that QRS, as a CCTO, differs from a private sector company in that the shareholding investment by the Wairoa District Council is on behalf of all its ratepayers. Furthermore, as those ratepayers do not have any direct involvement with how that investment is determined, the Directors owe a special duty of care to how that investment is managed.

As an overall investment policy, and having regard to the special duty of care referred to, the Company will endeavour to maximise the return on investments whilst acting within legislative parameters, maintaining investment risk within acceptable limits and ensuring the company's funds are properly safeguarded.



## APPENDIX

### ACCOUNTING POLICIES

The Company's accounting policies comply with the requirements of the Financial Reporting Act 1993 and are consistent with generally accepted accounting principles.

The general accounting principles recognised as appropriate for the measurement and reporting of results and financial position on a historical cost basis have been followed.

The following particular accounting policies which materially affect the measurement of results and financial position have been applied:

#### 1. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Specifically, revenue on contracts is recognised progressively over the period of each contract. The amount included in the Statement of Comprehensive Income, and the value of the contract work in progress, are established by assessment of individual contracts taking into account the proportion of work completed, cost analysis and estimated final results.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

#### 2. Expenses

Expenses shown in the Statement of Comprehensive Income comprise the amounts paid and payable by the Company for completed contracts for the supply from suppliers of goods and services in the ordinary course of business. Borrowing costs are recognised as an expense when incurred.

#### 3. Goods and Services Tax

The Financial Statements have been prepared exclusive of goods and services tax (GST) with the exception of receivables and payables which are stated with GST included. Where GST is irrecoverable as an input tax, it is recognised as part of the related asset or expense.

#### 4. Employee Benefits

Provision is made in respect of the Company's liability for annual leave, sick leave, long service leave and retirement gratuities.

The provision for sick leave is based on the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at balance date.

The provision for gratuities is based on the number of weeks the employee will be paid at retirement, the expected pay rate along with the probability of the employee still being employed by QRS at retirement age.

The provision for long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

Expected future payments for gratuities and long service leave are discounted using market yields at the reporting date.

Defined Contribution Pension Plan obligations are recognized as an expense in the Statement of Comprehensive Income as incurred.

#### 5. Differential Reporting

QRS qualifies for differential reporting under NZ IFRS as it is not publicly accountable and not large.

All available differential reporting exemptions under the Framework for Differential Reporting for Entities Applying New Zealand Equivalents to IFRS Reporting Regime have been applied, except for NZ IAS 7 Statement of Cash Flows and NZ IAS 12 Income Taxes.

## **6. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past result, 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 material, provisions are determined by discounting the expected future cash flows at a pre-tax 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 financing cost.

## **7. Taxation**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

## **8. Accounts Receivable**

Accounts Receivable are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

An estimate for doubtful debts is made when collection of the amount is no longer probable. Bad debts are written off when identified.

## 9. 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.

## 10. Inventories

Inventories are valued on the basis of the lower of cost, determined on a first-in, first-out basis, and net realisable value.

## 11. Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

There are six classes of property, plant and equipment:

- Freehold Land
- Quarries
- Freehold Buildings
- Plant, Equipment and Motor Vehicles
- Office Equipment and Furniture
- Computer Hardware

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

Impairment losses are recognised in the Statement of Comprehensive Income in other operating expenses.

## 12. Depreciation

Depreciation is provided on a straight line basis on freehold buildings and quarries. Freehold land is not depreciated.

Plant, equipment and motor vehicles, office equipment and furniture, and computer hardware are depreciated at rates calculated to allocate the assets cost less estimated residual value over their estimated useful lives. The rates for major classes of assets have been estimated as follows:

Quarries	3.3% Straight Line
Freehold Buildings	3.3% Straight Line
Plant, Equipment & Motor Vehicles	20% Diminishing Value
Office Equipment and Furniture	20% Diminishing Value
Computer Hardware	48% Diminishing Value

Depreciation is calculated on a monthly basis from the date of acquisition.

### **13. Intangible Assets**

Intangible assets acquired separately are capitalized at cost. Following initial recognition, the cost model is applied to all classes of intangible assets.

The useful lives of all intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Comprehensive Income when the asset is derecognised. The amortisation of the software class of intangible assets is estimated at 20%-48% diminishing value, depending on the nature of the software.

### **14. Statement of Cash Flows**

Operating activities include cash received from all income sources of the Company and records the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of the Company.

### **15. Interest-Bearing Loans and Borrowings**

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised and as well as through the amortisation process.

### **16. Trade and Other Payables**

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the end of the financial year that are unpaid and arise when QRS becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### **17. Financial Instruments**

Financial instruments are recognised in the Balance Sheet when the group becomes party to a financial contract. They include cash balances, bank overdrafts, receivables, payables and term borrowings. All revenues and expenses in relation to the financial instruments are recognised in the Statement of Comprehensive Income.

### **18. Leases**

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating surplus in equal instalments over the lease term.

**19. Significant Accounting Judgements, Estimates and Assumptions  
Quarry Aftercare Make Good Provisions**

A provision has been made for the present value of anticipated costs of future restoration of quarry sites. The provision includes future cost estimates associated with quarry aftercare. The calculation of this provision requires assumptions such as application of environmental legislation and life of metal extraction from each quarry site. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting both the expense or asset (if applicable) and provision.

**20. New Accounting Standards and Interpretations**

The accounting policies adopted are consistent with those in the previous financial year. The company has elected not to early adopt any new standards or interpretations, which have been issued but are not yet effective, including the improvements to NZ IFRSs effective 1 July 2011 or 1 January 2012. There are no new or revised standards that had a material impact on the financial statements.

**8.3 CHIEF EXECUTIVE OFFICER'S MONTHLY REPORT**

**Author:** Fergus Power, Chief Executive Officer

**Authoriser:** Fergus Power, Chief Executive Officer

**Appendices:** I

**1. PURPOSE**

- 1.1 This report provides information for Council on significant matters attended to by the CEO in the interval since the last report – 14 February 2017. No decisions are required by Council at this stage.
- 1.2 Councillors have requested that this report be made available for each Ordinary Meeting of Council.

**RECOMMENDATION**

*The Chief Executive Officer RECOMMENDS that Council receive the report.*

**2. BACKGROUND**

- 2.1 This information report is prepared for each Ordinary Meeting of Council.
- 2.2 This is the second Ordinary Meeting of Council in calendar year 2017.
- 2.3 There are no previous resolutions of Council on this matter.
- 2.4 The objective of the information report is to ensure that Councillors are kept informed on significant matters not otherwise reported through the Hub or substantive reports to Council, and to contribute to Council's mission of enabling 'connected communities'.

**3. STAFF AND INTERN MOVEMENTS**

- 3.1 Staff: Departures: David Tipoki (Maori Relationships Manager) departed Council on 10 March 2017. Arrivals: Gary Borg (Finance Department – Chief Financial Officer) ( 20 March 2017) (as a result, Chris Hankey relinquishes his appointment as Acting Chief Financial Officer (for the period 30 January – 19 March 2017). Kylie Evans (Finance Department – Credit Control Administrator) (27 February 2017); Alannah Marshall (Finance Department – Cashier/Creditors Clerk) (06 March 2017).
- 3.2 Cadets: George Wakatope (Wairoa, NZ (14 November – 24 February 2017)) (Supervisor: Jamie Cox, Engineering Department). George is completing a Bachelor of Engineering at the University of Auckland majoring in electrical engineering. He undertook a review of Council's Skada system.
- 3.3 Interns: the following interns are currently working on various projects:  
Patrick Garritsen (The Netherlands) (Supervisors: James Baty and Charlotte Knight) – graphic design for Annual Plan 2017/18 and Annual Report 2016/17; Marrit Kirkenier (The Netherlands) (Supervisor: Kitea Tipuna) – tourism marketing and moving and still imagery; Reinetta Van der Muelen (The Netherlands) (Supervisor: Kitea Tipuna) - tourism marketing and sales; Patrick Krusters (The Netherlands) (Supervisor: Russell McCracken) – GIS/IT; and Veronica Bramley (Wairoa, NZ) (Supervisor: Sandra Hughes) – development

and implementation of a marketing plan for the Salute Wairoa Touch Table (SWTT), and management of documentation and software associated with the SWTT.

#### 4. SIGNIFICANT MATTERS

##### 4.1 Ceremonies, consultation & training

4.1.1. On 08 March I, the Senior Leadership Team and other key staff attended a briefing at Gisborne District Council regarding their implementation of the CAMMS information management system, with the intent of assessment of its suitability for installation at Wairoa District Council. Our assessment of the system is ongoing.

##### 4.2 Economic development

4.2.1. On 16 February 2017 I attended a Matariki Regional Economic Development Group meeting in Napier to discuss the consultant's report from Martin Jenkins regarding options for the structure to be considered for the delivery of economic development activities within the Hawke's Bay region.

4.2.2. On 28 February 2017 His Worship and I attended the launch of the Tairāwhiti Economic Development Plan in Gisborne.

##### 4.3 Regional meetings

4.3.1. On 16 and 17 March 2017, His Worship and I attended the LGNZ Rural and Provincial Meeting in Wellington.

##### 4.4 Regional Transport Committee

4.4.1. On 10 March 2017 WDC hosted the Regional Transport Committee, and Jamie Cox (Engineering Manager) delivered an presentation on the value of the regional roading network vis-à-vis contribution to GDP. The presentation was very well received.

#### 5. CONCLUSION

5.1 Three new staff (including the CFO) have now joined the Finance Department, which has returned to full strength. I would like to take the opportunity to thank all members of the Finance Team for their exemplary effort in ensuring that the affairs of the Finance Department have continued to be administered at a high level, despite significant staffing issues during the past three months.

#### Further Information

Nil.



#### Background Papers

Nil.

#### References (to or from other Committees)

Nil.

**Signatories**

	
Fergus Power Author	Fergus Power Approved by



**8.4 SEPTEMBER QUARTER FINANCIAL REPORT**

**Author:** Christopher Hankey, Acting Chief Financial Officer

**Authoriser:** Fergus Power, Chief Executive Officer

**Appendices:** 1. Quarterly Financial Report September 2016

**1. SPURPOSE**

- 1.1 To present the September 2016 (FY 2016/17 Quarter One) quarterly financial report.

**RECOMMENDATION**

The Acting Chief Financial Officer RECOMMENDS that Council receive this report.

**2. BACKGROUND**

- 2.1 Council staff are requested to bring a finance report to Council each quarter.
- 2.2 Financial reports are still in development but have a range of agreed elements.
- 2.3 This report has been endorsed by the Finance Audit and Risk Committee on the 28 February 2017, and incorporates the points noted in Committee.
- 2.4 This report contributes to the transparency of Council's financial activities for ratepayers.

**3. DISCUSSION**

- 3.1 There has been a delay in presenting this report to this Committee due to the challenges associated with the departure of Council's former Chief Financial Officer (Andrew Morton), and of two other finance staff, as well as the continued need to nevertheless focus on the draft 2017/18 Annual Plan. Changes to our server architecture has also required additional unforeseen maintenance on the reporting files.
- 3.2 There are no items of operational budget significance in the report, noting that this is the first three months of operation.
- 3.3 We have identified a project funded in the LTP and included in the annual plan where that project was completed late last financial year and as a result, no expenditure is expected against the existing \$0.8M annual budget this financial year (Learn to Swim Pool expenditure).

**4. CORPORATE CONSIDERATIONS****What is the change?**

- 4.1 There will be no process or policy changes in Council as a result of this paper.
- 4.2 No s17A review will be triggered by this paper.

**Compliance with legislation and Council Policy**

- 4.3 This report complies with Council Policy and the financial reports included comply with financial reporting requirements and the International Public Service Accounting Standards (IPSAS).

**What are the key benefits?**

4.4 Transparency in managing taxpayers' funds.

**What is the cost?**

4.5 Not applicable.

**What is the saving?**

4.6 Not applicable.

**Who has been consulted?**

4.7 No public consultation has been taken on this issue.

**Service delivery review**

4.8 Not applicable.

**Maori Standing Committee**

4.9 This has not been referred to the MSC.

**5. SIGNIFICANCE**

5.1 There is historical interest in the financial reports of council, however this report does not trigger any standards in the significance and engagement policy.

**6. RISK MANAGEMENT**

6.1 The strategic risks (e.g. publicity/public perception, adverse effect on community, timeframes, health and safety, financial/security of funding, political, legal – refer to S10 and S11A of LGA 2002, others) identified in the implementation of the recommendations made are as follows:



- a. Public perception of good financial management and oversight is critical in the ongoing funding of Council operations. This report represents transparency with this standard and commonality with the reporting of the annual financial reports.

**Confirmation of statutory compliance**

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

**Signatories**

	
Christopher Hankey Author	Fergus Power Approved by

# MONTHLY FINANCE REPORT

30 September 2016  
(2016/17 PERIOD 3)



**TE WAIROA**  
WAIROA DISTRICT

## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



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EXECUTIVE SUMMARY

Overall Financial Health Assessment:  Altham Z-Score: **35.01/2.6** <sup>(1)</sup>

Cash & Term Deposits on Hand: **\$10.2M**

Council owes a total of **\$9.3M** to other parties

Term Investments Valued at: **\$10.2M**

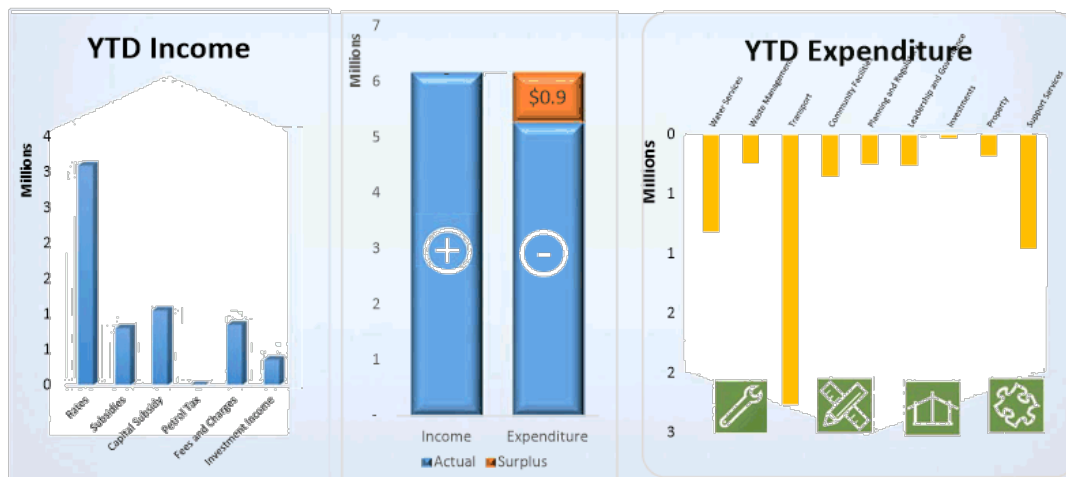
Council is currently worth: **\$263.6M**

Capital spending YTD: **\$0.8M**

Council has total assets of **\$272.9M**








Year to date net surplus of **\$0.9M**, (Budget \$0.9M)

forecasting a net surplus of **\$43.98M** (Budget \$44.22M) for the year, including an estimate of \$42M for asset revaluation due as at 30 June 2017.



(All values are in \$M. Comparisons to budget for these items start on page 12 of this report).

Financial Policy Achievement Assessments:

Rates as a Percentage of Income	Cash on Hand	Working Capital	Liquidity	Investment Maturity Policy Measures	Creditor Payment Days	Debt Policy Measures
						

WDC's achievement for the YTD against the limitations established in approved finance policies.

<sup>1</sup> Anything over a score of 2.6 is considered a safe and healthy organisation

## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



## ANALYSIS

This report is for the 2016/17 Financial Year (FY) representing the periods from 1 July 2016 to 30 September 2016, or period 3 of this Financial Year.

Year to date Council records a net surplus of \$0.9M (Budgeted net surplus of \$0.9M), and is currently forecasting a Full Year net surplus of \$43.98M (Budgeted net surplus of \$2.2M).

Cash & Term Deposits on Hand: \$10.2M with Term Investments Valued at: \$10.2M.

Trade and Employee Creditors Payable currently stand at: \$3.2M

Council has total assets of \$272.9M<sup>(2)</sup> Capital spending YTD is \$0.8M

External long-term debt is \$5.0M (Budget \$5.0M). No new borrowings will be required this financial year.

Council is currently worth \$263.6M

Financial Risks are detailed on page 25 of this report and total: \$0.76M. This is split between Operational and Capital Risks as per the following tables. The summary of assessed risk levels for all items at this time is:

Summary of Operational Risks			Summary of Capital Risks		
Crystallised	0	0%	Crystallised	763,000	100%
Low	0	0%	Low	0	0%
Considerable	0	0%	Considerable	0	0%
High	0	0%	High	0	0%
Extreme	0	0%	Extreme	0	0%
<b>Total</b>	<b>0</b>		<b>Total</b>	<b>763,000</b>	

## Financial Health

As at the end of the month WDC's cash, liquidity and Working Capital positions were:

Measure	Actual	Annual Budget or Target
Other Debtors Collection Period <sup>(3)</sup>	-77 Days	
Rates Debtors Collection Period	312 Days	
Working Capital	\$9,190,805	\$11,772,863
Working Capital Ratio <sup>(4)</sup>	3.7:1	2.1:1
Liquid Ratio <sup>(5)</sup>	4.2:1	1.6:1

Rates Collection days are significantly influenced by the level of multiple owner Maori Land non-collectable arrears for rates, and the raising of the instalment in the accounts in the month prior to the instalment being due. For Other debtors this is significantly affected by a large disputed account, which has been in negotiation for some time. The debt is still considered collectable at this time.

Other collections this month is a negative number as funds have been received for an NZTA claim in advance of processing. The provision for doubtful debts has not been recalculated.

<sup>2</sup> Roading and Water Infrastructure is due for revaluation 30 June 2017

<sup>3</sup> The average number of days that it takes a Debtor to pay his/her account

<sup>4</sup> Represents the total current assets available to meet each dollar of total current liabilities

<sup>5</sup> Represents the cash available to pay each dollar of trade creditors as at the end of the period

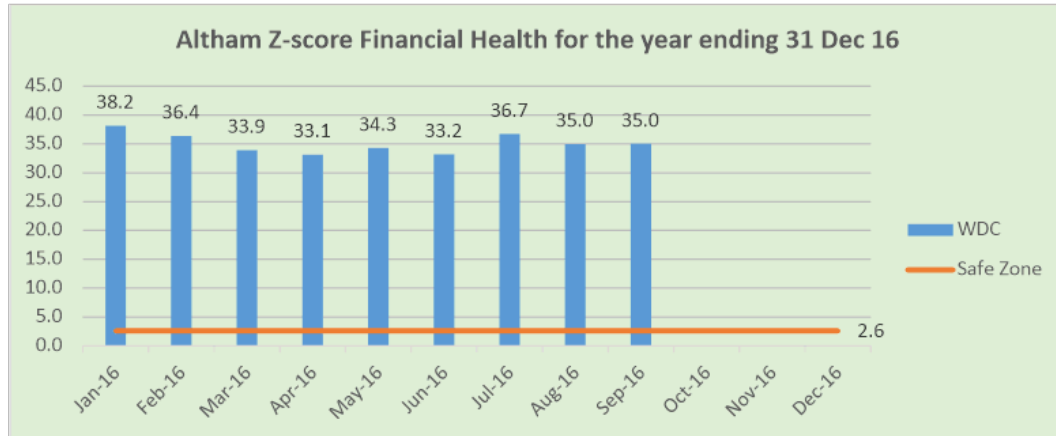




**Altham Z-score Calculation**

This calculation is a measure of financial health that was developed in 1968. It is a system that has multiple calculations based on the type of organisation that is being reviewed. As a review process, it has been proven to be up to 90% accurate in assessing the likelihood of the risk of an entity becoming bankrupt within the next two financial years. This is considered likely where an entity receives a net score that is classed as being in the “in distress” Zone of Discrimination.

WDC’s results for the selected calculation by month, Non-Manufacturing Business, are:



No historical comparison can be made at this time due to the lack of actionable information. After 31 Dec 2016 this will be shown as a rolling 12 month report.

This process has “Zones of Discriminations”, which provide guidance to reviewers of the accounts as to the strength of the business under review. For the selected calculation the zones are:

- Z > 2.6 -“Safe” Zone
- 1.1 < Z < 2.6 -“Grey” Zone
- Z < 1.1 -“Distress” Zone

Accordingly, the Wairoa District Council, on the basis of this calculation has a strong, safe and stable outlook. This score is significantly influenced by the ongoing low level of long-term external debt currently employed by the Council, and as there are no expectations of this changing in the near future, it is expected that this result will continue as the year progresses.

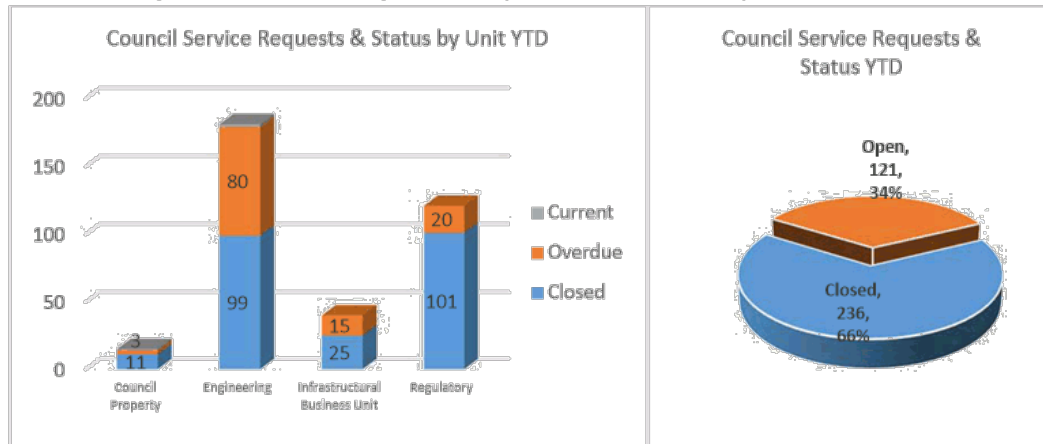


WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



Service Requests

For the year to date 581 CSR’s have been received by Council. This is proportional to the total number of requested received last year. Analysis of the received requests is:



The high percentage of overdue CSR’s in Engineering is suspected to be related to the CSR close off process. CSR’s have been responded to and cleared by staff. Engineering staff have initiated a systems review to ensure prompt closure of CSR’s into the future

Councillor Spending YTD

The Local Government (Members Interests) Act 1968 states that an elected member or any related party/entity of that member may not receive more than \$25,000 for services for any financial year, without approval from the Office of the Auditor General. This does not include payment of Councillor Fees.

The following table reflects the known spending for each member of Council as at the time of preparation of this report for this financial year:

Councillor	Last Invoice	Invoiced / Paid	PO's Raised Not Complete	Total	Limit	Tendered	Position
Cr Johansen	Oct 2016	14,157.65	345.00	14,502.65	25,000.00	0.00	No Breach of Limit
Cr Bird	Sep 2016	17.25	0.00	17.25	25,000.00	0.00	No Breach of Limit
Cr Eaglesome-Karekare	Jan 2013	0.00	0.00	0.00	25,000.00	0.00	No Breach of Limit
Cr Flood	N/A	0.00	0.00	0.00	25,000.00	0.00	No Breach of Limit
Cr Harker	Jan 2013	0.00	0.00	0.00	25,000.00	0.00	No Breach of Limit
Cr Lambert	N/A	0.00	0.00	0.00	25,000.00	0.00	No Breach of Limit
Mayor Little	N/A	0.00	0.00	0.00	25,000.00	0.00	No Breach of Limit

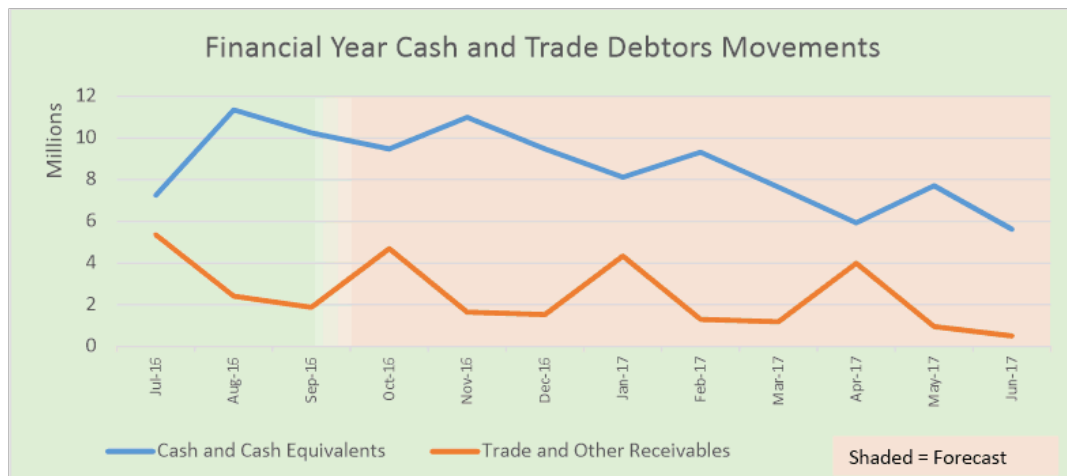


Financial Position Indicators

**Current Assets**

Current assets balances are:

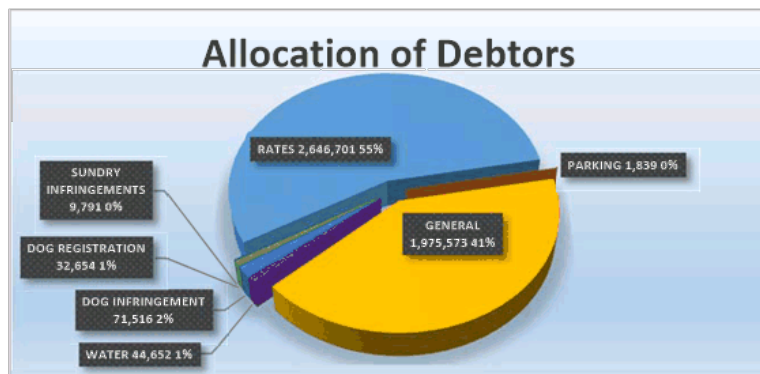
Measure	Actual	Annual Plan Position	Forecast 30 June 2016
Non-Interest Bearing Cash & Equivalents	\$77,922	\$140,775	\$71,973
Interest Bearing Cash on Hand, Term Deposits & Investments due this year	\$10,607,979	\$11,995,325	\$5,782,863
Receivables	\$1,886,288	\$3,454,122	\$512,311
Total Current Assets	\$12,576,110	\$15,594,143	\$6,371,068



This graph shows the movements in actual and a forecast of Cash and Cash Equivalents for each month. Peaks in Trade debtors are the charging of rate instalments. Cash remains at approx. \$1M above expectations due to the current underspend in capital items for the year to date. WDC continues to have sufficient cash available to meet requirements.

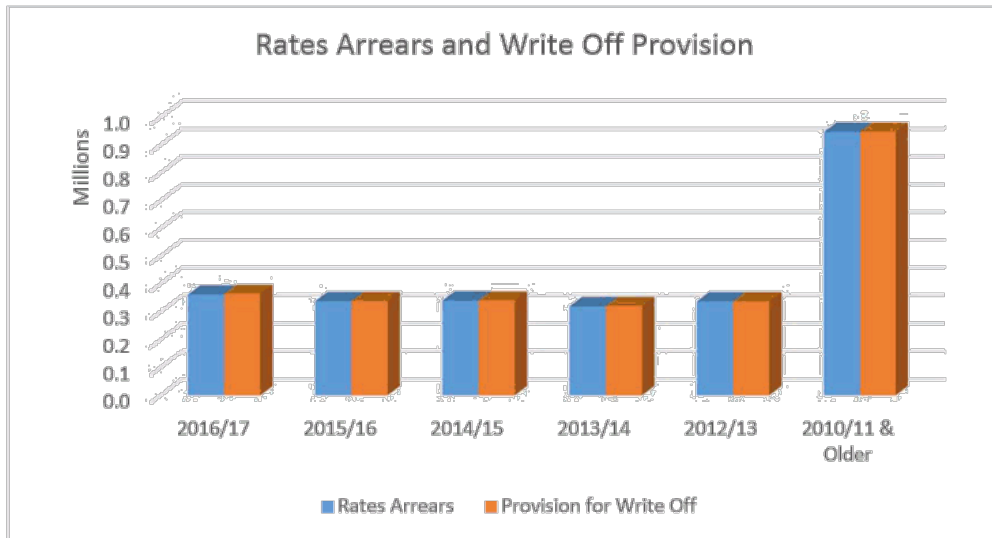
**Accounts Receivable**

Currently WDC has recorded debtors of \$1.9M. Gross receivables are \$4.8M, before the provisions for doubtful debts. This is allocated:





Analysis of rates arrears by financial year is:

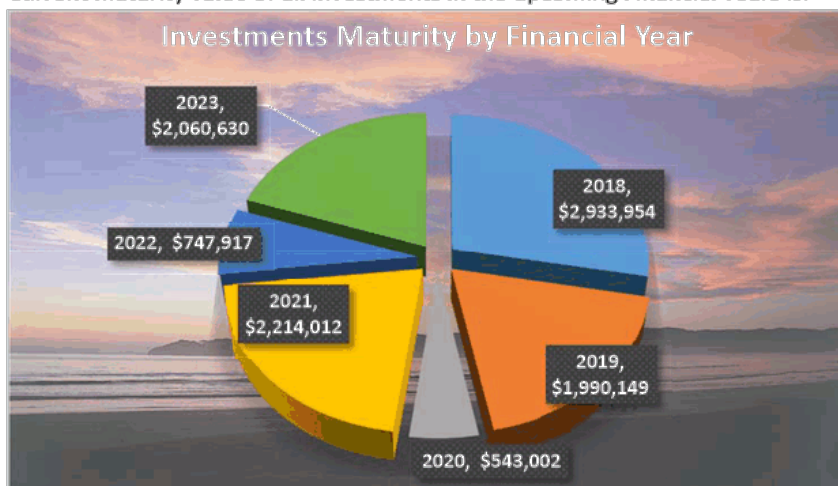


Prior year’s rates arrears are primarily the uncollectable amounts on Maori freehold land (unoccupied, unused land, or land subject to a fragmented ownership structure). Rates arrears are written off after 7 years as statute barred rates, however anything younger than this is retained in the debtor’s database for staff to attempt collection. We allow for debt older than 3 years to be uncollectable. The current provision stands at a total of \$2.6M. This position is in the peculiar situation of being the total of current values, however a rating instalment is due in October and this will correct to the provision calculation position.

General Debtors is a combination of water arrears and the NZTA subsidy for August and September, which were paid in October.

**Investments**

Current maturity value of all investments in the upcoming Financial Years is:



Wairoa District Council Monthly Financial Report 30 September 2016

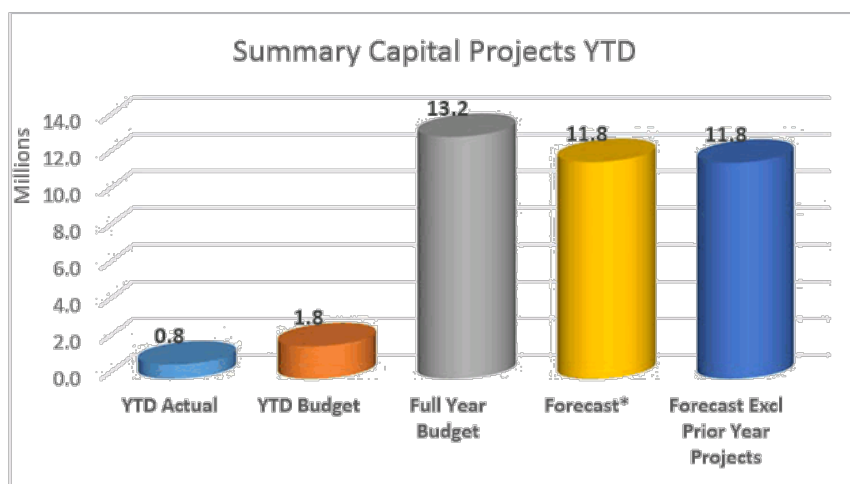


WDC long term cash investments hold a current market value of \$10,159,976, of which \$1,540,568 is due to mature within the next 12 months. The weighted average investment maturity term is 3.32 years or 39.8 months, with a weighted average coupon interest rate of 5.10%.

Investment opportunities have current yields in the 3.5-4% range. A long range risk exists in that investments with a face value of \$2.94M due to mature in the 2018 financial year that hold coupon rates of 4.94-6.52% at an average of 5.36%, for FY2019 \$1.99M at 5.67%. For the two years this is a drop in average income of \$40,025 and 30,975 respectively, which represents a 0.7% increase in rating requirement in the second year and beyond. By 2021 this is estimated to increase to 0.9%.

**Capital Programs**

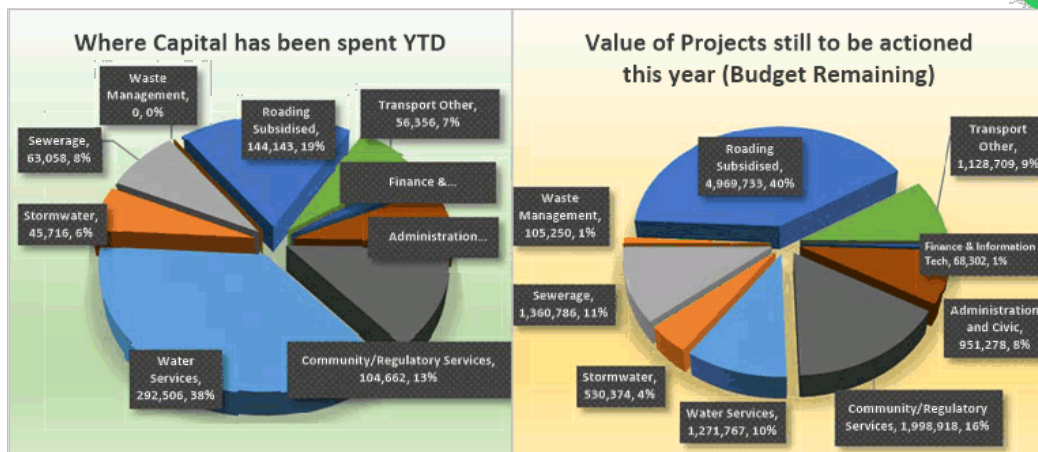
To the end of September capital and renewal programs report as being within target. Year to date total expenditure of \$0.8M has been incurred, being \$1M below budget. \$1.06M in capital subsidies having been invoiced, including \$0.5M of subsidies for the Tawhara Reservoir costs incurred in the 2015/16 year.



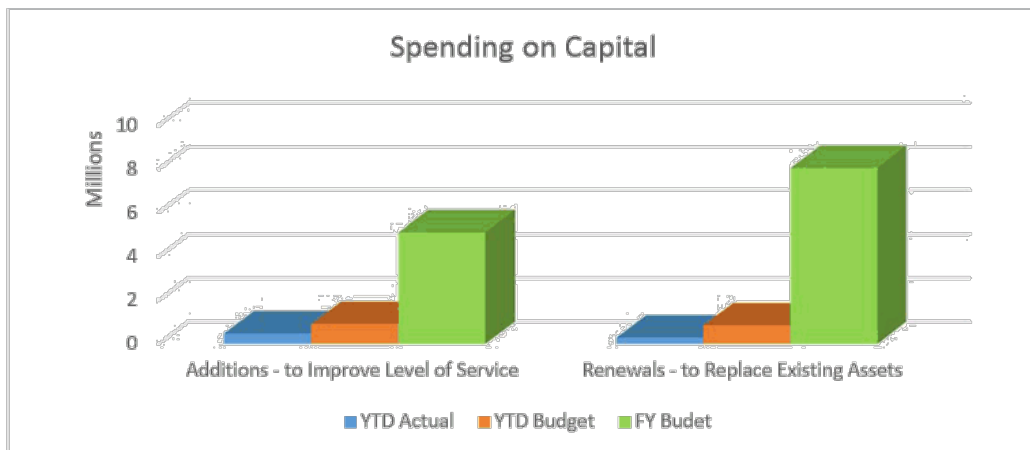
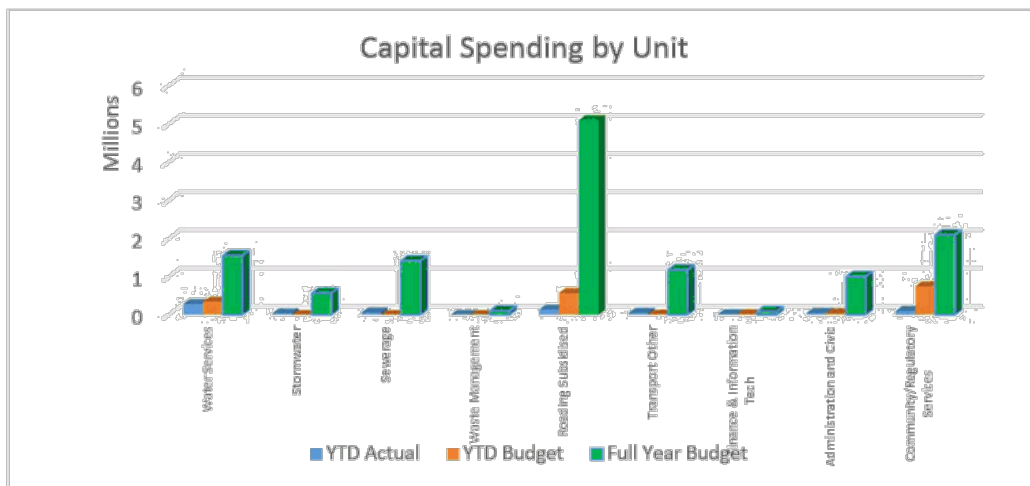
\* Forecasted expenditure is actual year to date plus:  
 1. YTD spending plus Budgets for the remainder of the year, less spending ahead of YTD budgets with an assumption that all future planned project costs will be incurred (as phased)  
 Unbudgeted Costs of \$116,531 from current year unapproved and additional costs for prior year projects are included in the above forecasted estimate.

The main reason for being below budget for this year to date is the \$0.76M of funding for the Community Pool development project that was included in the Long Term Plan for this year and brought into the annual plan (budget) during the development of the plan. This project was completed last financial year, ahead of the original project plan, and this planned funding will not be spent in the current financial year. This was included in the Community/Regulatory Services budget.

Wairoa District Council Monthly Financial Report 30 September 2016



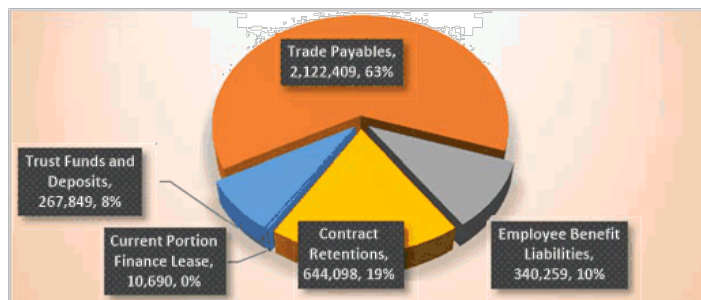
The colour coding of these two graphs is the same for each unit.





**Current Liabilities**

As at the end of the period, the following debts were due and payable within the next 12 months:

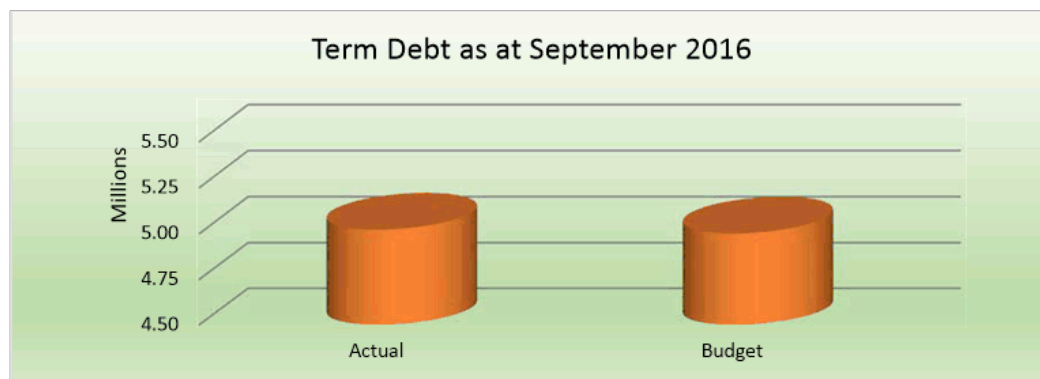


Measure	Actual	Budget or Target
Trade and Employee Liabilities	\$2,462,668	\$3,821,280
Contract Retentions	\$644,098	\$NIL
Total Current Liabilities	\$3,385,304	\$3,821,280
Creditor Payment Days <sup>(1)</sup>	27 Days	48 Days

(1) The average number of days that it takes a Creditor's invoice to be paid

All measures in this area show that the Council remains within its normal terms of trade with creditors. The time taken to pay creditors has improved as the EPO system becomes more widely and more effectively utilised. Employee Liabilities are the normal Holiday and Sick pay accrued by staff.

**Term Debt**



External Borrowing is \$5.0M (budget \$5M) for the year. Borrowings are a 5 year fixed term loan at 6.05% interest rate, due for repayment October 2018. No additional external borrowings has been planned for the financial year with new capital projects funded from internal cash reserves.

Council also holds a \$0.76M (Budget \$0.48M) liability for the Landfill Aftercare requirements.

**Debt Policy Measures**

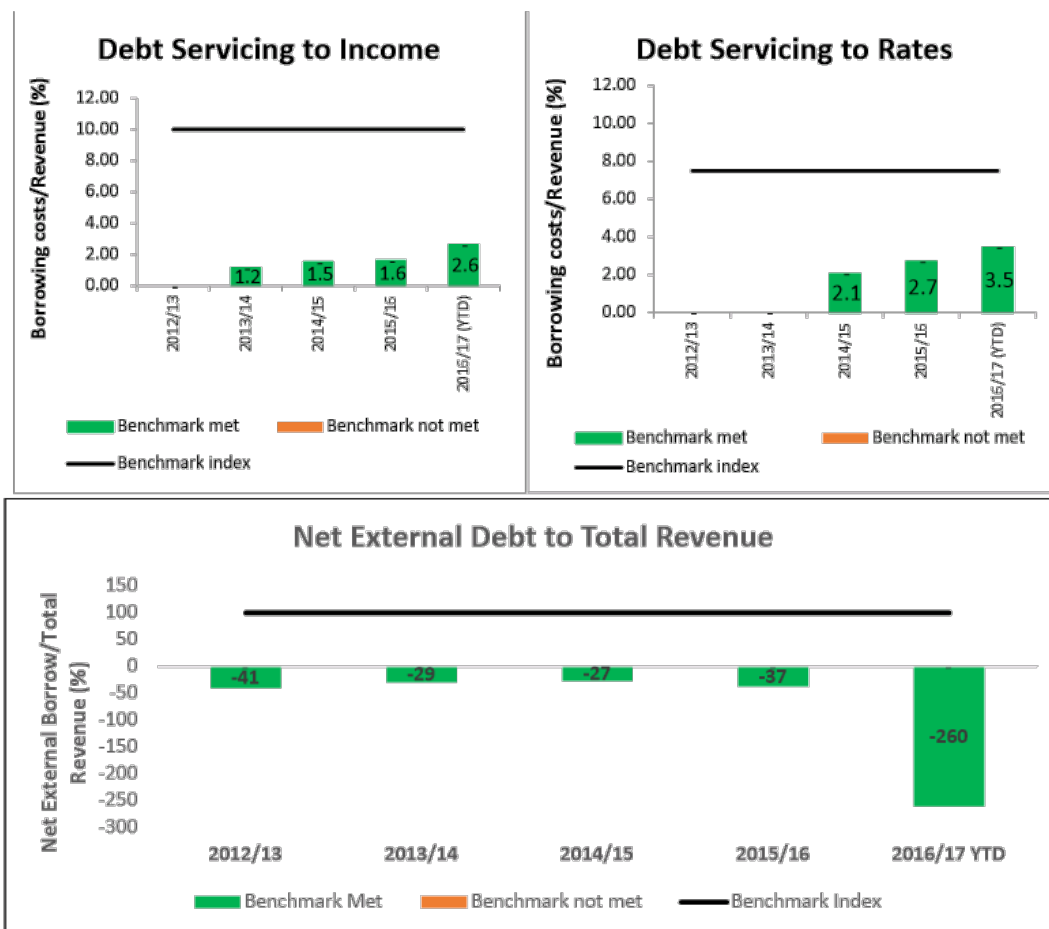
The analysis of debt against the limitations detailed in the Investment and Liability Policy are shown below. Council is well within all control measurements for debt with no expectations that any will



Wairoa District Council Monthly Financial Report 30 September 2016



be breached in the foreseeable future. The results for the year to date, comparing this to the past five financial years are:



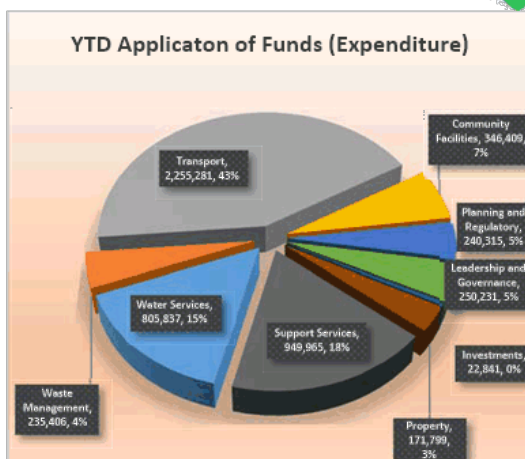
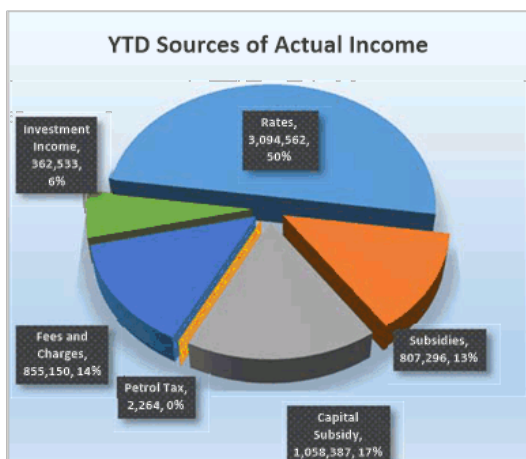
1 Net External Debt is calculated as Term Borrowings plus Current Liabilities; less Cash, Term Deposits and Financial Assets at fair Value. As at 30 September 2016 Net Debt is \$(13.6M), indicating that we have greater cash reserves than external debt.

Calculation of these measures shows that Council currently holds approx. \$2.50 for every dollar of debt owed to external parties. As the \$5.0M term debt is for a fixed term, Council would not be able to break this loan and repay this from current cash reserves, without an interest penalty, currently costed at \$0.2M.

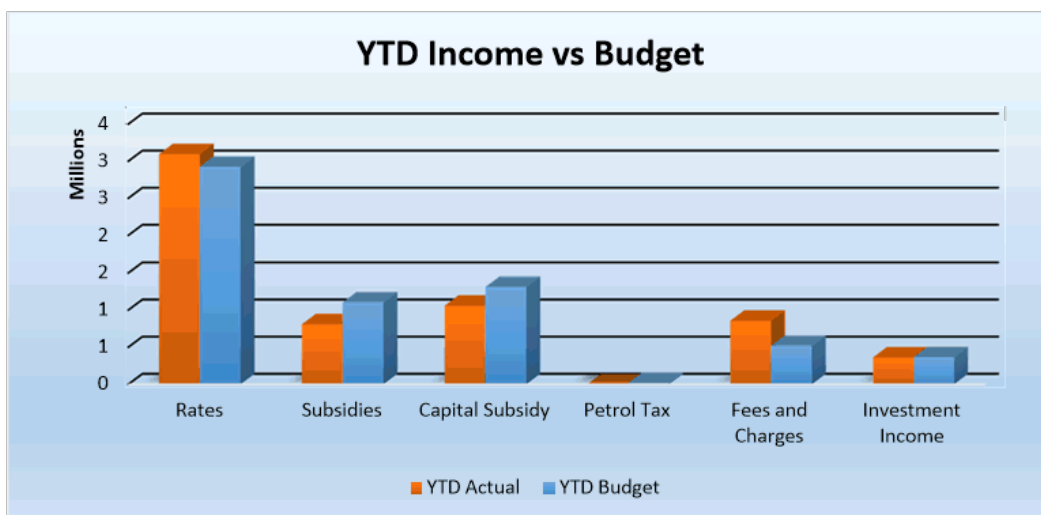
Sources of Income and Application of Funds

For the year to date Council has a net surplus of \$0.9M (Budget: net surplus of \$0.9M). Total income year to date was \$6.2M and application of funds for the year to date has been \$5.3M. Income and expenditure are analysed for the year to date as:

Wairoa District Council Monthly Financial Report 30 September 2016



Rates were budgeted to reflect 50% of total income (excluding revaluations) over the year and as per our Financial Strategy must not exceed 60% of our total revenue. We are currently within this limitation.



The under-recovery of operating subsidies is due to an YTD \$0.35M shortfall for NZTA Operational Subsidy for emergency work budget not required to have been spent.

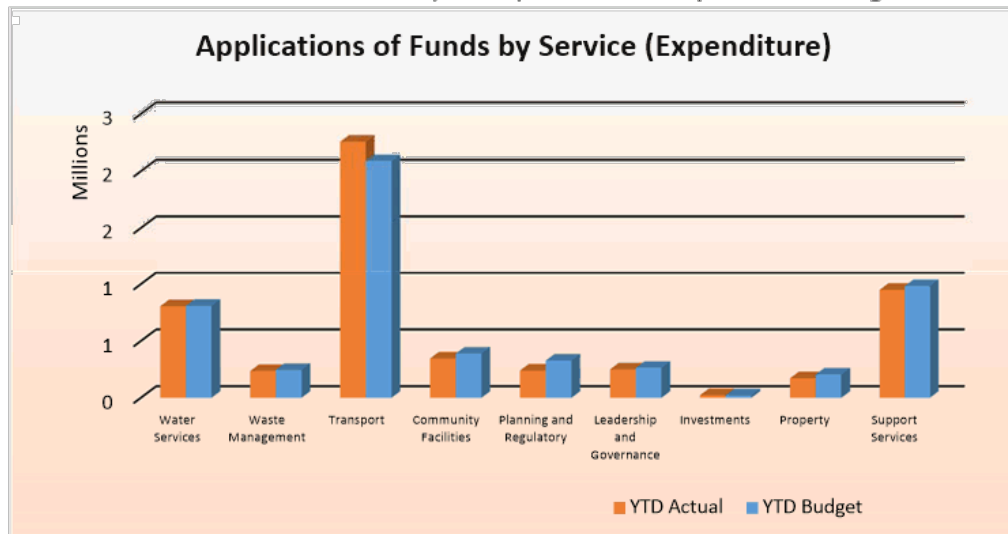
Capital Subsidy income presents an YTD \$0.68M shortfall in NZTA Capital Subsidy for emergency work budget not required to have been spent offset partially by additional YTD \$0.49M Ministry of Health Capital Subsidy in advance of plan for the Tawhara Reservoir.



Wairoa District Council Monthly Financial Report 30 September 2016



The Council has used the funds received, in comparison with the year to date budget thus:

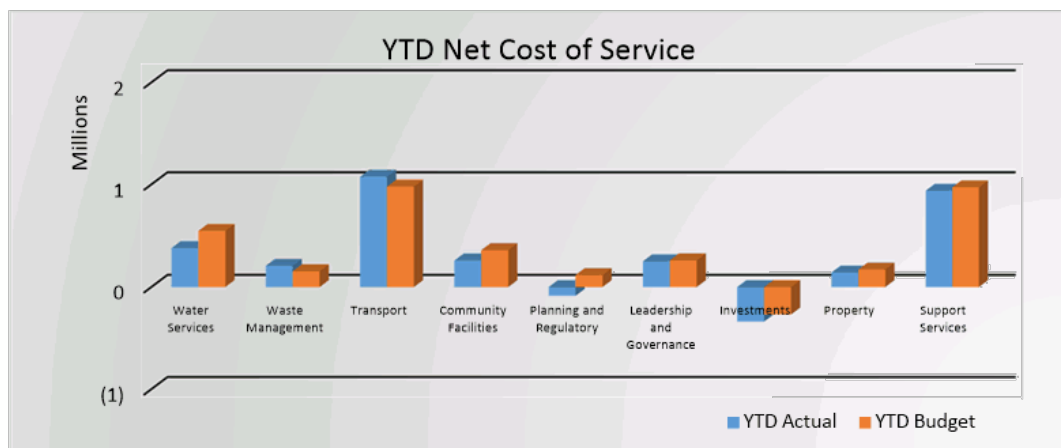


For this report the budgets have been restated to report Support Services costs separately. The core services budgets have been reduced accordingly.

Transport overspend is the emergency roading repair works for the year to date. These are subsidised activities but not with the current planning and budgets.

Council Net Cost of Services

The net cost of service represents the operating costs for the service, less the income generated from the service, excluding Rating income, for the areas of service provision provided by Council to the community. These are summarised as shown below.



The Transport overspend is the combination of the emergency repairs and the under-recovery of NZTA subsidies as mentioned above. Water Services overspend is the Mahia and Opoutama Wastewater scheme costs currently expended.

Investments are retuning well above budget for the year to date. All other units are tracking on target for the full year outlook. Individual section reports are included below for further comment.



## ACTIVITY ANALYSIS

### Comprehensive Income and Expenditure

These tables contrast the year to date expenditure and a full year forecast to full year budgets. Support Services budget has been restated from the Annual Plan, where these are factored into the core service area's budgets as internal overhead allocations, both for the FY Budget and proportionally for the YTD budget.

#### *Income has been received from:*

Income Type:	YTD Actual (\$ 000)	YTD Budget (\$ 000)	(Under) / Over Recovery	FY Forecast (\$ 000)	FY Budget (\$ 000)	(Under) / Over Recovery
Rates	3,095	2,923	172	11,863	11,691	172
Subsidies	807	1,103	-296	4,116	4,412	-296
Capital Subsidy	1,058	1,310	-252	4,749	5,240	-492
Petrol Tax	2	16	-14	51	66	-14
Fees and Charges	855	516	339	2,156	1,816	339
Investment Income	363	364	-2	1,305	1,307	-2
<b>Total Income</b>	<b>6,180</b>	<b>6,232</b>	<b>-52</b>	<b>24,240</b>	<b>24,532</b>	<b>-292</b>

Subsidy income under-recovery is detailed above and results from work not required for the year to date. The additional Fees and Charges income is provision adjustment made last year. This variance will be reviewed at the end of the year for any continuing movement. The rating over recovery is the charging of penalties after the first instalment was charged for the year

#### *Expenditure has been incurred in the following service areas:*

Service Area	YTD Actual (\$ 000)	YTD Budget (\$ 000)	Under / (Overspend)	FY Forecast (\$ 000)	FY Budget (\$ 000)	Under / (Overspend)
Water Services	806	809	3	3,986	3,990	3
Waste Management	235	245	10	1,128	1,138	10
Transport	2,255	2,088	-167	9,953	9,786	-167
Community Facilities	346	389	43	1,958	2,001	43
Planning and Regulatory	240	328	87	1,749	1,836	87
Leadership and Governance	250	263	13	2,454	2,467	13
Investments	23	21	-2	703	702	-2
Property	172	205	33	656	689	33
Support Services	950	983	33	79	46	-33
<b>Total Expenses</b>	<b>5,278</b>	<b>5,332</b>	<b>54</b>	<b>22,667</b>	<b>22,655</b>	<b>-13</b>

All units expect to be within full year budgets at this time, except Subsidised Rooding as detailed above. Support services actual costs are allocated to the core service areas as internal overheads at the end of the year.

## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



## Water Services

	Actual 2016/17 (YTD)	Operating Budget 2016/17 (YTD)	Operating Budget 2016/17 (Full Year)	Actual 2015/16 (YTD)	Actual 2014/16 (Full Year)
<b>Sources of Operational Funding</b>					
<b>Source of Operating Funding</b>					
Rates	(495,753)	(468,229)	(1,872,917)	(536,825)	(2,027,155)
Subsidies and grants for operating purposes	-	-	-	-	-
Fees charges and targeted rates for water supply	(515,750)	(269,274)	(1,077,091)	(235,639)	(972,481)
Interest and Dividends from Investments	-	(82,401)	(329,612)	-	-
Local authorities fuel tax fines infringement fees and other receipts	-	-	-	-	-
<b>Total Source of Operating Funding</b>	<b>(1,011,503)</b>	<b>(819,904)</b>	<b>(3,279,620)</b>	<b>(772,464)</b>	<b>(2,999,637)</b>
<b>Application of Operating Funding</b>					
Payments to staff and suppliers	523,749	527,331	2,143,718	(2,013,749)	484,408
Finance costs	76,247	78,114	312,456	65,473	291,308
Internal Charges and Overheads applied	-	-	-	-	-
Other operating funding applications	-	-	-	-	-
<b>Total Application of Operating Funding</b>	<b>599,996</b>	<b>605,445</b>	<b>2,456,174</b>	<b>(1,948,276)</b>	<b>775,717</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>411,507</b>	<b>214,459</b>	<b>823,446</b>	<b>2,720,740</b>	<b>2,223,920</b>
<b>Source of Capital Funding</b>					
Subsidies and grants for capital expenditure	(800,000)	(371,001)	(1,484,000)	-	(1,325,000)
(Increase) decrease in debt	-	-	-	-	-
Lump sum contributions	(128,250)	(31,074)	(124,293)	2,446,100	2,446,100
<b>Total Source of Capital Funding</b>	<b>(928,250)</b>	<b>(402,075)</b>	<b>(1,608,293)</b>	<b>2,446,100</b>	<b>1,121,100</b>
<b>Total Sources of capital funding</b>	<b>(928,250)</b>	<b>(402,075)</b>	<b>(1,608,293)</b>	<b>2,446,100</b>	<b>1,121,100</b>
<b>Application of Capital Funding</b>					
Capital expenditure - to improve the level of service	100,920	-	843,526	123,500	84,878
Capital expenditure - to replace existing assets	1,935,593	350,000	2,720,681	86,508	2,207,985
Increase (Decrease) in Reserves	(696,755)	266,534	(1,132,468)	64,632	(1,190,043)
<b>Total Application of Capital Funding</b>	<b>1,339,758</b>	<b>616,534</b>	<b>2,431,739</b>	<b>274,640</b>	<b>1,102,820</b>
<b>Total application of capital funding</b>	<b>1,339,758</b>	<b>616,534</b>	<b>2,431,739</b>	<b>274,640</b>	<b>1,102,820</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>(411,507)</b>	<b>(214,459)</b>	<b>(823,446)</b>	<b>(2,720,740)</b>	<b>(2,223,920)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Charges to commercial consumers are well advanced of the annual budget for the year to date period from the provision made at the end of the last financial year. Capital Subsidies are in advance of plan from income received from funding charged for Tawhara Reservoir costs incurred in the last financial year invoiced to the Ministry of Health after the end of the year. Lump Sum Contributions for the Mahia and Opoutama Wastewater schemes have been invoiced in July and are comparable to the full year budgets.

The overspend showing in capital includes \$1.6M of work in progress brought forward for the Tawhara Reservoir work in progress that was funded last financial year. This is an accounting process and will be reviewed for reporting impact.

## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



## Waste Management

	Actual 2016/17 (YTD)	Operating Budget 2016/17 (YTD)	Operating Budget 2016/17 (Full Year)	Actual 2016/16 (YTD)	Actual 2015/16 (Full Year)
<b>Sources of Operational Funding</b>					
<b>Source of Operating Funding</b>					
Rates	(166,232)	(157,003)	(628,014)	(164,494)	(621,161)
Subsidies and grants for operating purposes	-	-	-	-	-
Fees charges and targeted rates for water supply	(27,208)	(88,344)	(353,369)	(24,379)	(373,513)
Interest and Dividends from Investments	-	-	-	-	-
Local authorities fuel tax fines infringement fees and other receipts	-	-	-	-	-
<b>Total Source of Operating Funding</b>	<b>(193,440)</b>	<b>(245,347)</b>	<b>(981,383)</b>	<b>(188,873)</b>	<b>(994,675)</b>
<b>Application of Operating Funding</b>					
Payments to staff and suppliers	211,655	220,839	883,384	94,050	869,321
Finance costs	-	750	3,000	-	-
Internal Charges and Overheads applied	-	-	-	-	-
Other operating funding applications	-	-	-	-	-
<b>Total Application of Operating Funding</b>	<b>211,655</b>	<b>221,589</b>	<b>886,384</b>	<b>94,050</b>	<b>869,321</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>(18,214)</b>	<b>23,758</b>	<b>94,999</b>	<b>94,822</b>	<b>125,354</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
(Increase) decrease in debt	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total Sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of Capital Funding</b>					
Capital expenditure - to improve the level of service	-	-	105,250	-	42,323
Capital expenditure - to replace existing assets	-	-	-	-	-
Increase (Decrease) in Reserves	(18,214)	23,758	(10,251)	94,822	83,031
<b>Total Application of Capital Funding</b>	<b>(18,214)</b>	<b>23,758</b>	<b>94,999</b>	<b>94,822</b>	<b>125,354</b>
<b>Total application of capital funding</b>	<b>(18,214)</b>	<b>23,758</b>	<b>94,999</b>	<b>94,822</b>	<b>125,354</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>18,214</b>	<b>(23,758)</b>	<b>(94,999)</b>	<b>(94,822)</b>	<b>(125,354)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation and Amortisation	23,751	23,751	95,000	24,077	96,310

This report has been adjusted for Internal Charges recoveries.

## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



## Transport

	Actual 2016/17 (YTD)	Operating Budget 2016/17 (YTD)	Operating Budget 2016/17 (Full Year)	Actual 2015/16 (YTD)	Actual 2015/16 (Full Year)
<b>Sources of Operational Funding</b>					
<b>Source of Operating Funding</b>					
Rates	(584,560)	(552,106)	(2,208,425)	(633,929)	(2,393,839)
Subsidies and grants for operating purposes	(650,950)	(1,090,707)	(4,362,823)	-	(4,580,750)
Fees charges and targeted rates for water supply	(109,150)	(16,029)	(64,123)	(201,281)	(832,827)
Interest and Dividends from Investments	-	-	-	-	-
Local authorities fuel tax fines infringement fees and c	-	-	-	-	-
<b>Total Source of Operating Funding</b>	<b>(1,344,660)</b>	<b>(1,658,842)</b>	<b>(6,635,371)</b>	<b>(835,210)</b>	<b>(7,807,416)</b>
<b>Application of Operating Funding</b>					
Payments to staff and suppliers	1,659,079	1,458,726	5,869,151	1,017,670	7,449,683
Finance costs	-	5,109	20,434	-	-
Internal Charges and Overheads applied	-	-	-	-	-
<b>Total Application of Operating Funding</b>	<b>1,659,079</b>	<b>1,463,835</b>	<b>5,889,585</b>	<b>1,017,670</b>	<b>7,449,683</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>(314,419)</b>	<b>195,007</b>	<b>745,786</b>	<b>(182,460)</b>	<b>357,733</b>
<b>Source of Capital Funding</b>					
Subsidies and grants for capital expenditure	(258,387)	(939,120)	(3,756,478)	-	(1,893,569)
(Increase) decrease in debt	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total Source of Capital Funding</b>	<b>(258,387)</b>	<b>(939,120)</b>	<b>(3,756,478)</b>	<b>-</b>	<b>(1,893,569)</b>
<b>Total Sources of capital funding</b>	<b>(258,387)</b>	<b>(939,120)</b>	<b>(3,756,478)</b>	<b>-</b>	<b>(1,893,569)</b>
<b>Application of Capital Funding</b>					
Capital expenditure - to improve the level of service	117,506	139,425	1,859,432	141,131	1,011,189
Capital expenditure - to replace existing assets	163,229	443,793	4,399,509	282,782	2,079,754
Increase (Decrease) in Reserves	(336,767)	550,909	(1,756,677)	(606,373)	(839,640)
<b>Total Application of Capital Funding</b>	<b>(56,032)</b>	<b>1,134,127</b>	<b>4,502,264</b>	<b>(182,460)</b>	<b>2,251,302</b>
<b>Total application of capital funding</b>	<b>(56,032)</b>	<b>1,134,127</b>	<b>4,502,264</b>	<b>(182,460)</b>	<b>2,251,302</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>314,419</b>	<b>(195,007)</b>	<b>(745,786)</b>	<b>182,460</b>	<b>(357,733)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation and Amortisation	1,698,210	1,816,376	2,724,564	636,829	2,547,315

This report has been adjusted for Internal Charges recoveries.

## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



## Community Facilities

	Actual 2016/17 (YTD)	Operating Budget 2016/17 (YTD)	Operating Budget 2016/17 (Full Year)	Actual 2015/16 (YTD)	Actual 2015/16 (Full Year)
<b>Sources of Operational Funding</b>					
<b>Source of Operating Funding</b>					
Rates	(414,968)	(391,930)	(1,567,719)	(409,102)	(1,544,848)
Subsidies and grants for operating purposes	(98,416)	(12,231)	(48,926)	(57,078)	(46,244)
Fees charges and targeted rates for water supply	(8,141)	(15,282)	(61,151)	(13,582)	(56,757)
Interest and Dividends from Investments	-	-	-	-	-
Local authorities fuel tax fines infringement fees and other receipts	-	-	-	-	-
<b>Total Source of Operating Funding</b>	<b>(521,525)</b>	<b>(419,443)</b>	<b>(1,677,796)</b>	<b>(479,762)</b>	<b>(1,647,848)</b>
<b>Application of Operating Funding</b>					
Payments to staff and suppliers	307,213	340,648	1,529,648	195,721	1,366,598
Finance costs	1,369	14,859	59,430	-	530
Internal Charges and Overheads applied	-	-	-	-	-
Other operating funding applications	-	-	-	(3,816)	(7,600)
<b>Total Application of Operating Funding</b>	<b>308,582</b>	<b>355,507</b>	<b>1,589,078</b>	<b>191,905</b>	<b>1,359,528</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>212,943</b>	<b>63,936</b>	<b>88,718</b>	<b>287,857</b>	<b>288,320</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
(Increase) decrease in debt	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total Sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of Capital Funding</b>					
Capital expenditure - to improve the level of service	308,441	13,245	914,631	17,605	418,904
Capital expenditure - to replace existing assets	1,922	-	105,250	45,838	118,014
Increase (Decrease) in Reserves	(97,420)	50,691	(931,163)	224,414	(248,598)
<b>Total Application of Capital Funding</b>	<b>212,943</b>	<b>63,936</b>	<b>88,718</b>	<b>287,857</b>	<b>288,320</b>
<b>Total application of capital funding</b>	<b>212,943</b>	<b>63,936</b>	<b>88,718</b>	<b>287,857</b>	<b>288,320</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>(212,943)</b>	<b>(63,936)</b>	<b>(88,718)</b>	<b>(287,857)</b>	<b>(288,320)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation and Amortisation	37,827	37,830	151,318	37,720	150,881

This report has been adjusted for Internal Charges recoveries.

The overspend showing in capital includes \$208k of work in progress brought forward and funded last year. This is an accounting process and will be reviewed for reporting impact.

## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



## Planning and Regulatory

	Actual 2016/17 (YTD)	Operating Budget 2016/17 (YTD)	Operating Budget 2016/17 (Full Year)	Actual 2015/16 (YTD)	Actual 2015/16 (Full Year)
<b>Sources of Operational Funding</b>					
<b>Source of Operating Funding</b>					
Rates	(53,729)	(50,746)	(202,983)	(136,537)	(515,589)
Subsidies and grants for operating purposes	(80,267)	-	-	(111,417)	(1,795)
Fees charges and targeted rates for water supply	(497,531)	(503,877)	(549,686)	(522,287)	(567,503)
Interest and Dividends from Investments	-	-	-	-	-
Local authorities fuel tax fines infringement fees and other receipts	-	-	-	-	-
<b>Total Source of Operating Funding</b>	<b>(631,527)</b>	<b>(554,623)</b>	<b>(752,669)</b>	<b>(770,241)</b>	<b>(1,084,887)</b>
<b>Application of Operating Funding</b>					
Payments to staff and suppliers	849,257	1,292,401	1,409,858	858,966	1,022,324
Finance costs	7,480	22,418	24,456	13,121	13,330
Internal Charges and Overheads applied	-	-	-	-	-
<b>Total Application of Operating Funding</b>	<b>856,737</b>	<b>1,314,819</b>	<b>1,434,314</b>	<b>872,088</b>	<b>1,035,653</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>(225,210)</b>	<b>(760,196)</b>	<b>(681,645)</b>	<b>(101,847)</b>	<b>49,234</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
(Increase) decrease in debt	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total Sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of Capital Funding</b>					
Capital expenditure - to improve the level of service	97,133	100,000	160,000	37,751	94,808
Capital expenditure - to replace existing assets	98,742	131,000	131,000	55,639	98,742
Increase (Decrease) in Reserves	(421,085)	(991,196)	(972,645)	(195,237)	(144,316)
<b>Total Application of Capital Funding</b>	<b>(225,210)</b>	<b>(760,196)</b>	<b>(681,645)</b>	<b>(101,847)</b>	<b>49,234</b>
<b>Total application of capital funding</b>	<b>(225,210)</b>	<b>(760,196)</b>	<b>(681,645)</b>	<b>(101,847)</b>	<b>49,234</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>225,210</b>	<b>760,196</b>	<b>681,645</b>	<b>101,847</b>	<b>(49,234)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation and Amortisation	45,407	50,105	54,659	12,384	49,535

This report has been adjusted for Internal Charges recoveries.

Primary underspend in this area is consultancy and planning staff costs not having been appointed in support of the District Plan development. These are costs that will likely begin to increase in expenditure over the balance of this year and into the next financial year as a Senior Planner is appointed and the preparation of the District Plan moves forward.

These costs were part of the rates smoothing activity included in the 2015-25 LTP.

## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



## Leadership and Governance

	Actual 2016/17 (YTD)	Operating Budget 2016/17 (YTD)	Operating Budget 2016/17 (Full Year)	Actual 2015/16 (YTD)	Actual 2015/16 (Full Year)
<b>Sources of Operational Funding</b>					
<b>Source of Operating Funding</b>					
Rates	(297,989)	(281,445)	(1,125,778)	(219,289)	(828,079)
Subsidies and grants for operating purposes	-	-	-	-	(2,000)
Fees charges and targeted rates for water supply	1,006	(30)	(16,220)	5,011	(25,079)
Interest and Dividends from Investments	-	-	-	-	-
Local authorities fuel tax fines infringement fees and other receipts	-	-	-	-	-
<b>Total Source of Operating Funding</b>	<b>(296,982)</b>	<b>(281,475)</b>	<b>(1,141,998)</b>	<b>(214,278)</b>	<b>(855,158)</b>
<b>Application of Operating Funding</b>					
Payments to staff and suppliers	250,379	264,575	1,221,568	219,011	977,723
Finance costs	1,065	126	505	80	1,431
Internal Charges and Overheads applied	-	-	-	-	-
<b>Total Application of Operating Funding</b>	<b>251,444</b>	<b>264,701</b>	<b>1,222,073</b>	<b>219,090</b>	<b>979,154</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>45,539</b>	<b>16,774</b>	<b>(80,075)</b>	<b>(4,812)</b>	<b>(123,996)</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
(Increase) decrease in debt	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total Sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of Capital Funding</b>					
Capital expenditure - to improve the level of service	4,355	-	234,500	-	7,231
Capital expenditure - to replace existing assets	-	-	-	1,250	1,250
Increase (Decrease) in Reserves	41,184	16,774	(314,575)	(6,062)	(132,477)
<b>Total Application of Capital Funding</b>	<b>45,539</b>	<b>16,774</b>	<b>(80,075)</b>	<b>(4,812)</b>	<b>(123,996)</b>
<b>Total application of capital funding</b>	<b>45,539</b>	<b>16,774</b>	<b>(80,075)</b>	<b>(4,812)</b>	<b>(123,996)</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>(45,539)</b>	<b>(16,774)</b>	<b>80,075</b>	<b>4,812</b>	<b>123,996</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation and Amortisation	1,800	1,800	7,200	2,018	8,070

This report has been adjusted for Internal Charges recoveries.



## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



## Investments

	Actual 2016/17 (YTD)	Operating Budget 2016/17 (YTD)	Operating Budget 2016/17 (Full Year)	Actual 2015/16 (YTD)	Actual 2015/16 (Full Year)
<b>Sources of Operational Funding</b>					
<b>Source of Operating Funding</b>					
Rates	85,139	80,412	321,648	46,432	175,337
Subsidies and grants for operating purposes	-	-	-	-	-
Fees charges and targeted rates for water supply	-	(204)	(820)	(77)	(3,491)
Interest and Dividends from Investments	(359,809)	(273,726)	(615,293)	(207,103)	(1,067,879)
Local authorities fuel tax fines infringement fees and other receipts	(2,264)	(16,405)	(42,319,683)	-	(71,514)
<b>Total Source of Operating Funding</b>	<b>(276,934)</b>	<b>(209,923)</b>	<b>(42,614,148)</b>	<b>(160,748)</b>	<b>(967,547)</b>
<b>Application of Operating Funding</b>					
Payments to staff and suppliers	22,317	16,515	25,443	14,621	12,802
Finance costs	524	4,542	346,648	-	387,178
<b>Total Application of Operating Funding</b>	<b>22,841</b>	<b>21,057</b>	<b>372,091</b>	<b>14,621</b>	<b>399,980</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>254,093</b>	<b>188,866</b>	<b>42,242,057</b>	<b>146,127</b>	<b>567,567</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
(Increase) decrease in debt	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total Sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of Capital Funding</b>					
Capital expenditure - to improve the level of service	-	-	-	-	-
Capital expenditure - to replace existing assets	-	-	-	-	-
Increase (Decrease) in Reserves	254,093	188,866	42,242,057	146,127	567,567
<b>Total application of capital funding</b>	<b>254,093</b>	<b>188,866</b>	<b>42,242,057</b>	<b>146,127</b>	<b>567,567</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>(254,093)</b>	<b>(188,866)</b>	<b>(42,242,057)</b>	<b>(146,127)</b>	<b>(567,567)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation and Amortisation	-	-	-	-	-

This report has been adjusted for Internal Charges.

Interest income from investments and gains on market value are well advanced against annual budget due to the amount of cash being available for continued investment in excess of budget. There is future year income risk on maturing investments over the upcoming years, but the current financial year indicates that we will be on or ahead of target for interest income.

## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



## Property

	Actual 2016/17 (YTD)	Operating Budget 2016/17 (YTD)	Operating Budget 2016/17 (Full Year)	Actual 2015/16 (YTD)	Actual 2015/16 (Full Year)
<b>Sources of Operational Funding</b>					
<b>Source of Operating Funding</b>					
Rates	(84,079)	(79,411)	(317,644)	(46,602)	(175,977)
Subsidies and grants for operating purposes	-	-	-	-	-
Fees charges and targeted rates for water supply	(24,849)	(30,045)	(120,195)	(20,985)	(94,762)
Interest and Dividends from Investments	-	-	-	-	-
Local authorities fuel tax fines infringement fees and other receipts	-	-	-	-	-
<b>Total Source of Operating Funding</b>	<b>(108,928)</b>	<b>(109,456)</b>	<b>(437,839)</b>	<b>(67,587)</b>	<b>(270,739)</b>
<b>Application of Operating Funding</b>					
Payments to staff and suppliers	47,800	65,755	260,903	129,939	304,319
Finance costs	-	14,985	59,940	-	-
Internal Charges and Overheads applied	-	-	-	-	-
Other operating funding applications	-	-	-	-	-
<b>Total Application of Operating Funding</b>	<b>47,800</b>	<b>80,740</b>	<b>320,843</b>	<b>129,939</b>	<b>304,319</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>61,127</b>	<b>28,716</b>	<b>116,996</b>	<b>(62,352)</b>	<b>(33,580)</b>
<b>Source of Capital Funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	(390,000)
(Increase) decrease in debt	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total Source of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(390,000)</b>
<b>Total Sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(390,000)</b>
<b>Application of Capital Funding</b>					
Capital expenditure - to improve the level of service	12,824	700,000	768,000	660,484	1,810,212
Capital expenditure - to replace existing assets	30,681	60,000	321,080	64,580	124,141
Increase (Decrease) in Reserves	17,622	(731,284)	(972,084)	(787,415)	(1,577,933)
<b>Total Application of Capital Funding</b>	<b>61,127</b>	<b>28,716</b>	<b>116,996</b>	<b>(62,352)</b>	<b>356,420</b>
<b>Total application of capital funding</b>	<b>61,127</b>	<b>28,716</b>	<b>116,996</b>	<b>(62,352)</b>	<b>356,420</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>(61,127)</b>	<b>(28,716)</b>	<b>(116,996)</b>	<b>62,352</b>	<b>33,580</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation and Amortisation	123,999	123,996	495,989	117,074	468,296

This report has been adjusted for Internal Charges recoveries.

Included in the Pensioner Housing Unit budgets are additional costs from the capital project for the exterior repainting of the Lambert Flats.

The short-fall in capital is the budgeted Community pool project funding that was included in the Long Term Plan for this year and carried over into the Annual Plan. This project was completed last year and this funding will not be required over the balance of this year. This will result in an overall underspend in capital against budget but presents no risk to Council operations or outcome.

## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



## Support Services

	Actual 2016/17 (YTD)	Operating Budget 2016/17 (YTD)	Operating Budget 2016/17 (Full Year)	Actual 2015/16 (YTD)	Actual 2015/16 (Full Year)
<b>Sources of Operational Funding</b>					
<b>Source of Operating Funding</b>					
Rates	(1,082,391)	(1,022,298)	(4,089,193)	(920,557)	(3,476,202)
Subsidies and grants for operating purposes	-	-	-	-	-
Fees charges and targeted rates for water supply	681	(2,175)	(8,707)	(410)	(12,418)
Interest and Dividends from Investments	-	-	-	-	-
Local authorities fuel tax fines infringement fees and other receipts	-	-	-	-	-
<b>Total Source of Operating Funding</b>	<b>(1,081,710)</b>	<b>(1,024,473)</b>	<b>(4,097,900)</b>	<b>(920,968)</b>	<b>(3,488,620)</b>
<b>Application of Operating Funding</b>					
Payments to staff and suppliers	894,526	941,168	4,009,384	716,093	3,637,239
Finance costs	17,185	18,804	87,469	9,592	54,771
Internal Charges and Overheads applied	-	-	-	-	-
Other operating funding applications	-	-	-	-	-
<b>Total Application of Operating Funding</b>	<b>911,711</b>	<b>959,972</b>	<b>4,096,853</b>	<b>725,685</b>	<b>3,692,010</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>169,999</b>	<b>64,501</b>	<b>1,047</b>	<b>195,283</b>	<b>(203,390)</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
(Increase) decrease in debt	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total Sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of Capital Funding</b>					
Capital expenditure - to improve the level of service	22,803	64,549	361,250	5,902	59,983
Capital expenditure - to replace existing assets	5,086	3,800	425,375	9,383	92,175
Increase (Decrease) in Reserves	142,110	(3,848)	(785,578)	179,997	(355,548)
<b>Total Application of Capital Funding</b>	<b>169,999</b>	<b>64,501</b>	<b>1,047</b>	<b>195,283</b>	<b>(203,390)</b>
<b>Total application of capital funding</b>	<b>169,999</b>	<b>64,501</b>	<b>1,047</b>	<b>195,283</b>	<b>(203,390)</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>(169,999)</b>	<b>(64,501)</b>	<b>(1,047)</b>	<b>(195,283)</b>	<b>203,390</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation and Amortisation	35,241	35,241	140,967	38,255	153,018

This statement has been restated to include budgeted and actual rates applicable to the Unit's charges (including the prior year) that are cost recovered to other Units as Overhead Charges during the year end process.



**FINANCIAL RISKS**

No Operational Financial Risks have been assessed as the end of the Period:

Area	Risk	Amount	Type	Description	Risk Level	Financial Impact

There are no identified operational budget risks at this time

Capital Risks assessed as the end of the Period are:

Area	Risk	Amount	Type	Description	Risk Level	Finance Impact
Community Facilities	Community Pool Project	\$763,000	Underspend	The 15-25 Long Term Plan included funding for the development of the Community Pool Project that was expected to have been spent in this financial year and carried forward into the Annual Plan. Project was completed last financial year. No costs are expected 2016/17	Crystallised	Interest and capital charges calculated in the annual plan will not be charged



**Assessment Key:**

Assessing levels of risk is based on the following matrix that has been developed as part of a draft risk policy:

Likelihood	Likely	Considerable	Considerable	High	Extreme	Extreme
	Moderate	Low	Considerable	High	High	Extreme
	Rare	Low	Low	Considerable	High	High
	Very Rare	Low	Low	Considerable	Considerable	Considerable
	Unanticipated	Low	Low	Low	Low	Considerable
		Minor	Moderate	Significant	High	Extreme
Consequence						

Financial Risk Consequence is defined as:

Category	1. Minor	2. Moderate	3. Significant	4. High	5. Extreme
Financial	Direct loss or increased cost of up to \$10K	Direct loss or increased cost of ~\$10 to \$50K	Direct loss or increased cost of ~\$50K to \$100K	Direct loss or increased cost of ~\$100K to \$1M	Direct loss or increased cost of over \$1M

Likelihood is defined as:

1. Likely	2. Moderate	3. Rare	4. Very rare	5. Unanticipated
<ul style="list-style-type: none"> <li>The event will probably occur in most circumstances; or,</li> <li>Not quarterly but within 6 months.</li> <li>~70% chance of occurring in the next 12 months.</li> </ul>	<ul style="list-style-type: none"> <li>The event will possibly occur at some time; or,</li> <li>Not within 6 months but at least annually.</li> <li>~50% chance of occurring in the next 12 months.</li> </ul>	<ul style="list-style-type: none"> <li>The event could occur at some time; or,</li> <li>Not annually but within 3 years.</li> <li>~20-30% chance of occurring in the next 12 months.</li> </ul>	<ul style="list-style-type: none"> <li>The event may occur only in exceptional circumstances; or,</li> <li>Not every 3 years but at least every 10 years.</li> <li>~10-20% chance of occurring in the next 12 months.</li> </ul>	<ul style="list-style-type: none"> <li>The event is not expected to occur; or,</li> <li>Not within 10 years.</li> <li>~2% chance of occurring in the next 12 months.</li> </ul>

## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



## FINANCIAL ACCOUNTS

## Whole of Council Funding Impact Statement

	Actual 2016/17 (YTD)	Operating Budget 2016/17 (YTD)	Annual Budget 2016/17 (Full Year)	Actual 2015/16 (YTD)	Actual 2015/16 (Full Year)
<b>Sources of Operational Funding</b>					
<b>Source of Operating Funding</b>					
General Rates uniform annual charges rates penalties	(3,094,562)	(2,922,756)	(11,691,024)	(3,020,903)	(11,407,513)
Subsidies and grants for operating purposes	(807,296)	(1,102,938)	(4,411,749)	(137,345)	(4,651,331)
Fees charges and targeted rates for water supply	(951,275)	(630,196)	(2,273,836)	(716,942)	(2,855,699)
Interest and Dividends from Investments	(359,809)	(356,127)	(944,905)	(207,103)	(1,067,879)
Local authorities fuel tax fines infringement fees and other receipts	(2,264)	(16,405)	(42,319,683)	-	(71,514)
<b>Total Source of Operating Funding</b>	<b>(5,215,206)</b>	<b>(5,028,422)</b>	<b>(61,641,197)</b>	<b>(4,082,293)</b>	<b>(20,053,937)</b>
<b>Application of Operating Funding</b>					
Payments to staff and suppliers	4,209,776	4,147,292	17,154,350	2,976,873	18,518,588
Finance costs	106,915	139,047	896,917	76,246	745,872
Internal Charges and Overheads applied	-	-	-	-	-
Other operating funding applications	-	-	-	-	-
<b>Total Application of Operating Funding</b>	<b>4,316,691</b>	<b>4,286,339</b>	<b>18,051,267</b>	<b>3,053,119</b>	<b>19,264,460</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>898,515</b>	<b>742,083</b>	<b>43,589,930</b>	<b>1,029,174</b>	<b>789,477</b>
<b>Source of Capital Funding</b>					
Subsidies and grants for capital expenditure	(1,058,387)	(1,310,121)	(5,240,478)	(1,075,530)	(3,608,569)
Gross Proceeds from sale of Assets	-	-	(20,000)	-	(68,512)
(Increase) decrease in debt	13,091	-	-	-	(34,018)
Lump sum contributions	(128,250)	(31,074)	(124,293)	-	-
<b>Total Source of Capital Funding</b>	<b>(1,173,547)</b>	<b>(1,341,195)</b>	<b>(5,384,771)</b>	<b>(1,075,530)</b>	<b>(3,711,099)</b>
<b>Total Sources of capital funding</b>	<b>(1,173,547)</b>	<b>(1,341,195)</b>	<b>(5,384,771)</b>	<b>(1,075,530)</b>	<b>(3,711,099)</b>
<b>Application of Capital Funding</b>					
Capital expenditure - to improve the level of service	692,881	939,562	4,523,880	957,460	6,022,086
Capital expenditure - to replace existing assets	298,328	857,593	8,672,221	490,343	1,830,488
Increase / (Decrease) in Reserves	(1,080,854)	(286,123)	(35,778,600)	(656,901)	3,351,998
<b>Total Application of Capital Funding</b>	<b>991,209</b>	<b>1,797,155</b>	<b>13,196,101</b>	<b>1,447,803</b>	<b>7,852,574</b>
<b>Total application of capital funding</b>	<b>2,072,062</b>	<b>2,083,278</b>	<b>48,974,701</b>	<b>2,104,704</b>	<b>4,500,576</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>(898,515)</b>	<b>(742,083)</b>	<b>(43,589,930)</b>	<b>(1,029,174)</b>	<b>(789,477)</b>
<b>Funding Balance (General Rates)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciation</b>					
Depreciation and Amortisation	1,183,044	1,183,044	4,732,153	1,085,090	4,340,358

Rates will show above budget throughout the year as the provision for doubt rates is updated rather than on a monthly basis. Overall the expected outturn is expected to be on budget.

## Wairoa District Council Monthly Financial Report 30 September 2016



	Actual 2016/17 (YTD)	Operating Budget 2016/17 (YTD)	Operating Budget 2016/17 (Full Year)	Actual 2015/16 (YTD)	Actual 2015/16 (Full Year)
<b>FIS Reconciliation to Statement of Comprehensive Income</b>					
Surplus / (Deficit) from Operations	898,515	742,083	43,589,930	1,029,174	789,477
Less Depreciation Charged *	(1,183,044)	(1,183,044)	(4,732,153)	(1,085,090)	(4,340,358)
Add Capital Subsidies	1,058,387	1,310,121	5,240,478	1,075,530	3,608,569
Add Lump sum contributions	128,250	31,074	124,293	-	-
<b>Reconciling Surplus/(Deficit)</b>	<b>902,109</b>	<b>900,234</b>	<b>44,222,548</b>	<b>1,019,615</b>	<b>57,688</b>
Surplus / (Deficit) per Statement of Comprehensive Income	902,109	900,234	44,222,548	1,019,615	57,688

## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



## Whole of Council Activity Statement

	ACTUAL 2015/16 (to date)	2015/16 Operational Plan (YTD)	2015/16 Variance (YTD)	ANNUAL BUDGET 2015/16	Remaining Budget	ACTUAL 2014/15 (to date)
<b>Net Operating Cost of Service</b>						
<b>Net Expenditure/(Revenue)</b>						
Water Services	278,294	544,992	(266,698)	2,932,875	2,654,581	262,185
Waste Management	208,198	156,996	51,202	784,860	576,662	69,672
Transport	1,600,375	981,564	618,811	5,358,311	3,757,936	825,948
Community Facilities	239,852	362,635	(122,783)	1,894,939	1,655,087	121,245
Planning and Regulatory	(85,480)	117,935	(203,415)	1,260,245	1,345,725	(143,532)
Leadership and Governance	254,250	269,660	(15,410)	2,477,504	2,223,254	224,102
Investments	(339,232)	(269,278)	(69,954)	(42,563,705)	(42,224,473)	(192,559)
Property	146,951	175,102	(28,151)	569,207	422,256	108,953
Support Services	947,633	993,038	(45,405)	(6,081)	(953,714)	725,275
<b>Net Operating (Surplus) / Deficit</b>	<b>3,250,841</b>	<b>3,332,644</b>	<b>(81,803)</b>	<b>(27,291,845)</b>	<b>(30,542,686)</b>	<b>2,001,288</b>
<b>Rates</b>						
General and Targeted Rates Charged	(3,094,562)	(2,922,756)	(171,806)	(11,691,024)	(8,596,462)	(3,020,903)
<b>Capital Subsidies</b>						
Water Reticulation System	(800,000)	(371,001)	(428,999)	(1,484,000)	(684,000)	0
Water Treatment Plant	0	0	0	0	0	0
Sewerage	0	0	0	0	0	0
Roading Subsidised	(258,387)	(939,120)	680,733	(3,756,478)	(3,498,091)	0
Community Centre	0	0	0	0	0	0
<b>Total Net Cost of Service</b>	<b>(902,109)</b>	<b>(900,233)</b>	<b>(1,876)</b>	<b>(44,223,347)</b>	<b>(43,321,238)</b>	<b>(1,019,615)</b>

Support Services budgets are allocated to the Core Services as internal overhead charges in the annual budgets. For the purposes of this report, budgets have been restated to remove Support Services costs from within Activity Areas, and moved to the Support Services report line. This ensures that actual and budget costs are comparable.



## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



## Statement of Comprehensive Income and Expenditure

	Council 2016/17 Actual (YTD)	Council 2016/17 Operational Plan (YTD)	Council 2016/17 Full Year Forecast	Council 2016/17 Operational Plan (Full Year)	Council 2015/16 Actual (YTD)	Council 2015/16 Actual (Full Year)
<b>Income</b>						
Rates	(3,094,562)	(2,922,756)	(11,862,830)	(11,691,024)	(3,020,903)	(11,407,513)
Subsidies	(807,296)	(1,102,938)	(4,116,107)	(4,411,749)	(137,345)	(4,651,331)
Capital Subsidy	(1,058,387)	(1,310,121)	(4,748,744)	(5,240,478)	0	(3,608,569)
Petrol Tax	(2,264)	(16,405)	(51,485)	(65,626)	0	(66,731)
Fees and Charges	(855,150)	(515,785)	(2,155,530)	(1,816,165)	(601,593)	(2,319,286)
Investment Income	(362,533)	(364,218)	(1,305,208)	(1,306,893)	(209,070)	(1,079,610)
Reserves	0	0	0	0	0	0
Other Income	0	0	(42,254,057)	(42,254,057)	0	(4,783)
<b>Total Income</b>	<b>(6,180,192)</b>	<b>(6,232,223)</b>	<b>(66,493,961)</b>	<b>(66,785,992)</b>	<b>(3,968,911)</b>	<b>(23,137,823)</b>
<b>Expenditure</b>						
Water Services	805,837	809,151	3,986,188	3,989,502	384,442	4,605,702
Waste Management	235,406	245,340	1,128,295	1,138,229	94,050	1,111,234
Transport	2,255,281	2,088,299	9,953,038	9,786,056	1,027,229	11,075,391
Community Facilities	346,409	389,149	1,958,276	2,001,016	191,905	1,712,357
Planning and Regulatory	240,315	327,747	1,748,973	1,836,405	162,335	1,356,324
Leadership and Governance	250,231	262,910	2,454,207	2,466,886	219,090	2,148,459
Investments	22,841	21,057	703,487	701,703	14,621	399,980
Property	171,799	205,147	656,054	689,402	129,939	658,244
Support Services	949,965	983,189	(78,979)	(45,755)	725,685	12,444
<b>Total Expenditure</b>	<b>5,278,083</b>	<b>5,331,989</b>	<b>22,509,538</b>	<b>22,563,444</b>	<b>2,949,296</b>	<b>23,080,135</b>
<b>(Surplus) / Deficit</b>	<b>(902,109)</b>	<b>(900,234)</b>	<b>(43,984,423)</b>	<b>(44,222,548)</b>	<b>(1,019,615)</b>	<b>(57,688)</b>

For the purposes of this report budgets have been restated to remove Support Services costs from within Activity Areas. This ensures that actual and budget costs are comparable. Support Services budgets are allocated to the Core Services as internal overhead charges as part of the annual reporting function.

## Wairoa District Council Monthly Financial Report 30 September 2016



## Financial Position

	Council 2016/17 Actual as at 30 September 2016	Council 2016/17 Budgeted as at 30 September 2016	Council 2016/17 Forecasted 30 June 2016	Council 2016/17 Annual Plan as at 30 June 2016	Council 2015/16 Actual as at 30 September 2015	Council 2015/16 Actual as at 30 June 2015
<b>Assets</b>						
<b>Current Assets</b>						
Non Interest Bearing Cash & Equivalents	77,922	140,775	71,973	104,826	(493)	643,718
Inventories	3,921	3,921	3,921	3,921	3,921	65,574
Trade and Other Receivables	1,886,288	3,454,122	512,311	2,080,145	2,095,836	3,051,652
Financial Assets at Fair Value	10,607,979	11,985,325	5,782,863	7,410,209	10,936,081	10,476,266
<b>Total Current Assets</b>	<b>12,576,110</b>	<b>15,594,143</b>	<b>6,371,068</b>	<b>9,599,101</b>	<b>13,035,345</b>	<b>14,237,210</b>
<b>Non Current Assets</b>						
Property Plant and Equipment	245,732,328	247,896,905	284,422,275	286,586,852	245,154,362	246,764,946
Work in Progress	2,631,191	1,774,812	14,023,113	13,166,734	1,430,244	1
Loans and Other Receivables	60,247	60,247	30,247	60,247	90,247	60,247
Investment Property	277,000	277,000	277,000	277,000	277,000	277,000
Biological Assets	150,380	150,380	150,380	150,380	150,380	150,380
Investments in Subsidiary	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Available for Sale Financial Assets	22,992	22,992	22,992	22,992	22,992	22,992
Intangible Assets	121,343	147,109	121,343	147,109	156,733	121,343
Term Financial Assets at Fair Value	10,052,817	7,539,613	10,052,817	7,539,613	9,095,999	7,821,424
<b>Total Non Current Assets</b>	<b>260,298,298</b>	<b>259,119,058</b>	<b>310,350,167</b>	<b>309,200,927</b>	<b>257,635,957</b>	<b>258,268,334</b>
<b>Total Assets</b>	<b>272,874,408</b>	<b>274,713,201</b>	<b>316,721,235</b>	<b>318,800,028</b>	<b>270,671,302</b>	<b>272,505,543</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Trust Funds and Deposits	(267,849)	0	(267,849)	0	(263,625)	(273,735)
Trade Payables	(2,122,409)	(3,821,280)	(2,886,923)	(4,585,794)	(188,384)	(2,552,511)
Employee Benefit Liabilities	(340,259)	0	(340,259)	0	(306,958)	(370,731)
Contract Retentions	(644,098)	0	(644,098)	0	(652,507)	(708,481)
Accrued Interest	0	0	0	0	0	0
Current Portion Term Borrowings	(10,690)	0	(10,690)	0	0	(10,260)
Taxation	0	0	0	0	0	0
<b>Total Current Liabilities</b>	<b>(3,385,304)</b>	<b>(3,821,280)</b>	<b>(4,149,818)</b>	<b>(4,585,794)</b>	<b>(1,411,474)</b>	<b>(3,915,718)</b>
<b>Non Current Liabilities</b>						
Trade Payables	0	0	0	0	0	0
Employee Benefit Liabilities	(111,459)	(121,063)	(111,459)	(121,063)	(121,063)	(111,459)
Borrowings	(5,020,927)	(5,000,000)	(5,020,927)	(5,000,000)	(5,000,000)	(5,023,758)
Landfill Aftercare	(755,898)	(478,126)	(755,898)	(478,126)	(478,126)	(755,898)
<b>Total Non Current Liabilities</b>	<b>(5,888,284)</b>	<b>(5,599,189)</b>	<b>(5,888,284)</b>	<b>(5,599,189)</b>	<b>(5,599,189)</b>	<b>(5,891,114)</b>
<b>Total Liabilities</b>	<b>(9,273,588)</b>	<b>(9,420,469)</b>	<b>(10,038,102)</b>	<b>(10,184,983)</b>	<b>(7,010,663)</b>	<b>(9,806,832)</b>
<b>Net Assets</b>	<b>263,600,820</b>	<b>265,292,732</b>	<b>306,683,133</b>	<b>308,615,045</b>	<b>263,660,639</b>	<b>262,698,712</b>
<b>Equity</b>						
<b>Retained earnings</b>						
Restricted Reserves	(139,200,123)	(242,091,434)	(141,269,471)	(244,160,782)	(137,091,404)	(137,566,145)
Unrestricted Reserves	0	0	0	0	0	(1,554,287)
Current Year (Surplus)/Deficit	(902,109)	(900,234)	(43,984,423)	(44,222,548)	(1,019,615)	(57,668)
<b>Total Retained earnings</b>	<b>(140,102,232)</b>	<b>(242,991,668)</b>	<b>(185,253,894)</b>	<b>(288,383,330)</b>	<b>(138,111,019)</b>	<b>(139,200,124)</b>
<b>Other Reserves</b>						
Revaluation Reserves	(101,874,443)	0	(101,874,443)	0	(102,871,188)	(101,874,443)
Sinking Fund	0	0	0	0	0	0
Special Funds	(21,624,145)	(22,301,064)	(19,554,796)	(20,231,715)	(23,178,431)	(21,624,145)
<b>Total Other Reserves</b>	<b>(123,498,588)</b>	<b>(22,301,064)</b>	<b>(121,429,239)</b>	<b>(20,231,715)</b>	<b>(125,549,620)</b>	<b>(123,498,588)</b>
<b>Total Equity</b>	<b>(263,600,820)</b>	<b>(265,292,732)</b>	<b>(306,683,133)</b>	<b>(308,615,045)</b>	<b>(263,660,639)</b>	<b>(262,698,712)</b>

## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



## Cashflow

	Actual to Date 2015/16	Full Year Budget 2015/16	Remaining Budget 2015/16
<b>OPERATING ACTIVITIES</b>			
Cash was provided from:			
Rates received	3,094,562	13,077,245	9,982,683
Other Revenue	4,121,510	12,079,897	7,958,387
	<u>7,216,072</u>	<u>25,157,142</u>	<u>17,941,070</u>
Cash was applied to:			
Payments to Suppliers & Employees	4,159,930	20,555,817	16,395,887
Taxation		-	-
Interest Paid	274,816	473,078	198,262
	<u>4,434,746</u>	<u>21,028,895</u>	<u>16,594,149</u>
Net Cash Flow from Operations	<u>2,781,326</u>	<u>4,128,247</u>	<u>1,346,921</u>
<b>INVESTING ACTIVITIES</b>			
Cash was provided from:			
Decrease in Loans & Other Receivables			
Sale of Property, Plant & Equipment		70,000	70,000
Sale of Financial Assets	-	1,400,000	1,400,000
	<u>-</u>	<u>1,470,000</u>	<u>1,470,000</u>
Cash was applied to:			
Increase in loans & advances			
Purchase of Intangibles			
Purchase of Financial Assets	4,323,725	-	4,323,725
Purchase of Property, Plant & Equipment	(976,602)	10,600,149	11,576,751
	<u>3,347,123</u>	<u>10,600,149</u>	<u>7,253,026</u>
Net Cash Flows from Investing Activities	<u>(3,347,123)</u>	<u>(9,130,149)</u>	<u>(5,783,026)</u>
<b>FINANCING ACTIVITIES</b>			
Cash was provided from:			
Loans Raised	-	550,000	550,000
	<u>-</u>	<u>550,000</u>	<u>550,000</u>
Cash was applied to:			
Borrowings Repaid	-	2,334,615	-
	<u>-</u>	<u>2,334,615</u>	<u>-</u>
Net Cash Flows from Financing Activities	<u>-</u>	<u>(1,784,615)</u>	<u>550,000</u>
Net Increase/(Decrease)	<u>(565,796)</u>	<u>(6,786,517)</u>	<u>(3,886,106)</u>
Plus opening cash & cash equivalents	643,718	6,927,292	6,283,574
Cash & cash equivalents at end of year	<u>77,922</u>	<u>140,775</u>	<u>2,397,468</u>
Made up of:			
Cash	77,922	140,775	62,853
Short Term Deposits			
Bank Overdraft	-	-	-
	<u>77,922</u>	<u>140,775</u>	<u>62,853</u>

## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016


**RECONCILIATION OF OPERATING SURPLUS WITH NET CASH FLOW  
FROM OPERATING ACTIVITIES:**
*For the period ended September 2016*

	<b>Actual to Date 2015/16</b>
<b>Surplus / Deficit</b>	902,109
<b>Add / (less) non cash items:</b>	
Depreciation and amortisation	1,183,044
Impairment	
Gains on Investments held at fair value	
<b>Add / (less) items classified as investing or financing activities:</b>	
(Gains) / Losses on disposal of property, plant and equipment	
<b>Add / (less) movements in working capital items:</b>	
(Inc) / Dec Accounts receivable	1,165,364
(Inc) / Dec Prepayments	-
(Inc) / Dec Inventories	61,653
Inc / (Dec) Accounts payable	(530,842)
Inc / (Dec) Income in Advance	-
Inc / (Dec) Accrued Expenses	-
Inc / (Dec) Employee benefits	(2)
<b>Net cash inflow / (outflow) from operating activities</b>	<u><u>2,781,326</u></u>

## Wairoa District Council Monthly Financial Report 30 September 2016



## Capital Program

Year to date capital expenditure by Cost Centre is:

Capital Projects	ACTUAL 2015/16 (to date)	2015/16 Operational Plan (YTD)	2015/16 Variance (YTD)	ANNUAL BUDGET 2015/16	Remaining Budget
Library	12,388	9,993	(2,395)	89,975	77,587
Library - Building	0	0	0	6,000	6,000
Water Reticulation	258,528	350,000	91,472	1,098,360	839,832
Water Treatment	33,978	0	(33,978)	698,745	664,767
Stormwater	45,716	0	(45,716)	627,990	582,274
Sewerage	63,058	0	(63,058)	1,505,782	1,442,724
Waste Management	0	0	0	155,250	155,250
Wairoa Airport	14,851	0	(14,851)	540,000	525,150
Roading Subsidised	149,777	583,218	433,441	5,433,286	5,283,509
Roading Non Subsidised	1,291	0	(1,291)	689,160	687,869
Infrastructural Business Unit	32,251	0	(32,251)	70,750	38,499
Parking	0	0	0	161,155	161,155
Parks and Reserves	92,513	0	(92,513)	1,051,250	958,737
Community Centre	7,388	760,000	752,612	1,060,080	1,052,692
Economic Development	2,000	0	(2,000)	345,000	343,000
Pensioner Housing	23,293	0	(23,293)	33,312	10,019
Cemeteries	(32)	3,252	3,284	13,000	13,032
Environmental Health	0	0	0	10,250	10,250
ByLaw Control	4,761	0	(4,761)	135,000	130,239
Civil Defence	0	0	0	11,000	11,000
Rural Fire	0	0	0	12,000	12,000
Council	2,355	0	(2,355)	22,000	19,645
Property Corporate	9,612	0	(9,612)	0	(9,612)
Camping Grounds	0	0	0	3,000	3,000
Chief Executive Officer	3,838	0	(3,838)	58,000	54,162
Administration Services	3,399	46,550	43,151	662,250	658,851
Information Services	18,323	21,850	3,527	86,625	68,302
Engineering Services	2,329	0	(2,329)	22,000	19,672
	0	0	0	0	0
<b>Subtotal of this Years Costs</b>	<b>781,616</b>	<b>1,774,863</b>	<b>993,247</b>	<b>14,601,220</b>	<b>13,819,604</b>
Prior Years Work in progress	0	0	0	0	0
<b>Planned Capital Spending</b>	<b>781,616</b>	<b>1,774,863</b>	<b>993,247</b>	<b>14,601,220</b>	<b>13,819,604</b>
<b>Capital Subsidies</b>					
Water Reticulation System	(800,000)	(371,001)	(428,999)	(1,484,000)	(684,000)
Water Treatment Plant	0	0	0	0	0
Sewerage	0	0	0	0	0
Roading Subsidised	(258,387)	(939,120)	680,733	(3,756,478)	(3,498,091)
Community Centre	0	0	0	0	0
	(1,058,387)	(1,310,121)	251,734	(5,240,478)	(4,182,091)
<b>Net Planned Capital Spending</b>	<b>(276,771)</b>	<b>464,742</b>	<b>1,244,981</b>	<b>9,360,742</b>	<b>9,637,513</b>

	ACTUAL 2015/16 (to date)	2015/16 Operational Plan (YTD)	2015/16 Variance (YTD)	ANNUAL BUDGET 2015/16	Remaining Budget
Additions	489,016	917,219	428,203	5,108,513	4,619,497
Renewal	292,600	857,593	564,993	8,058,221	7,765,621
<b>Total Gross Spend this Year</b>	<b>781,616</b>	<b>1,774,812</b>	<b>993,196</b>	<b>13,166,734</b>	<b>12,385,118</b>

## WAIROA DISTRICT COUNCIL MONTHLY FINANCIAL REPORT 30 SEPTEMBER 2016



## Net Operating Cost of Service by Service Activity

Net Operating Cost of Service	ACTUAL 2016/17 (YTD)	Operating Budget 2016/17 (YTD)	Operating Budget 2016/17 (Full Year)	ACTUAL 2015/16 (YTD)	ACTUAL 2015/16 (Full Year)
<b>Revenue</b>					
<b>Water Services</b>					
Income	(536,806)	(382,749)	(1,530,996)	(235,639)	(972,481)
Operating Cost	913,893	873,470	4,246,780	492,998	5,090,714
Maintenance Cost	5,011	8,484	33,941	4,826	39,671
<b>Total Water Services</b>	<b>382,098</b>	<b>499,205</b>	<b>2,749,725</b>	<b>262,185</b>	<b>4,157,904</b>
<b>Waste Management</b>					
Income	(27,208)	(88,344)	(353,369)	(24,379)	(373,513)
Operating Cost	235,406	192,893	928,436	94,050	1,111,234
<b>Total Waste Management</b>	<b>208,198</b>	<b>104,549</b>	<b>575,067</b>	<b>69,672</b>	<b>737,720</b>
<b>Transport</b>					
Income	(780,100)	(1,106,736)	(4,426,946)	(201,281)	(5,413,577)
Operating Cost	1,316,359	511,537	3,478,227	189,318	5,422,646
Maintenance Cost	938,922	1,296,288	5,185,133	837,910	5,652,745
<b>Total Transport</b>	<b>1,475,181</b>	<b>701,089</b>	<b>4,236,414</b>	<b>825,948</b>	<b>5,661,814</b>
<b>Community Facilities</b>					
Income	(86,556)	(27,513)	(110,077)	(70,660)	(103,001)
Operating Cost	262,722	240,894	1,408,014	143,802	1,393,766
Maintenance Cost	83,687	96,735	386,920	48,104	318,591
<b>Total Community Facilities</b>	<b>259,852</b>	<b>310,116</b>	<b>1,684,857</b>	<b>121,245</b>	<b>1,609,356</b>
<b>Planning and Regulatory</b>					
Income	(325,795)	(208,813)	(572,160)	(305,867)	(506,708)
Operating Cost	240,010	213,735	1,380,355	151,263	1,313,082
Maintenance Cost	718	3,345	13,377	795	9,559
Job Costing	(413)	0	0	10,278	33,683
<b>Total Planning and Regulatory</b>	<b>(85,480)</b>	<b>8,267</b>	<b>821,572</b>	<b>(143,532)</b>	<b>849,616</b>
<b>Leadership and Governance</b>					
Income	2,396	(30)	(16,220)	5,011	(27,079)
Operating Cost	249,894	(25,965)	1,304,665	218,800	2,148,089
Maintenance Cost	337	0	0	290	370
<b>Total Leadership and Governance</b>	<b>252,627</b>	<b>(25,995)</b>	<b>1,288,445</b>	<b>224,102</b>	<b>2,121,380</b>
<b>Investments</b>					
Income	(362,073)	(290,335)	(43,265,408)	(207,180)	(1,142,884)
Operating Cost	22,841	(70,366)	336,011	14,621	399,980
<b>Total Investments</b>	<b>(339,232)</b>	<b>(360,701)</b>	<b>(42,929,397)</b>	<b>(192,559)</b>	<b>(742,905)</b>
<b>Property</b>					
Income	(24,849)	(30,045)	(263,256)	(20,985)	(241,045)
Operating Cost	147,914	213,360	865,318	111,882	704,762
Maintenance Cost	23,886	25,863	103,452	18,057	99,764
<b>Total Property</b>	<b>146,951</b>	<b>209,178</b>	<b>705,514</b>	<b>108,953</b>	<b>563,482</b>
<b>Support Services</b>					
Income	681	875,337	(733,855)	(410)	(3,845,002)
Operating Cost	949,965	974,618	4,150,243	725,685	3,845,028
<b>Total Support Services</b>	<b>950,646</b>	<b>1,849,955</b>	<b>3,416,388</b>	<b>725,275</b>	<b>26</b>
<b>Total Net Operating Cost of Service</b>	<b>3,250,841</b>	<b>3,295,660</b>	<b>(27,451,415)</b>	<b>2,001,288</b>	<b>14,958,394</b>

**8.5 INSURANCE COVER INFRASTRUCTURE ASSETS**

**Author:** Christopher Hankey, Financial Planning Manager

**Authoriser:** Fergus Power, Chief Executive Officer

**Appendices:** 1. Civil Liability Pool Notice to Members  
2. JLT recommendation for Replacement Cover

**1. PURPOSE**

- 1.1 To seek direction on insurance cover on infrastructure assets on the dissolving of Civic Liability Pool (Riskpool) as from 1 July 2017

**RECOMMENDATION**

The Financial Planning Manager RECOMMENDS that the Council:

1. Receive this report; and
2. Approve the uptake of JLT's recommendation for Liability Cover through the London Market Local Government Cover Programme; and
3. Defer a decision on reinsuring Infrastructural Assets until a renewal proposal is received from LAPP; and
4. Endorse a wider investigation of the insurance market for infrastructural asset cover over the upcoming financial year in conjunction with JLT.

**2. BACKGROUND**

- 2.1 Civic Liability Pool (CLP) has written to all member Councils, of which WDC is one, to advise that CLP has decided not to offer any new indemnity and liability policies as from 1 July 2017. Council currently has liability cover with CLP. This letter is attached at Appendix 1.
- 2.2 Council also has \$54M of cover for infrastructure assets with CLP's LAPP programme.
- 2.3 At the Council meeting of 24 May 2016 Council instructed the Chief Executive Officer to give notice of intention to leave the Local Authority Protection Programme (LAPP).
- 2.4 The Finance Audit and Risk Committee instructed the Chief Executive Officer to seek a recommendation for Council of replacement cover for these items. JLT have now responded and the recommendation is placed for consideration by Council.
- 2.5 Insurance cover is part of Council's suite of risk management tools.

**3. DISCUSSION**

- 3.1 Appendix 1 is a letter received from CLP the provider of Council's liability and indemnity insurance advising that they will not be offering cover to LG organisations from 01 July 2017.
- 3.2 Since Council resolved to give notice to the Local Authority Protection Programme of its intention to leave the Programme the Kaikoura earthquake has caused concern for

insurers. Indications since the preparation of the Finance Audit and Risk Committee Report is that premiums are likely to increase by 30% as a result of the event.

- 3.3 HB Region CFOs are set to meet with JLT to review insurance coverage and issues around insurance on 24 March 2017.

#### 4. ASSETS COVERED UNDER THIS POLICY AND THE BROKERS RECOMMENDATION

- 4.1 Currently Council insures its Public Liability through CLP and 40% of the value of infrastructural assets, to a value of \$54M through CLP's LAPP program.
- 4.2 Cost of premiums for this coverage has been ~\$70,000 per annum for the past 2 financial years.
- 4.3 Appendix 2 to this report is the recommendation that was received from JLT in regards to the cover currently in place. Their recommendations are:
- 4.3.1. **Liability Cover:** Transfer to the "London market local government liability programme" cover detailed in the Riskpool members update and managed by JLT. The Premium offered in the attachment at \$18,500, is a reduction on the current year cost of \$19,500.
- 4.3.2. **Infrastructure Cover:** Initial reviews of the market are showing indicative premiums of circa \$100k pa, with an excess of \$1M per event. For comparison current premiums under LAPP have been circa \$50k pa with an excess of \$250k per event. For sensitivity, a 30% increase in premium costs would place a comparative premium at ~\$65,000 pa. No indication of a premium has been received from LAPP, however no competitive alternative has yet been identified.

#### 5. OPTIONS

- 5.1 The options identified are:
- Not insure infrastructural assets;
  - Proceed as recommended by JLT for both items of cover; or
  - Accept the recommendation for Public Liability Cover and defer for JLT to consider options in the local market for Infrastructural Asset Cover; or
  - Undertake an open market review of options via a Request For Proposal (RFP).
- 5.2 Option (a) is to not insure infrastructure assets. This represents the greatest risk and considering the two earthquakes in excess of 6 on the Richter Scale in Christchurch and Kaikoura in the past 6 years, and the two 5.5+ earthquakes in the Wairoa/Gisborne ranges and at Te Aroha in the past months this is not recommended. By this Council would need to self-insure to replace infrastructure assets in the event of a catastrophic event and to do so would need to establish a \$54M pool of special cash reserves or rely on debt facilities.
- 5.3 The CLP notification advises that it is possible to approach their underwriters for coverage, through JLT. Their recommendation is to uptake the offer would result in a small reduction of the premium in the upcoming year.
- 5.4 JLT have noted in their email that they have had little or no uptake on insuring the infrastructural assets at this time, however with only a short timeframe they have not had the ability to investigate the market in depth. Their recommendation is that we reinsure with LAPP for the upcoming year and undertake a more extensive market



review over the 2017/18 year to provide a better level of awareness and assessment of needs. It is recommended that Council defer any decision on Infrastructural Asset cover until a renewal certificate is received from LAPP later this financial year.

- 5.5 Option (d) is to undertake an open market RFP for insurance. This would require specialist knowledge of the market to ensure that any responses would meet the needs of the organisation. At a premium rate of ~\$70,000 per annum this represents a significant level of work that would not necessarily present any better or more cost effective options than could be offered by our current broker undertaking a review.
- 5.6 The preferred option is option C, accept the proposed Liability Cover through the London programme and deferring a decision on infrastructural asset cover until LAPP provide a renewal offer for the upcoming year. This meets the purpose of local government as it will help meet the current and future needs of communities for good-quality infrastructure in a way that is most cost-effective for households and businesses.

## 6. CONCLUSION

- 6.1 CLP have advised that they will no longer be offering new liability insurance policies to the market, however an offer through their underwriter via a London Local Authority Cover Programme, managed via JLT, has been placed to the market as a replacement option. The recommendation from JLT is that we enter into this cover option, which will see a reduction in the premium for this coming year.
- 6.2 There is a great deal of uncertainty as to future premium costs as a result of the recent Kaikoura Earthquake.
- 6.3 JLT as our broker is well-positioned to recommend replacement coverage in respect to the infrastructure assets previously covered by CLP's LAPP programme, should greater time be offered to review the market. The recommendation presented by JLT in respect to this cover recommends a wider review and exploration of the market than has currently been considered.

## 7. CORPORATE CONSIDERATIONS

### What is the change?

- 7.1 No operational or policy changes will occur as a result of this paper.
- 7.2 No s17A review will be triggered by this paper.

### Compliance with legislation and Council Policy

- 7.3 Infrastructural asset insurance is included in the Annual Plan.
- 7.4 Infrastructural asset insurance is included in the Long Term Plan.
- 7.5 No impact on the District Plan.
- 7.6 No impact on ED strategy.
- 7.7 No impact on any other Council Policy.

### What are the key benefits?

- 7.8 Reduced cost of replacement of assets if damaged as a result of an "Act of God".

**What is the cost?**

7.9 There is provision in the Annual Plan for a premium cost of \$70,000 per annum.

**What is the saving?**

7.10 A \$1,000 reduction in liability cover has been identified by our broker for Liability Cover.

**Who has been consulted?**

7.11 No consultation has been undertaken for this paper.

**Service delivery review**

7.12 There is no impact on service delivery.

**Maori Standing Committee**

7.13 This matter has not been referred to the MSC.

**8. SIGNIFICANCE**

8.1 This does not trigger Council's significance and engagement policy, unless the option to self-insure is selected as the preferred option.

8.2

**9. RISK MANAGEMENT**

9.1 The strategic risks (e.g. publicity/public perception, adverse effect on community, timeframes, health and safety, financial/security of funding, political, legal – refer to S10 and S11A of LGA 2002, others) identified in the implementation of the recommendations made are as follows:

- a. Loss of service of infrastructural assets in a catastrophic event would have an adverse effect on community and would put at risk the health and wellbeing of residents, to the level of potential loss of life;
- b. Replacement of assets would be a significant cost, appropriate insurance cover mitigates that cost to the community; and
- c. Insurance contributes to the ongoing financial security of the council and the community of the district.

**References (to or from other Committees)**



Local Authority Protection Programme paper to Council 24 May 2016

**Confirmation of statutory compliance**

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

**Signatories**

	
Christopher Hankey Author	Fergus Power Approved by



17 February 2017

Andrew Morton  
Wairoa District Council  
PO Box 54  
Wairoa 4160

Dear Andrew

**Member Update**

We regret to inform you that neither Riskpool nor Civic Liability Pool (CLP) will be offering cover from 1 July 2017. The decision not to offer cover for 2017-18 is disappointing given Riskpool's history, but support from the sector has dropped in recent years and without good support it isn't viable for Riskpool and/or CLP to offer new covers. Existing notified claims will be managed in the usual way.

We estimate that over the last 20 years Riskpool has saved the sector around \$250m in insurance premiums. In addition, Riskpool has also been involved in the establishment of a considerable body of new case law that has limited legal liability for local authorities and helped clarify duties of care. However, whereas membership peaked with 82 members out of a possible 85 in the 2004-05 period, Riskpool and CLP for 2016-17 now have a combined membership of only 31. This size membership does not allow us to offer the competitively priced cover and risk management services that Riskpool was able to offer in the past.

If members are currently happy with their level and degree of cover, JLT has advised that its London market local government liability programme, the longstanding ground-up reinsurer of Riskpool (and more recently CLP) will be available to councils directly. This will ensure continuity of underwriters and coverage for your public liability and professional indemnity risks. We otherwise recommend that you discuss coverage options with your insurance broker.

Finally we would like to thank you and your council for your support over the years. We suspect that Riskpool/CLP will be better appreciated by the sector once it is no longer available for new covers and so we will be keeping CLP 'on hold' should sufficient numbers in the sector want it resurrected.

Kind regards

A handwritten signature in blue ink, appearing to read 'Jane Brown', is written over a faint, larger version of the same signature.

Jane Brown  
Legal Officer  
DDI: (04) 978 1268  
Email: [jane.brown@civicassurance.co.nz](mailto:jane.brown@civicassurance.co.nz)

**Christopher Hankey**

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**From:** Martin Holden <martin.holden@jlt.co.nz>  
**Sent:** Friday, 17 March 2017 5:23 p.m.  
**To:** Christopher Hankey; Matthew Meacham  
**Subject:** RE: RiskPool / Civic Liability Pool changes - Wairoa DC

Hi Chris

Apologies for the delay, Matt and I have been working on this but have not been able to hit a landing on firm costs/options for replacement of LAPP. However, given your timeframe we have noted the following in response to your original query:

**Civic Liability Pool (CLP) - Replacement Cover from 30 June 2017**

JLT currently supports the liability cover maintained by CLP by providing full reinsurance and claims management services – and most importantly we are committed to continuing support directly for Council.

JLT can offer Council insurance directly with the existing panel of insurers who currently reinsure RiskPool and CLP “ground up” on every claim.

By accessing the Programme direct, Council will be assured of continuity of underwriters, insurance coverage & limits and claims management. In summary:

- The underwriters and insurance conditions remain the same;
- The limits remain as existing (and we may offer options to increase the professional indemnity limit);
- The excesses will remain unchanged;
- Claims management will continue to be provided by JLT (as it is currently for CLP and RiskPool).

We also plan to introduce some coverage enhancements and will be communicating further on this shortly.

We will also make the transition to the JLT Liability programme easy, as no additional information will be needed from Council.

The 2017/18 cost of insurance would be \$18,500 plus GST – i.e. less than the 2016/17 CLP contribution.

The JLT programme has been providing CLP/RiskPool and other mutual funds with reinsurance for over twenty years and indemnifies over 535 local authorities throughout Australasia. There are no effective competitors who have the capacity to provide equivalent coverage/limits, etc.

Our recommendation is that Council accept JLT's offer to place cover for the 2017 – 2018 period within the JLT Liability programme.

**Local Authority Protection Programme (LAPP)**

We have sought options in the London market for a Council specific (standalone) infrastructure programme to provide equivalent coverage to that currently provided by LAPP.

However, based on the relatively low values currently declared to LAPP (\$54,550,000) and information quality we have not been able to attract sufficient interest from insurers without an indicative premium pool of circa \$100k.

For this premium Council would likely achieve an insurance contract on the following (summarised) basis:

- Declared infrastructure sum insured \$54,550,000
- Insurer proportion 40% (Government 60% under National CDEM Plan)
- Deductible expected \$1m any one loss event.

With further time in the market we may be able to refine this, however, given the likely cost and deductible increases over LAPP cover and time constraint we consider Council would be best placed to retain LAPP cover for the 2017/18 year.

Our recommendation is that Council consider the alternatives over the next year, so that you are well placed to have a more significant choice of options from 1 July 2018. Matt will discuss the steps/processes to best position Council for this with you separately.

I trust this assists and again apologies for the delayed response.

Kind regards  
Martin

**Martin Holden**

**Wellington Manager - Broking | Jardine Lloyd Thompson Ltd**

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**From:** Christopher Hankey [<mailto:chris@wairoadc.govt.nz>]

**Sent:** Thursday, 2 March 2017 10:19 AM

**To:** Martin Holden; Matthew Meacham

**Cc:** Fergus Power

**Subject:** RE: RiskPool / Civic Liability Pool changes - Wairoa DC

Hi Martin and Matthew,

At the Finance Audit and Risk Committee meeting the Councillors have requested that we seek a recommendation from JLT for replacement of the Liability Insurance and the Infrastructural Assets cover previously supplied by Civic Assurance and through their LAPP program respectively, based on your expert knowledge of what is available in the market for equivalent coverage. We are open to any option that provides a cost effective coverage of the risks, including for infrastructure the option of retention with LAPP, if this would be the most cost effective provider of cover. A full and frank assessment of our options is the desired outcome of seeking your advice and recommendation.

The minimum cover that we would be seeking will be the terms and conditions that are covered at the moment through CLP for both Liability and Infrastructure Assets. I am attaching the certificates of cover and the Infrastructure schedule confirmed by our Engineering Department for this year's cover to assist with your investigations.

I have been asked to present options for approval at the next Council Meeting, which is the 28<sup>th</sup> March 2017, with the deadline for adding this to the agenda items of the 15<sup>th</sup> March. Would you please proceed with a review of our options and advise an estimated cost for this (if any) so that I can have a purchase order raised for that cost.

Please do not hesitate to contact me for any additional information that you may need.

Kind regards,

Chris Hankey  
A/CFO

**8.6 WAIROA DESTINATION PLAYGROUND- OPTIONS ANALYSIS**

- Author:** Jamie Cox, District Engineer
- Authoriser:** Fergus Power, Chief Executive Officer
- Appendices:**
1. Options analysis
  2. Price Comparison

**PURPOSE**

- 1.1 This report presents the decisions required for the playground project to proceed to the final design phase.

**RECOMMENDATION**

The Engineering manager RECOMMENDS that Council

- Accept the report; and
- Provides direction on the final design of the Wairoa destination playground.

**2. BACKGROUND**

- 2.1 Vision projects presented to Council previously on the progress of the destination playground project
- 2.2 It was resolved

*That Council:*

- a) *Accept the outsourced funds from the various funding bodies on behalf of the Wairoa Young Achievers Trust; and,*
- b) *Direct the CEO to provide a report at the 14 February meeting which outlines work of both Vision Projects and the Engineering Department on the entire estimated project costs – including site elevation works and fencing.*

***Eaglesome-Karekare/Little***

- 2.3 The Engineering department engaged Opus International to carry out an Options assessment of the playground (attached) which includes assessment of flood flows and footprint impacts.
- 2.4 The Opus report presents three location options for the playground.
- 2.5 A spreadsheet of the costs associated with each options is attached.
- 2.6 There is currently a funding deficit for the entire proposal.
- 2.7 Currently the only public toilet facilities available to service the options are on Queen street or at the Community centre.

**3. OPTIONS**

- 3.1 The location options identified are:
- a. Site 1 – Marine Parade;
  - b. Site 2- skatepark;
  - c. Site 3- A split between the Marine Parade site and the skatepark site.

- 3.2 The options associated with toilet facilities are
- a. Status quo;
  - b. Construct a toilet facility in close proximity to the preferred playground option to cater for the playground use - estimated cost \$80,000; or
  - c. Construct a toilet facility on the Marine parade riverbank reserve which caters for playground use as well as general public use – estimated cost \$200,000.
- 3.3 The financial options associated with the funding deficit are
- a. Utilise existing Council Capex budgets to fund part of the shortfall;
  - b. Fund the shortfall (part or full);
  - c. Reduce the playground project to suit the budget which has been approved; or
  - d. Pause and attempt to find further funding sources.
- 3.4 The advantages and disadvantages of the location options are represented in the Opus report.
- 3.4.1. The author has no preferred option with the Opus report providing the relevant information associated with the impacts of each option.
- 3.5 The current situation of having no public toilet in close proximity to the CBD and riverbank reserve has been previously discussed at length by Council and a sum of \$250,000 has been set aside to address this. Owing to supplementary discussions around potential (eventual) i-Site relocation, empty buildings in the CBD and the CBD enhancement project, the final location of a main street proximal public toilet facility has not been finalised.
- Because of the connecting walkway included in the playground options, it could be argued that there is an opportunity to include a public toilet on the riverbank reserve which would provide a general public toilet facility as well as service the playground. Alternatively a smaller facility could be provided for playground users
- 3.5.1 The author has no preferred option however it is noted that the lack of close proximity toilets in the CBD may be an impediment to lengthier visitor stay times in the CBD.
- 3.6 Site works associated with flood protection of the playground footprint and safety features have lifted the destination playground project above the currently approved budget. Council has the opportunity to utilise existing budgets to fund some of the shortfall however there is still a significant deficit depending on the preferred option. Council does have the option of splitting the option into stages and funding a stage 2 development in the future or alternatively finding additional funding to secure the existing proposal.
- 3.6.1 The preferred option is to allocate funds from general reserves to fund the shortfall.

#### 4 CONCLUSION

Council has accepted a base level of funding from contributors for a destination playground. The exact location, configuration and servicing are subject to Council direction.



**5 CORPORATE CONSIDERATIONS****What is the change?**

5.1 A significant playground adjacent to the river.

**Compliance with legislation and Council Policy**

5.2 This is allowed for in the 2016 AP.

**What are the key benefits?**

5.8 The benefits of each site are outlined in the Opus report.

**What is the cost?**

5.9 A cost spreadsheet is attached.

**What is the saving?**

5.10 N/A

**Who has been consulted?**

5.11 Community consultation has occurred.

**Service delivery review**

5.12 N/A

**Maori Standing Committee**

5.13 This report has not been referred to the Maori Standing Committee.

**6 SIGNIFICANCE**

6.1 An Impact Assessment is attached.

**7 RISK MANAGEMENT**

7.1 The strategic risks (e.g. publicity/public perception, adverse effect on community, timeframes, health and safety, financial/security of funding, political, legal – refer to S10 and S11A of LGA 2002, others) identified in the implementation of the recommendations made are as follows:



- a. This project contains some risks associated with conflicts of CBD users and they have been outlined in the Opus report.

**Confirmation of statutory compliance**

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

	
<p>Jamie Cox Author</p>	<p>Fergus Power Approved by</p>



*Wairoa District Council*

# **Playground Site Options Analysis**


**February 2017**

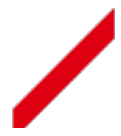


Wairoa District Council

# Playground Site Options Analysis

February 2017

Prepared By	 ----- Andrew Sowersby, Stefan Steyn, Nick Aiken, Craig Daly Opus Napier	Opus International Consultants Ltd Napier Office  Opus House, 6 Ossian Street Private Bag 6019, Hawkes Bay Mail Centre, Napier 4142 New Zealand
Reviewed by	 ----- Michele Frey Principal Environmental Consultant	Telephone: +64 6 833 5100 Facsimile: +64 6 835 0881  Date: 15/02/2017 Reference: 2-y1300.DM Status: Final
Approved for Release By	 ----- Nick Stillwell Development Manager	



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## 1 Executive Summary

Opus has undertaken an analysis of the advantages and disadvantages of the three potential siting options for a new destination playground in the areas adjacent to Marine Parade and the Wairoa Bridge.

The location of the two sites identified by Wairoa District Council for consideration are shown on Image 1 below. A third option identified by Wairoa District Council for consideration is to split the playground so that the older children's play equipment is located at Site 2 and the younger children's play equipment is located at Site 1.



The analysis has utilised criteria including urban design/Crime Prevention Through Environmental Design (CPTED) and landscape factors, together with flooding, traffic, public space conflicts and resource consenting implications.

The broad findings of the analysis is as follows:

- Both sites are located within the 2 year, 50 year and 100 year Average Exceedance Probability (AEP) flood areas.
- It has been estimated that the playground will require 7 **car parking spaces** for normal use and 13 spaces at peak times.

- **Resource consents** will be required for all of the options, with the likelihood of obtaining consent good for all three options.
- **Site Option 1** has the advantage of having high legibility for pathways and connections between the playground, shops and cafes (potential customers to the shops). It also has clear sightlines, providing opportunities for passive surveillance to the playground. The lack of available car parking on Marine Parade (particularly during peak times) would create a parking capacity issue, potentially restricting access to shops and discouraging visits from those passing through Wairoa and seeking convenient parking close to the playground. Similar destination playgrounds around the country also generate the occasional bus traffic from schools and this unloading space is not available near Site Option 1. The other downsides with Site Option 1 are that the location will effectively eliminate the space for the existing outdoor seating; and constrain the position of the envisaged riverside promenade and open air events space under the lighthouse. Construction access to Site Option 1 will be difficult due to the disturbance that would be created to Marine Parade shops and the difficulties getting vehicles under the bridge due to the limited height. The estimated volume of fill required to raise the site is similar to Site Option 2. Care must be taken in relation to the placement of fill in the root zone of the nearby pohutukawa trees due to potential impacts on tree health.
- **Site Option 2** benefits from a lack of conflict with existing recreational features with potential synergies with the skate park and community centre and sufficient space for the placement of public toilets which may assist to attract travellers to stop in this location. There is also less likelihood of the 7m high tower clashing with the historic lighthouse. This option has appropriate car parking availability and there is the potential for the existing community centre car park to be extended to service the playground. This option is not as favourable as Option 1 from a connectivity perspective given the separation of the site from the Marine Parade shops and cafes. It also has slightly less passive surveillance than Site Option 1 owing to the reduced foot/vehicle traffic along this section of Marine Parade. Landscaping, and connectivity improvements back to the shops will be needed to encourage visitors to visit the shops/cafes if that is an important objective.
- **The benefits of Site Option 3** are that the smaller footprints for each site minimise the effects on the character and existing uses on the areas; splitting the playgrounds would likely split the car parking demand to each side of the bridge reducing the potential for shortfall in retail parking. Other benefits are that older children's equipment can be located adjacent to the skate park creating synergies. Another advantage is that the smaller areas occupied by the playgrounds will allow for future growth of activities in the respective sites. The potential disadvantages to segregated play areas is that it is difficult for parents, older siblings and caregivers to watch over children of various ages at the same time. There is also potential safety issues with access between the two sites associated with proximity to the river. There could be some risk that children try to cross the State Highway, although the most likely routes will be via the underpass or under the bridge.

Ideally the **master planning** for the wider area should take place before playground site selection. However due to the time constraints in this instance, it is important that site selection does not conflict with possible future masterplan ideas for the area.



## 2 Our understanding of outcomes sought

Wairoa District Council has identified two possible sites for a new 'destination' playground designed by Jason Currie of Playground Centre. Opus has been engaged to undertake a review of the merits and constraints of each of the identified sites. This will assist decision makers to make an informed decision on the most suitable location for the playground.

A destination playground is different to a typical local reserve playground. It is expected to attract visitors from beyond the local neighbourhood and the playground is typically the main reason for the visit (i.e. visits to shops and rest areas are likely to be secondary reasons for the trip). As such, the use of cars to visit the playground is expected to be higher than that of a typical neighbourhood reserve.

Significantly, a proportion of visitors might be non-resident travellers passing through Wairoa on journeys to the north, south or west. This means that the playground has the potential to be also a feature encouraging travellers to stop and spend some time in the town centre of Wairoa, with corresponding potential to be of some economic benefit to commercial businesses in the town centre.

It is our understanding that the objectives for the playground project are as follows (taken from the Destination Playground Project Plan):

- To attract residents and visitors alike to the central business area to bring social and economic benefits.
- To create a must stop destination and draw-card for visitors and residents alike.
- A playground that is known and celebrated as fun, attractive, and safe for children of all ages.
- To create a playground that caters for children of all ages and their families.
- To create a playground that is built to high standards and has a high visual impact to attract visitors and people driving through town.
- To create a sense of community ownership and pride.
- With the community centre, skate park, and riverside walkway, provide a series of connected recreation-based opportunities along the Wairoa Riverfront

The location of the two sites identified for consideration are shown on Image 1 below.

A third option identified by Wairoa District Council for consideration is to split the playground so that the older children's play equipment is located at Site 1 and the younger children's play equipment is located at Site 2.

This analysis report considers the advantages and disadvantages of each of the three siting options relative to the objectives identified by Council listed above, and other urban design and physical constraints identified in Section 4 of this report.

The choice and layout of the play equipment is beyond the scope of this analysis although the choice and layout of equipment will be important to achieve the above objectives.

The following specialists were involved in the analysis in the table below:



1. Landscape and visual context/landscape design (Stefan Steyn – Principal Landscape Architect)
2. Urban Design, connectivity and CPTED (Nick Aiken – Urban Design Specialist)
3. Traffic and Parking (Craig Daly – Principal Traffic Engineer)
4. RMA and Planning (Andrew Sowersby – Principal Planner)



**Image 1 – Location of the sites identified for the destination playground**

### 3 Description of the Study Area and Site Features

The study area is located adjacent to the Wairoa Bridge and State Highway 2 (SH2) on the true right hand bank of the Wairoa River. SH2 is the main traffic route linking Mahia, Gisborne and Poverty Bay with Napier to the south and is also the only link between North Clyde and Wairoa. The study area is also adjacent to Marine Parade which is Wairoa's most vibrant shopping street, the skate park, community centre and iconic lighthouse.

There are several site features that provide a special sense of place and identity. These are the bridge, the lighthouse, round boulder gardens, line of mature Pohutukawa trees along Marine Parade, the large lawn area adjacent to the river, a series of plaques recognising heritage features/sites/events, Marine Parade main street and the Wairoa River. The river has strong visual presence providing movement and creating a northern boundary to the area. The state highway and bridge currently provide a western or eastern edge to Site's 1 and 2 respectively, essentially severing the riverfront area, though some visual and physical connection does exist under the bridge.

As such, the study area is located in the heart of Wairoa in a highly prominent location, particularly Site 1 which is highly visible from the town centre for visitors heading south along the state highway bridge, and from the reserve and motel activity on north bank of the river.

## 4 Factors that should be considered in site selection

The following factors/considerations have been used in the analysis of the site options in Section 5 of this report. These factors are drawn from best practice considerations for landscape and urban design; our experience associated with playground design and knowledge of what makes successful spaces and playgrounds; and technical understanding of physical, engineering and RMA 1991 constraints:

### 4.1 Landscape Setting

The setting is vitally important to achieving a successful play space. Trends and best practice suggest playgrounds that take inspiration from the surrounding character and environmental context (surroundings), that are designed to fit their surroundings; and which enhance poorer environments are more successful. Such playgrounds not only cultivate a greater sense of place but also assist to develop a place that is valued and pleasing to the eye. Therefore, consideration should be given to the following factors when selecting a playground location:

- » Relatively quiet location away from busy, dangerous roads, noise and pollution,
- » Gently undulating topography to minimise large scale alterations to the landform and drainage issues,
- » Vegetation, stands of trees or other landscape features to help and anchor the site in the landscape (sense of belonging),
- » Scale – the site should not be too small (cramped in) or too big (not out on a vast plain),
- » Tranquil or calm setting, close to nature with a sense of naturalness, and
- » Pleasantly secluded, not remote or hidden away.

In this instance it is important that the chosen site relates well to the bridge and iconic lighthouse, and relates well to the river and marine parade reserve. For this reason a site that ensures that the playground is not over-dominant in respect of the lighthouse is favourable. It is also important to ensure that the playground does not detract from the visual qualities of the parkland and its character, particularly from views from Marine Parade and the bridge. So in terms of site selection landform height and position are important.

The site size and configuration should relate well to the space around it, ensuring good circulation space; not over-dominating the space and relating well to the scale of adjacent site features.

Having the site in a prominent location, clearly visible and appealing from SH2 and Wairoa Bridge, is important to attract visitors passing through Wairoa.

## 4.2 Relationship between activities, and CPTED<sup>1</sup>

Successful playgrounds benefit from being sited in a location that works with and complements adjacent activities, environments and land uses. A combination of compatible activities will encourage a much more vibrant, active hub/use and ensure the creation of a more meaningful recreational space.

Real and perceived safety is also particularly relevant issue that can affect the success of places such as playgrounds and pathways. This is not necessarily because the locations are inherently unsafe or because they have a history of incident and complaint, but rather because the new and redeveloped facilities are deliberately intended to attract and cater for more vulnerable sections of the community such as mothers, children and visitors. Accordingly the following recognised environment based CPTED qualities were considered in assessing the three site options. The principles overlap with many urban design principles and are considered to be also useful in understanding the level of 'comfort' and attractiveness of the playground space for users.

### 'Seven Qualities of Safer Places'<sup>2</sup>

1. Access: Safe movement and connections
2. Surveillance and sightlines: See and be seen
3. Layout: Clear and logical orientation
4. Activity mix: Eyes on the street
5. Sense of Ownership: Showing a space is cared for
6. Quality environments: Well designed, managed, and maintained environments
7. Physical protection: Using active security measures

One of the objectives outlined in the Destination Playground Project Plan is to attract visitors that may also visit the local shopping area. Achieving economic benefits for the town centre is highly likely to rely on a short, convenient and easy to understand links to the town centre shops and cafes with strong visual connections between these and the playground.

Proximity to complementary activities such as the community centre/pools and additional play areas and the skate park may be important to local residents, but are likely of lesser significance to travellers who may prefer the opportunity to use food and drink options.

Safe and attractive well positioned toilet facilities are often important near playgrounds and will be particularly important to travellers, especially those with children. These types of facilities are often considered particularly vulnerable. Their positioning should be as close as possible to areas of activity across a range of days and times, and isolated or concealed sites should be avoided. Seating and other features that encourage/legitimise 'lurking' should be discouraged. The location of toilet facilities, if developed with appearance in mind (attractively) as is usual nowadays, would complement both the playground and the town centre if located in close proximity to and in clear sight of both. It is noted that a toilet facility is not identified part of the playground proposal.

<sup>1</sup> Crime Prevention Through Environmental Design

<sup>2</sup> Identified in the NZ CPTED Guidelines published by the Department of Justice and linked to the NZ Urban Design Protocol



Visually and physically isolated locations for facilities such as playground, in a CPTED sense are considered to be much less desirable. In such instances significant amenity enhancements would be required to off-set these types of disadvantages and even with high quality landscaping are likely to only be partly successful.

#### **4.3 Relationship to Masterplan, Wairoa Riverbank Reserve Management Plan and Wairoa District Council walking and cycling strategy**

The proposed site and its facilities, including future growth opportunities should not conflict with the future master planning for the waterfront. Ideally the master planning for the wider area should take place before playground site selection. However due to the time constraints in this instance, it is important that site selection does not conflict with possible future masterplan ideas for the area. Site selection and design of the playground and proposed site need to be flexible enough to meet the potential changing recreation preferences or future uses (such as the development of a river walkway for instance). The Wairoa Riverbank Reserve Management Plan has site specific objectives that relate to the management and location of features and the Wairoa Walking and Cycling Strategy sets a desire for future cycleway/walkway linkages along the waterfront.

#### **4.4 Playground function and utilisation**

Trends and best practice suggest playgrounds that co-locate age groups and different abilities promotes integrated play, provide greater play value and greater value for money by sharing assets. Children of diverse ages will learn from each other and gain valuable skills which provides them with a much better play experience. Often older kids and siblings are caring for the younger kids, or the parents have children of various ages that they are trying to watch over at the same time. There can often be synergies resulting from the co-location of playgrounds and other recreational activities such as skate parks.

#### **4.5 Flooding/Earthworks**

Both sites are located within the 50 year and 100 year flood risk areas and recent events indicate that the existing they are also located within the 2 year AEP flood area. The Hawke's Bay Regional Council have provided flood information that indicates that the 100 year flood level is around RL 14.75m. The existing playground gets inundated every few years ( RL 13m) which indicates that it is maybe too low for the playground (refer to email from HBRC in Appendix 1). Modelling indicates that water velocities near the edge of the flood waters are around 0.5m/s and are much higher further into the centre of the river.

If it is important that the playground remain outside of the 100 year flood, the playground should be situated at RL 14.75m or higher and outside of the direct path of floodwaters so that overtopping does not occur. Refer to Image 3 below which shows the RL14.75m as a yellow contour. HBRC have indicated that the existing playground on the east side of the bridge probably gets wet every few years or so (situated at RL 13m).

If it is acceptable to Council that the playground might flood during the 50 year or 100 year events, an RL 14m may be appropriate as this would require less imported fill but should be outside of the 2 year flood events.

Images 2 and 2A below show rough estimates of the volume of imported fill required to raise the land to 14m (the 1 in 50 year flood level) where the playgrounds would be situated. It is important to note that these sketches are rough indications only and detailed design of the landform is recommended from flood and landscape perspectives.

Craig Goodier (Managing Engineer at the Hawkes' Bay Regional Council) was consulted in relation to the potential flood implications of raising the landform. Advice received indicated that being a large river, the displacement caused would be small, and there was unlikely to be much difference in terms of increased water velocity. Mr Goodier advised that the landform design should consider impact of eddying and water concentration causing bridge abutment scour. It is recommended that the landform design adjacent to the bridge be reviewed by a hydrologist or bridge engineer. (Refer to email from Craig Goodier of HBRC).

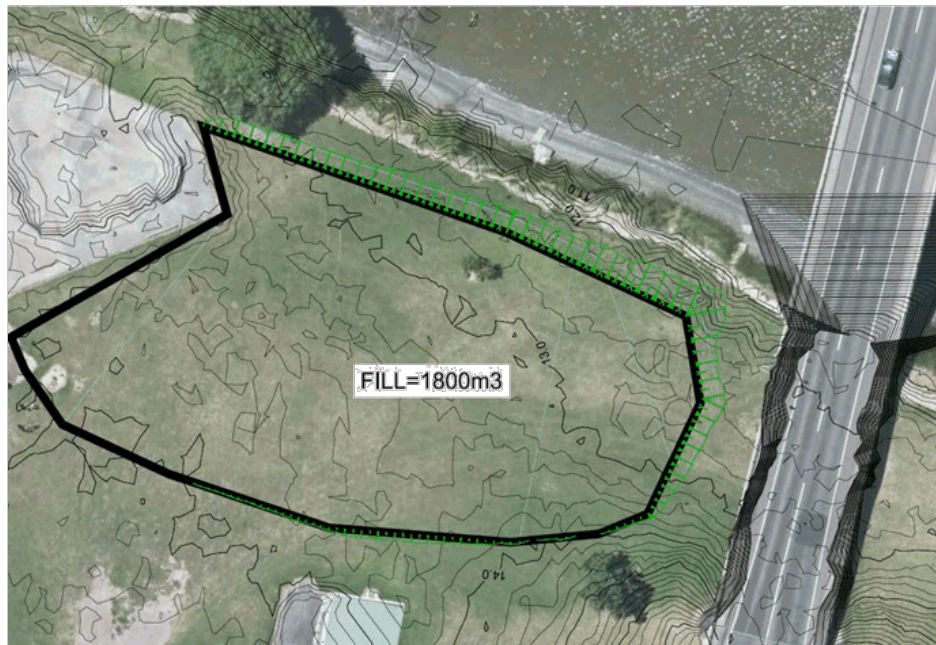


Image 2 – Land that could be raised to RL 14m



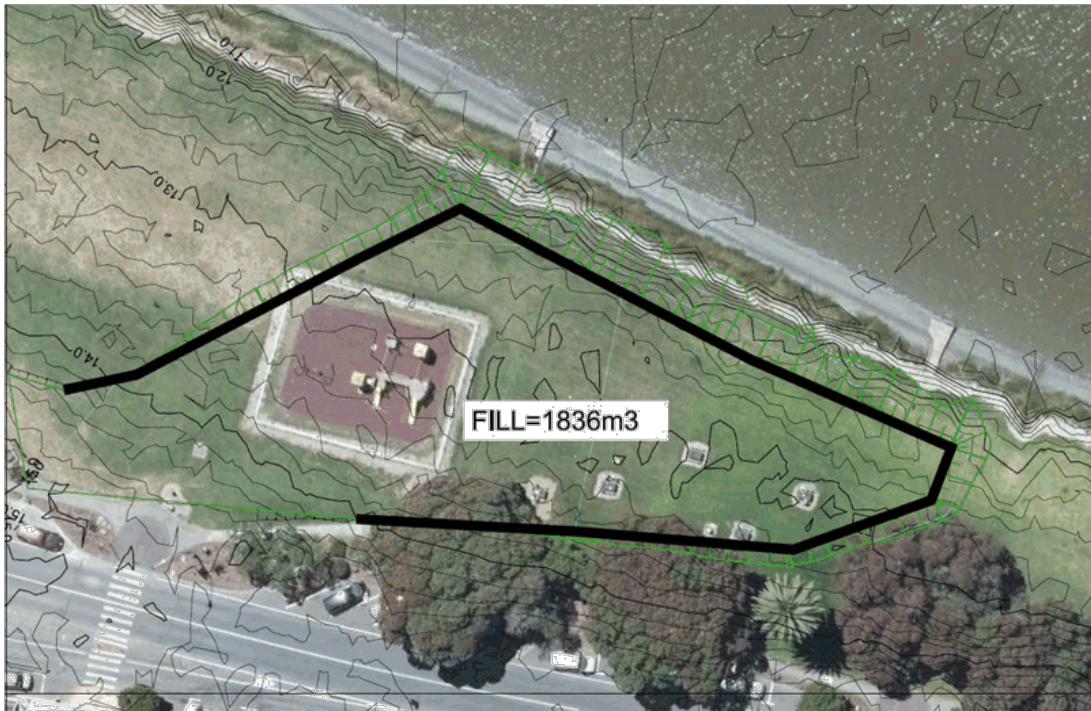


Image 2A –Land that could be raised to RL 14m



Image 3 – Contours adjacent to the bridge. The yellow contour is RL14.75m.

#### 4.6 Car parking / Traffic safety and efficiency

A successful site needs to carefully consider/manage the needs of safety and accessibility for walkers, cyclist and vehicle users.

For walkers this means suitable walkways that are safe and convenient for users accessing the site. For cyclists this means being able to access the site easily and safely and having facilities to lock their cycles up in a suitable location.

Playgrounds with easily accessible car parking are likely to be more successful. Travellers will require carparking but will be less familiar with where convenient parking available and are likely to also be looking for opportunity visibly close and convenient to opportunities for food and drink and toilet facilities. Also critical is the perception of safety, especially for travellers and visitors. Car parking areas also need to be well planned to not detract from the recreational amenity.

There is no data available for trip generation in the NZ Trips Database for children's playgrounds. Therefore this will need to be developed from first principles. The playground users are likely to arrive by the following modes:-

- Direct Pedestrian – i.e. walk from their origin (home, school etc.)
- In-direct Pedestrian – i.e. walk from the destination of their Father/Mother/etc., e.g. Supermarket/Town Shops etc.
- Dropped Off Pedestrian - be dropped off at playground (requires drop-off space) and then picked up (could use the drop-off space or could likely require a car park)
- Cycle - i.e. cycle from their origin (home, school etc.)
- Car – trip purpose solely for activity at playground, therefore requiring car park. This would include both local (Urban & Rural) and State Highway “Drive-By” Playground users.
- Bus – there could be buses from outlying schools coming to Wairoa and the Playground could be one of their activities. It would be highly likely that the Pools would also be an activity. There is also the possibility of stopping of State Highway “Drive-By” Buses – e.g. children being transported between Napier and Gisborne and using the stop as break in the trip.

In discussion with the playground equipment supplier it is estimated that the maximum number of playground users and spectators at any one time could be 200. This would include children on the equipment, waiting to use the equipment and “resting” with spectators (Mum/Dad/etc.). It has been decided to assess 3 scenarios:-

- Maximum Scenario = 200 Users (probably School Holidays, nice weather)
- High Scenario = 150 Users (possibly after School, weekend)
- Normal Scenario = Up to 100 Users

(Note – We have not undertaken any user assessments and studies to corroborate this user estimation).

A trip generation assessment has been created using the modes above based on our experience. This is summarised in the table below:-

Item	Mode	%	Users & Spectators		
			100 Normal	150 High	200 Maximum
1	Direct Pedestrian	10	10	15	20
2	In-direct Pedestrian	10	10	15	20
3	Cycle	20	20	30	40
4	Dropped Off Pedestrian	20	20	30	40
5	Car	40	40	60	80
6	Flow - one way @ 3 occupants/car (4+5)		20	30	40

As the likely length of stay at the playgrounds would be an hour then the above flows can be deemed to hourly flows to and from the playground. Therefore a summary of the flows is:-

- Maximum Scenario = 40vph TO & 40vph FROM
- High Scenario = 30vph TO & 30vph FROM
- Normal Scenario = 20vph TO & 20vph FROM

From the assessed trips a parking requirement can be determined.

For the dropped-off Playground users (item 4 in table above) there will be requirement for a drop-off space. This requirement would be for 20 to 40 (normal to maximum) vehicles over an hour. If drop-offs are assessed as taking 3 minutes (spaces marked as 5 minute maximum stay) then 2 drop-off spaces should be provided. If pick-up's take the whole 5 minutes then 3 spaces should be provided.

For the car trips (item 5 in table above) whose destination is the playground then permanent car parks will be required. Based on the 3 occupants per car a summary of the parking requirements are:-

- Maximum Scenario = 13
- High Scenario = 10
- Normal Scenario = 7

For the Buses it would be desirable to provide at least one Bus Park. This should meet "local" buses and the "traveller" buses.



## 4.7 Resource Consents and Land Ownership

The subject sites are located within the following zones or have the following features identified on the Wairoa District Plan maps:

### Site 1

- Conservation Reserves Zone
- Located within Reserve 49 (R49 - Riverbank Reserve & Esplanade Reserve).
- V39 (Lighthouse and surrounds. [Category II – Historic Places Trust])
- V53 Post Office Box [Category II - Historic Places Trust]

### Site 2

- Conservation Reserves Zone
- Located within Reserve 51 (R51 - Alexandra Park - Recreation and Community Facilities.)

For both sites resource consents will be required under the Wairoa District Plan for the following reasons:

- Non-compliance with the parking requirement for 1 on-site car parking space per 10 persons.
- The playgrounds equipment is unlikely to comply with the following bulk and location requirements:

Minimum Front yard	15.0m
Minimum Side yards	15.0m
Minimum Rear yard	15.0m
Maximum Building height	10.0m

- Earthworks will exceed the following thresholds (Rule 14.8.11)

Max Vol (m <sup>3</sup> ) over 12 months per site	50
Max face height (m)	1.5
Max area of work per site (m <sup>2</sup> )	300
Proximity to water body measured from the bank edge at bank full height, or MHWS	No closer than 20m.

Note: The volume of earthworks is to be measured prior to excavation.

Provided that the lighthouse and post office box are not altered, the earthworks and playground do not breach any rules in the Cultural Heritage chapter of the Wairoa District Plan.

#### 4.7.1 Hawke's Bay Regional Resource Management Plan

Resource consent will be required under the Hawke's Bay Regional Resource Management Plan for the placement of structures and undertaking earthworks within the bed of the river. The bed of the river is the space of land which the waters of the river cover at its fullest flow without overtopping its banks.

#### 4.7.2 Land ownership

Image 4 below shows the approximate location of the property boundaries. Wairoa District Council owns/administers all of the land within the study area except the land within the river parcel. As can be seen on Image 4 the river parcel extends up to the existing playground on Site 1. Crown approval may be required to undertake works or to place the playground on this parcel. Alternatively, a cadastral survey to legalise any accretion and erosion in the area may reveal that the Wairoa District Council owns/administers to the river bank.



**Image 4 – Land Ownership**

#### 4.8 Factors not included in the analysis

Factors not considered in this analysis include:

- » The potential negative impacts of site selection on businesses. It is recommended that consultation with the shop owners along the Marine Parade take place to understand the impacts that the destination playground may have on business activity.
- » Archaeological sites and cultural values and their significance.  
Contaminated land.

## 5 Options Analysis

Table 1 below provides an analysis of each of the site options against the criteria in Section 4 above.

**Table 1 – Options Analysis**

Criteria	Site Option 1	Site Option 2	Site Option 3
<b>Landscape and Urban Design</b> Landscape Factors	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>Existing context and site features provides a strong sense of place and identity, and provides a well-defined, high quality setting for the playground.</li> <li>Existing Pohutukawa trees provide character and natural shade will be attractive in summer.</li> <li>Line of Pohutukawa trees and lighthouse elements can be built into the design to improve the playground experience and provide a sense of naturalness.</li> <li>Provides high amenity and vibrancy benefits when viewed from the north bank.</li> <li>North bank (reserve/parkland) provide a high amenity perspective for views to the north.</li> </ul> <p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>The open lawn and grass 'amphitheatre' is used for festivals and open air events throughout the year. A large playground, picnic tables, bbq's shade sails and fill earthworks will have a landscape and visual effect on the areas 'parkland' character, its identity and future use but also limit the potential to host open air events and community festivals in the future.</li> <li>7m high play tower will create a distinct vertical feature in close proximity to the lighthouse that will compete and detract from this iconic feature.</li> <li>Conflicting elements that could compete with the visibility of the site and its prominence include the existing iconic lighthouse which is a landmark feature and focal point in its own right, though this may be able to be addressed through landscaping and design.</li> <li>The existing tables will need to be removed and there is limited space available in the vicinity.</li> <li>Earthworks will appear engineered and unnatural unless they extend to the bridge abutment -which would have some impact (positive or negative) on the existing area in front of the lighthouse.</li> </ul>	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>Quiet setting, slightly removed from the busy main street provides a sense of calmness.</li> <li>Surrounding context includes other complementary recreation activities, but there is limited cohesion between these activities at present.</li> <li>Fill earthworks in modified landscape between the community centre and bridge abutments will minimise impact on landform and river corridor.</li> <li>The tower will provide a new focal point. A prominent tower and playground designed to complement the iconic lighthouse provides an excellent opportunity to form a memorable landmark site in Wairoa.</li> <li>New planting will help to soften the space and provide a sense of naturalness.</li> </ul> <p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>There are limited existing contextual features or elements that can assist the playground to integrate into the landscape (for instance mature trees, interesting landform, and established landscape planting). This integration needs consideration and may require landscaping to improve amenity of the area and create a memorable setting.</li> <li>Fill earthworks lower down in close proximity to river bank will modify local landform and appear unnatural.</li> <li>North bank (rear of industrial/residential buildings) provides a slightly lower amenity perspective for views to the north.</li> </ul>	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>Footprint size of each playground is small relative to the scale of the site which allows for future growth opportunities.</li> <li>Small footprint minimises the effects on the character and use of the area.</li> <li>The advantages for site 1 will apply to only that section of the playground intended for younger children.</li> <li>The ability (for older children) to combine the skate park and older children's playground into a single site.</li> </ul> <p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>Poor surveillance - the key disadvantage is segregated play areas will make it difficult for parents, older siblings and caregivers to watch over children of various ages at the same time.</li> <li>Could be higher cost option associated with landscaping and increased cost to duplicate playground assets and maintenance.</li> <li>Lesser opportunity to secure economic benefits and activation for the town centre than Option 1.</li> </ul>
Relationship between activities CPTED	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>Close proximity to shops and cafes results in clear sightlines, providing opportunities for improved passive surveillance to the playground. This also means the playground will be 'overlooked' after peak business hours.</li> <li>High legibility for pathways and connections between the shops and cafes and playground</li> <li>Visible, legible and direct route between shops and site currently exists.</li> <li>Likely to support activity and foot-traffic (potential customers) to the shops</li> <li>There is limited space for a public toilet facility in a location that has good surveillance and which does not detract from the landscape amenity of the area.</li> <li>Likely to encourage visits to shops from playground users, most notably travellers as very convenient</li> <li>Increases vitality and vibrancy in the town centre</li> <li>Pedestrian connection between playground and shops avoid significant entrapment locations and 'movement predictors'</li> <li>Good sightlines between shops, kerbside parking and play area (some obstruction by pohutukawa trees but still generally good).</li> <li>Limited sightlines to skate park from locations close to the river.</li> <li>High frequency of movement by a range of adjacent users and visitors provide good passive surveillance (shops, passers-by, locals), but some of these views are hindered by the large trunks of the pohutukawa trees.</li> <li>Space is well maintained with good landscaping features showing high-level of 'ownership' which will increase perceptions of safety</li> </ul> <p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>Some distance away from related active recreation activities such as the skate park.</li> </ul>	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>Site provides sufficient space for future growth demands and flexibility in terms of facility configuration (e.g. promenade, overflow carparks, fitness equipment, shade sails, information centre, pop-up coffee and ice cream carts and public toilets).</li> <li>The site is surrounded by other potentially complementary recreation activities such as the existing skate park, pools and community centre. This provides an opportunity to co-ordinate and integrate the playground and surrounds with these uses. (Noting that there is presently no integration with the community centre and such integration would require introduction of new pathways/façade changes).</li> <li>Raising the land between the bridge abutment and Wairoa Community Centre will elevate the proposed site and improve a visual link between the shops, Marine Parade east and the site. This will go some way to improve passive surveillance and legibility but the distance and oblique angle will lessen its effectiveness</li> <li>Proximity of skate park provides for a greater range of compatible uses across ages where parents can observe both spaces at once (less likely to be significant for travellers)</li> <li>Opportunity to develop a convenient carpark in close proximity with excellent links and line-of-sight (note the remoteness of the carpark may attract less desirable activity at night).</li> <li>Playground will increase activity and become a catalyst for the activity hub/precinct.</li> </ul> <p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>Greater distance to cafes and coffee shops, particularly for visitors.</li> <li>Low legibility for connections to shops on Main Street via underpass and under bridge.</li> </ul>	



Criteria	Site Option 1	Site Option 2	Site Option 3
	Distance to skate park means parents can't observe both spaces at once (less likely to be significant for visitors)	<ul style="list-style-type: none"> <li>Users of the playground will have to cross over/under/around the busy Wairoa Bridge. There is no legible and direct route from the site to the shops and unless landscape interventions are implanted the indirect route will also be unattractive (passes under bridge or through and underpass).</li> <li>The pedestrian connections (underpass or under-bridge) represent undesirable movement predictors and entrapment spaces.</li> <li>Concealment opportunities around the small building near the centre of the sight</li> <li>Lower passive surveillance than Site Option 1</li> <li>Presence of graffiti on skate park has negative implications for perception of safety (able to be addressed through graffiti removal programme).</li> </ul>	
Relationship to masterplan	<p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>Limited space for future growth and expansion of playground (if desired)</li> <li>Potentially eliminates the opportunity to develop a 'promenade' along the river's edge (unless arrangement of play equipment is modified).</li> <li>Scale of site small and confined relative to footprint of the playground which limits future growth opportunities.</li> </ul> <p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>Retains open space in Site 2 for other activities</li> </ul>	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>The site provides sufficient space for future growth demands of the masterplan.</li> </ul> <p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>Removes the opportunity for use of this open space close to the town centre for other activities</li> </ul>	
Consistency with Wairoa Riverbank Reserve Management Plan and Wairoa District Council walking and cycling strategy	<ul style="list-style-type: none"> <li>The location does not conflict with the management objectives and policy of the Wairoa Riverbank Reserve Management Plan</li> <li>Provided that sufficient space is retained for a dual cycle/walkway along the reserve, the location does not conflict with the Wairoa District Council walking and cycling strategy.</li> </ul>	<ul style="list-style-type: none"> <li>The location does not conflict with the management objectives and policy of the Wairoa Riverbank Reserve Management Plan</li> <li>Careful design will be required to ensure that a future dual cycle/walkway along the reserve is provided for</li> </ul>	
Playground function and utilisation	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>Ability to share equipment and facilities such as picnic tables, bbq's, rubbish bins, and fences with the users of the main street shops.</li> </ul> <p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>Reduced potential to benefit from synergies with the community centre and skate park</li> </ul>	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>Sharing of equipment and facilities such as picnic tables, bbq's, rubbish bins, and fences will reduce cost and result long term maintenance benefits.</li> <li>Opportunities to increase activation of the site by facilitating multiple uses (e.g. playground, water play areas, fitness equipment, information centre, pop-up coffee and ice cream carts, although the financial viability of the latter in this location may be questionable).</li> </ul> <p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>Lesser opportunity to secure economic benefits and activation for the town centre.</li> <li>Less opportunity for a quick trip across the road for play while visiting the town centre as the site is more removed and indirect to result in a desire to re-park a vehicle rather than walk.</li> </ul>	
Traffic Impacts	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>Central location provides good connections to walking and cycling routes.</li> <li>Highly visible from a distance for travellers approaching from the North.</li> </ul> <p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>Shortage of carparks and congestion. Parents and caregivers may be required to park further away in town and walk back to the playground.</li> <li>Increased activity levels within proposed playground and relatively busy main street could potentially result in a conflict between vehicles and children.</li> <li>Capital investment likely to be required to construct new car parking along the road.</li> <li>Conflicts directly with the busiest section of Marine Parade in the towns CBD (i.e. the most accessed shops)</li> <li>Increased pedestrian traffic in this area could create safety issues and design solutions may need to be investigated to address these.</li> </ul>	<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>Central location provides good connections to walking and cycling routes.</li> <li>Highly visible from a distance for travellers approaching from the North.</li> <li>Sufficient space for bike storage, car parking overlooking play area, and extensions to walkways.</li> <li>Is on a section of Marine Parade with generally low activity, unless there is an major event in the Pool or Stadium</li> <li>There is plenty of capacity to improve the road function efficiency in this location</li> <li>The direct link between the car parking area and the playground should enable safer access to the playground.</li> </ul> <p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>There is no formal all weather path/route to the shops.</li> <li>Capital investment required to construct new carpark.</li> </ul>	<p><b>Advantages –</b></p> <ul style="list-style-type: none"> <li>Splitting the playgrounds would likely split the car parking demand to each side of the bridge.</li> <li>Duplication of playground walkways and cycle facilities.</li> </ul>

Criteria	Site Option 1	Site Option 2	Site Option 3
Parking	<p><b>Advantages –</b></p> <ul style="list-style-type: none"> <li>• Would maximise the usage of the existing car parks in the towns CBD</li> </ul> <p><b>Disadvantages –</b></p> <ul style="list-style-type: none"> <li>• At times of greater activity in the towns CBD would create a parking capacity issue which may restrict access to shops and discourage visits from those passing through Wairoa</li> <li>• The provision of drop-off/pick-up space will reduce existing parking spaces</li> <li>• Provision of bus park reduces existing parking spaces</li> <li>• Bus unloading out the front of the playground will block traffic flow</li> <li>• Buses may have to park and unload at the Queen Street Public Parking Area</li> </ul>	<p><b>Advantages –</b></p> <ul style="list-style-type: none"> <li>• Able to provide off street parking as part of the development</li> <li>• There is the potential to increase on-site parking and drop-off areas without reducing existing parks – less conflict with other space users</li> <li>• Able to provide drop-off/pick-up without reducing existing parks</li> <li>• Able to provide Bus Park without reducing existing parks</li> </ul> <p><b>Disadvantages - Nil</b></p>	
Road Safety	<p><b>Advantages – Nil-</b></p> <p><b>Disadvantages –</b></p> <ul style="list-style-type: none"> <li>• Increased activity in the section of Marine Parade in the towns CBD will increase the risk for pedestrians and cyclists, though this could be addressed through redesign of the existing parking layout and crossing</li> </ul>	<p><b>Advantages –</b></p> <ul style="list-style-type: none"> <li>• Able to separate pedestrians and cyclists from vehicle activities</li> </ul> <p><b>Disadvantages - Nil</b></p>	
Flooding/Earthworks	<p>All site options have similar flooding implications. Landform design and layout of the playground equipment should take into consideration the potential damage from flood waters. It is recommended that the playground should be at least RL 1.4m which should get undated only in 50 year flood events or greater provided they are not located in the flood pathway which may cause overtopping.</p>		
	<p><b>Advantages - Nil</b></p> <p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>• Undertaking earthworks to the Site Option 1 will be challenging due to likely disturbance caused to traffic and car parking on Marine Parade during construction. A temporary heavy vehicle entrance will need to be constructed from the Marine Parade between the lighthouse and the pedestrian crossing. The clearance under the bridge will restrict the ability for heavy vehicle access via this route.</li> </ul>	<p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>• Access and construction of this site should not be problematic due to easy access and ample storage areas.</li> </ul> <p><b>Disadvantages - Nil</b></p>	<p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>• Same as Option 1</li> </ul>
RMA and resource consents	<p>Both sites will require resource consent and similar assessments will be applied to each site. Resource consents are likely to be approved provided that:</p> <ul style="list-style-type: none"> <li>• It can be justified that non-compliance with the on-site car parking requirements will not affect the safe and efficient use of the road and business parking spaces on-street. A traffic impact assessment will be required supported by parking plans.</li> <li>• It can be shown that the play equipment and land contouring will not result in erosion or increased flooding on any upstream or downstream property.</li> <li>• It can be demonstrated that earthworks will not result in sediment entering river, and that the landform does not detract from character and amenity of the reserve.</li> <li>• That the sites contain clean fill material with no contaminants that may trigger contaminated land reporting requirements.</li> </ul>		



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## WAIROA DESTINATION PLAYGROUND MARINE PARADE AREA

## Option 1

Item	Description	Unit	Qty	Rate	Cost
<b>100</b>	<b>Preliminary and General and Earthworks</b>				
101	Preliminary and General (establishment and disestablishment, traffic management, site safety plan, survey control, reinstatement, setting out and as built information)	No.	1	\$25,000	\$25,000
102	Remove existing playground, softfall material, steel fence and concrete footing	No.	1	\$2,500	\$2,500
103	Remove existing picnic tables and seats	No.	1	\$1,000	\$1,000
104	Site clearance/Trees	No.	1	\$5,000	\$5,000
105	Strip topsoil to stockpile	No.	1	\$10,000	\$10,000
106	Import to fill	m3	1836	\$45	\$82,620
107	Reuse existing topsoil stockpile for reinstatement in disturbed area at completion of construction	m2	500	\$5	\$2,500
108	Import topsoil to site	m3	50	\$50	\$2,500
<b>200</b>	<b>Landscape Works</b>				
201	Supply and install 1.2m high aluminium powder coated 'off the shelf' perimeter pool style fence including 2 No. 1.5m wide pedestrian gates	m	180	\$130	\$23,400
202	Supply and install 300mm wide x 150mm depth concrete edging under perimeter fencing	m	180	\$35	\$6,300
203	Supply and install 2000mm wide concrete path with half dose black oxide	m <sup>2</sup>	800	\$120	\$96,000
204	Supply and install 200mm wide x 250mm concrete edging around playground	m	100	\$70	\$7,000
205	Supply and install Reserve seat with concrete base	No.	4	\$2,500	\$10,000
206	Supply and install Reserve picnic table with concrete base	No.	2	\$3,000	\$6,000
207	Supply and install Reserve litter bin with concrete base	No.	2	\$850	\$1,700
208	Supply and install subsoil drain and filter fabric under softfall areas	m	100	\$50	\$5,000
209	Supply and install 300mm depth approved softfall bark material	m <sup>2</sup>	825	\$50	\$41,250
210	Supply and install 1m wide scuff mats under Traveller	m	45	\$100	\$4,500
211	Supply and install grass and reinstatement around furniture and playground	m <sup>2</sup>	1000	\$5	\$5,000
<b>300</b>	<b>EQUIPMENT</b>				
301	Senior/Primary/Preschool				\$276,763.00

## **8.7 ARCHIVES BUILDING**

**Author:** James Baty, Corporate Services Manager

**Authoriser:** Fergus Power, Chief Executive Officer

**Appendices:**

- 1. Archive Building Designs**
- 2. Wairoa Archive Storage Facility Site Plan**

### **1. PURPOSE**

- 1.1 To seek Council approval in principle for the preliminary designs and preferred site location for the new archives building, and agreement that the relevant consent processes ensue.

### **RECOMMENDATION**

The Corporate Services Manager RECOMMENDS that Council approve in principle the preliminary designs and site location for the new archives building, specifically a part of Lot 2 DP 25818, HBV4/1298 as indicated in the attached Wairoa Archive Storage Facility Site Plan and that the relevant consent processes proceed.

### **2. BACKGROUND**

- 2.1 The Public Records Act 2005 sets the framework for creating and managing information in government. Its purpose is to promote government accountability through reliable recordkeeping, enhanced public confidence in the integrity of government records and to protect New Zealand's documentary heritage. The Public Records Act 2005 sets a framework for recordkeeping in public offices and local authorities.
- 2.2 Council has previously identified as part of the Long Term Plan 2015-2025 (LTP) process that its current repository requires significant attention in order to meet the standards enshrined in the Public Records Act 2005. Accordingly Council approved as part of the LTP the design and planning of a new archives facility to be built over the current and following financial year.
- 2.3 Completing this project contributes to Council's vision of "Connected Communities, Desirable Lifestyles, Treasured Environments" and to the sustainability of the Wairoa District by helping to achieve the following community outcomes:
  - An environment that is appreciated, protected and sustained for future generations.
  - Strong district leadership and a sense of belonging.
  - A community that values and promotes its culture and heritage.

### **3. CURRENT SITUATION**

- 3.1 Council Officers have engaged Proarch Architects Limited to prepare preliminary designs (attached), provide project management and advice on site location for the new archives building.
- 3.2 The following criteria was suggested by Proarch in terms of suitable site location:
  - Suitable location in terms of proximity to town centre.



- Out of/above flood plain
  - No known archaeological issues
  - No known site contamination (National Environmental Standard)
  - Serviced site – water, sewer, stormwater, electricity, phone
  - Site large enough for car parking and expansion
  - Suitable planning zone under the district plan
  - Suitable access road
  - Security from passive (and active) surveillance.
- 3.3 The land identified in this report is council owned and assuming it meets other requirements (which will ultimately be the subject of consenting processes), the land cost is not an additional cost to be borne by ratepayers.
- 3.4 While the site does not fully satisfy all of the criteria above, it does tick a number of the boxes and finding a suitable location that meets all of the criteria has proven challenging.
- 3.5 The preferred site satisfies all of the criteria with the exception of the following:
- 3.6 Out of/above flood plain
- The Hawke’s Bay Regional Council have looked over all the details about the model results and the contours in relation to the proposed building on the preferred site. Based on the modelled 100 year flood level of approximately RL 16.2 m, and a finished floor level of RL 16.8 m, they believe we have achieved compliance with Rule 14.8.10 of the Wairoa District Plan. The final compliance with this requirement will ultimately be the subject of a consenting process if required.
- 3.7 No known archaeological issues
- This element is unknown and will only be determined if required once a preferred site is confirmed.
- 3.8 No known site contamination (National Environmental Standard)
- This element is unknown and will only be confirmed if required once a preferred site is settled on.
- 3.9 Suitable planning zone under the district plan
- This will be subject to any required consenting processes.
- 3.10 Additionally, please note, Council Officers have consulted with the real estate sector to ascertain other options in the private market and nothing competes with the suitability and financial advantage of the preferred site location identified in this report.

#### 4. OPTIONS

- 4.1 The options identified are:
- a. OPTION 1 – approve in principle the preliminary designs and site location for the new archives building, and that the relevant consent processes proceed.
  - b. OPTION 2 – instruct officers to source an alternative site location and/or redesign/amend the facility designs.

c. OPTION 3 – Status quo, do nothing.

- 4.2 OPTION 1 allows Council Officers to move on to the next stage of the process in terms of technical reports and consenting processes. Officers cannot conduct a number of these processes until a preferred site location is identified.
- 4.3 OPTION 2 – while completely feasible this option would result in project delays and possible cost overruns.
- 4.4 OPTION 3 – is contrary to Council’s LTP, the Public Records Act 2005 and best practice archival standards.
- 4.5 The preferred option is OPTION 1. This meets the purpose of local government as it will help meet the current and future needs of communities for good-quality infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

## **5. CORPORATE CONSIDERATIONS**

### **What is the change?**

- 5.1 This project will significantly improve the way in which Council stores its public records. Once fully operational the new facility will result in Council no longer using the non-compliant Old Fire Station on Lucknow Street as an archive storage facility.

### **Compliance with legislation and Council Policy**

- 5.2 This project complies with Council’s current LTP and Annual Plan.
- 5.3 Compliance with Council’s District Plan will be part of the resource consenting process as required.
- 5.4 This project aspires to comply with the Public Records Act 2005 and relevant best practice guidelines.

### **What are the key benefits?**

- 5.5 Meeting legislative and regulatory requirements.
- 5.6 Ensuring business critical information is accessible for the conduct of business, dispute resolution, legal challenge or evidential purposes.
- 5.7 Making good business decisions based on accurate information.

### **What is the cost?**

- 5.8 \$30,000 for the design and planning of a new archives facility to be built over 2016/17 (\$410,000) and 2017/18 (\$420,660) years as confirmed in the LTP.

### **What is the saving?**

- 5.9 Not applicable.

### **Who has been consulted?**

- 5.10 This matter formed part of the LTP consultation process which used the special consultative process under Section 83 of the Local Government Act 2002. There were no significant objections resulting from that process.

- 5.11 There may be a number of consultations required in any consenting process, but this remains to be seen.
- 5.12 Council Officers have discussed this matter with mana whenua who have not indicated any significant concerns. These discussions continue and officers are keen to build relationships and find ways of involving tangata whenua in the process/project.

#### **Service delivery review**

- 5.13 This project has not been the subject of a s17a review. There are binding agreements which cannot reasonably be changed and other impositions around project management termination, and it would also be difficult to change providers in this regard mid-project.

#### **Maori Standing Committee**

- 5.14 This specific matter has not gone to the Maori Standing Committee formally, although discussions with members have been had resulting in the aforementioned discussions with mana whenua.

### **6. SIGNIFICANCE**

- 6.1 As previously noted this significant matter has already undergone considerable consultation as part of the LTP process and subsequent Annual Planning processing. This was as a result of assessing this project against the criteria outlined in Council's Significance & Engagement Policy.
- 6.2 This decision impacts on the community and district as a whole.
- 6.3 Council has already approved budget for this project in its LTP.
- 6.4 This specific decision can be revisited but in terms of project management this will have a defined timeframe.
- 6.5 In terms of capacity this project will improve Council's archives capability and ensure Council complies with legislative and regulatory requirements
- 6.6 This will significantly impact on Council's assets with the addition of a major building asset. Operationally, costs will be mitigated by the transition of services from the old to the new building.

### **7. RISK MANAGEMENT**

- 7.1 The strategic risks identified in the implementation of the recommendations made are as follows:
- a. Legal - not complying with legislative and regulatory requirements and best practice.

## Further Information

Public Records Act 2005:

<http://www.legislation.govt.nz/act/public/2005/0040/latest/DLM345529.html>

Guide to Best Practice in Storage – Archives New Zealand:



[http://archives.govt.nz/sites/default/files/uide\\_to\\_best\\_practice\\_in\\_storage\\_publication\\_1\\_14.pdf](http://archives.govt.nz/sites/default/files/uide_to_best_practice_in_storage_publication_1_14.pdf)

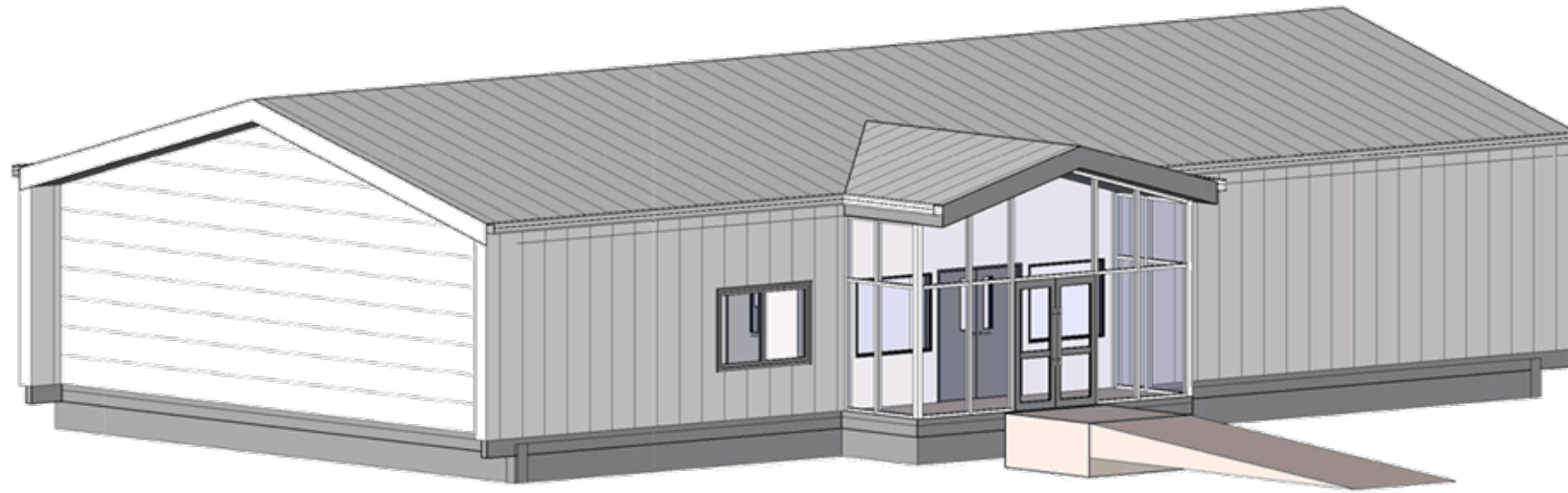
## Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

## Signatories

	
James Baty Author	Fergus Power Approved by



3D VIEW

SCALE - @A3

**AFFECT PERSONS APPROVAL**

WE, CONAN MICHAEL DOYLE AND KELLY MICHELLE DOYLE

AS OWNERS OF 34 HUNTER BROWN STREET, WAIROA  
(LOT 1 DP 25818 CFR V4/1297)

HEREBY GIVE WRITTEN APPROVAL AS AN AFFECTED  
PERSON IN TERMS OF SECTION 95 OF THE RESOURCE  
MANAGEMENT ACT 1991, TO THE PROPOSAL SHOWN ON  
THESE PLANS.

WE HAVE READ AND FULLY UNDERSTOOD THE FULL  
EXTENT OF THE PROPOSAL AND ACCEPT THAT IN GIVING  
THIS WRITTEN CONSENT THAT LOCAL AUTHORITY CAN  
NOT TAKE INTO ACCOUNT ANY ACTUAL OR POTENTIAL  
EFFECT UPON ME IN DETERMINING THIS PROPOSAL.

SIGNATURES : \_\_\_\_\_

DATE : \_\_\_\_\_

NOTES

REVISIONS

PROJECT  
**WAIROA ARCHIVE  
STORAGE FACILITY**

CLIENT  
**WAIROA DISTRICT  
COUNCIL**

ADDRESS  
**FREYBERG  
STREET, WAIROA**

DRAWING  
**3D VIEW**

DATE SCALE - original is A3

**Proarch**

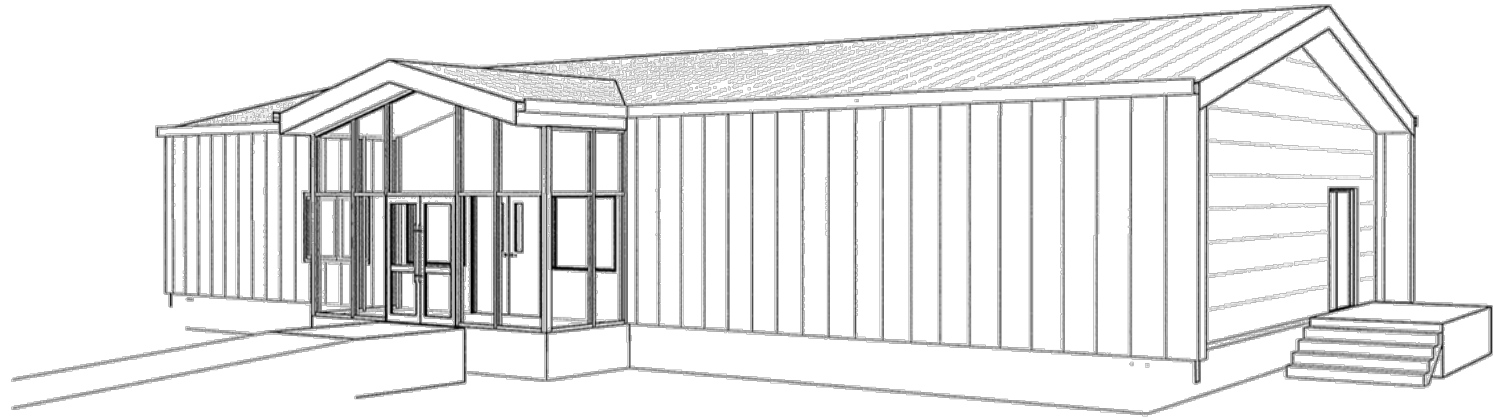
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PO Box 1106 F - 64 6 337 3007  
Farnham North 4440 www.proarch.co.nz  
New Zealand info@proarch.co.nz

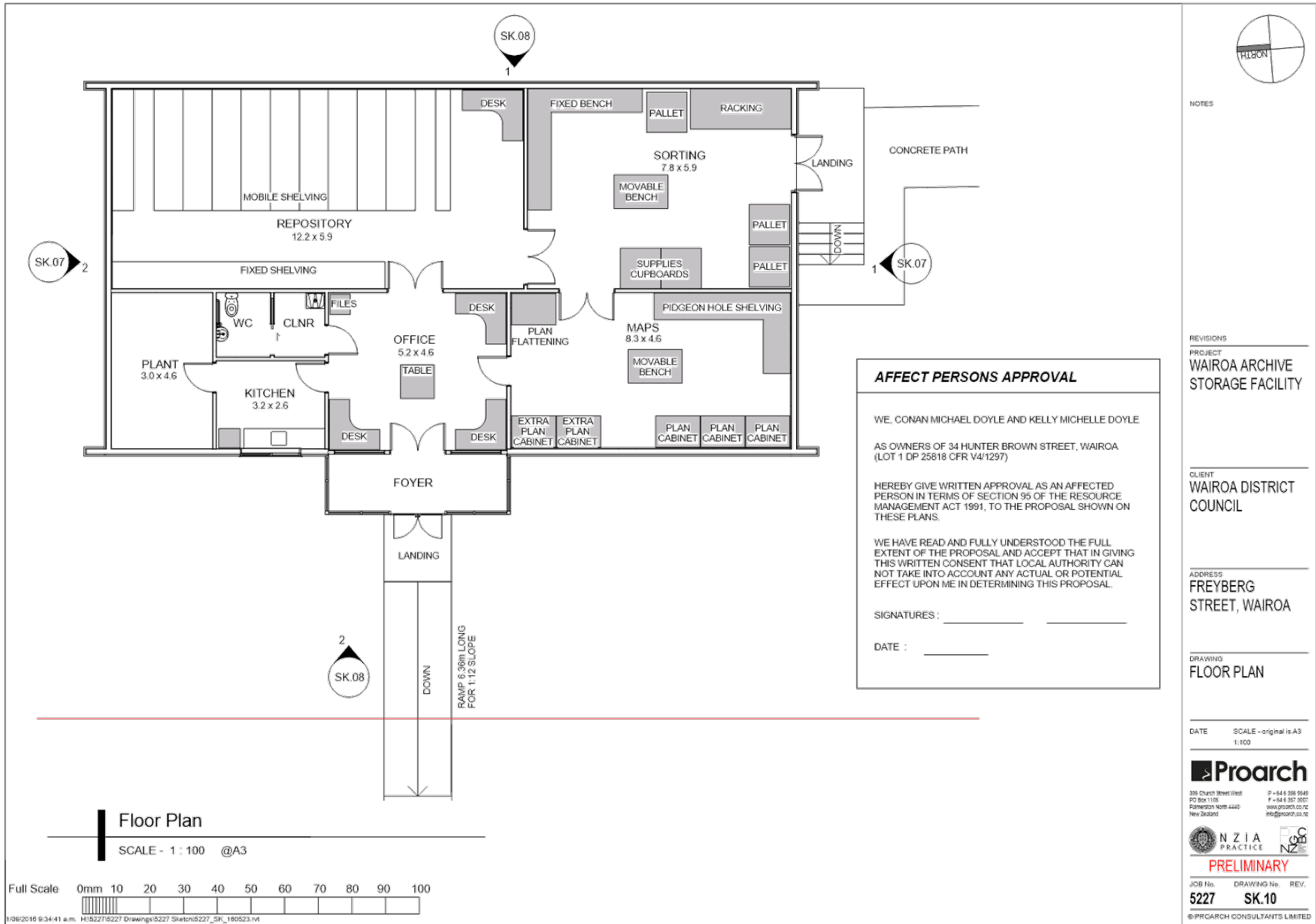
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PRACTICE**

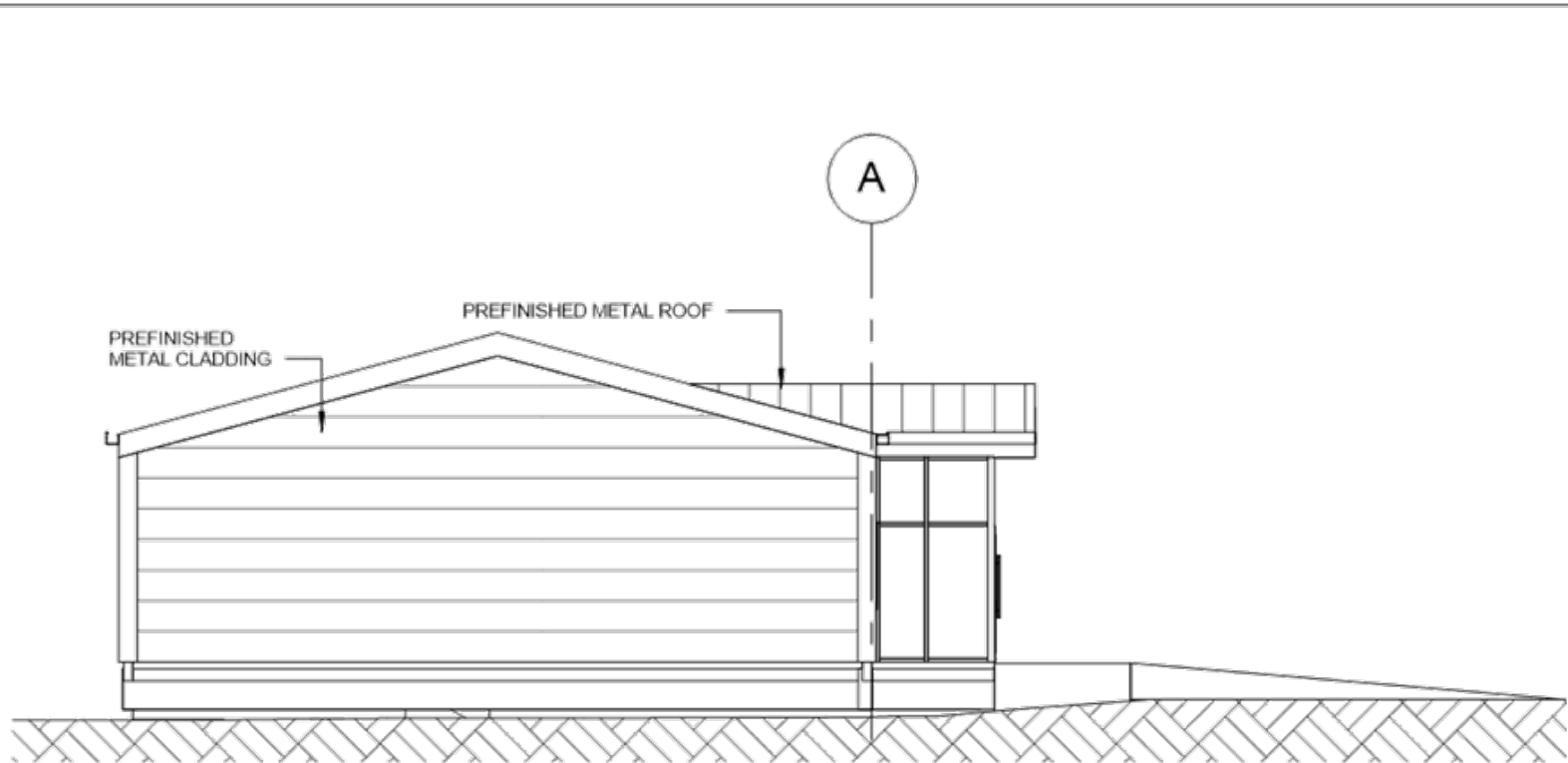
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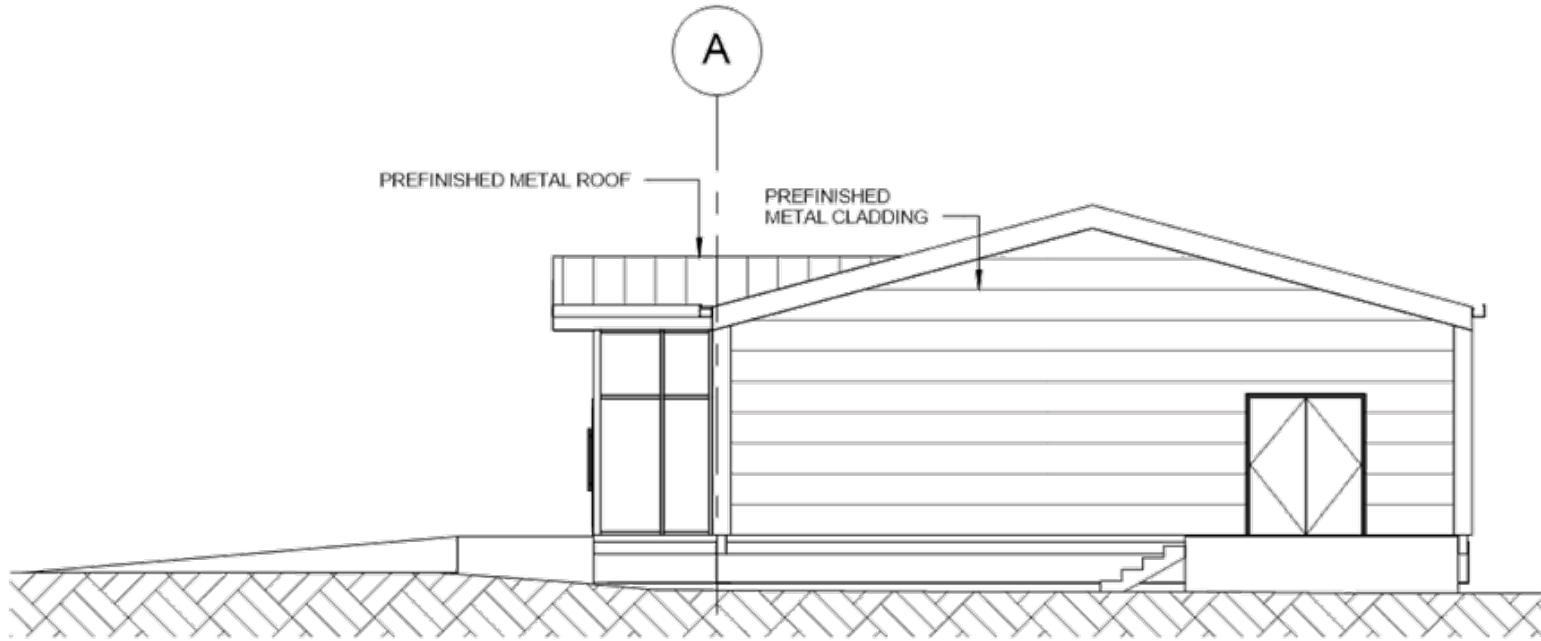
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**SOUTH**  
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**AFFECT PERSONS APPROVAL**

WE, CONAN MICHAEL DOYLE AND KELLY MICHELLE DOYLE  
AS OWNERS OF 34 HUNTER BROWN STREET, WAIROA  
(LOT 1 DP 25818 CFR V4/1297)

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SIGNATURES : \_\_\_\_\_

DATE : \_\_\_\_\_

NOTES

REVISIONS

PROJECT  
**WAIROA ARCHIVE STORAGE FACILITY**

CLIENT  
**WAIROA DISTRICT COUNCIL**

ADDRESS  
**FREYBERG STREET, WAIROA**

DRAWING  
**ELEVATIONS I**

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**N Z I A PRACTICE**

**PRELIMINARY**

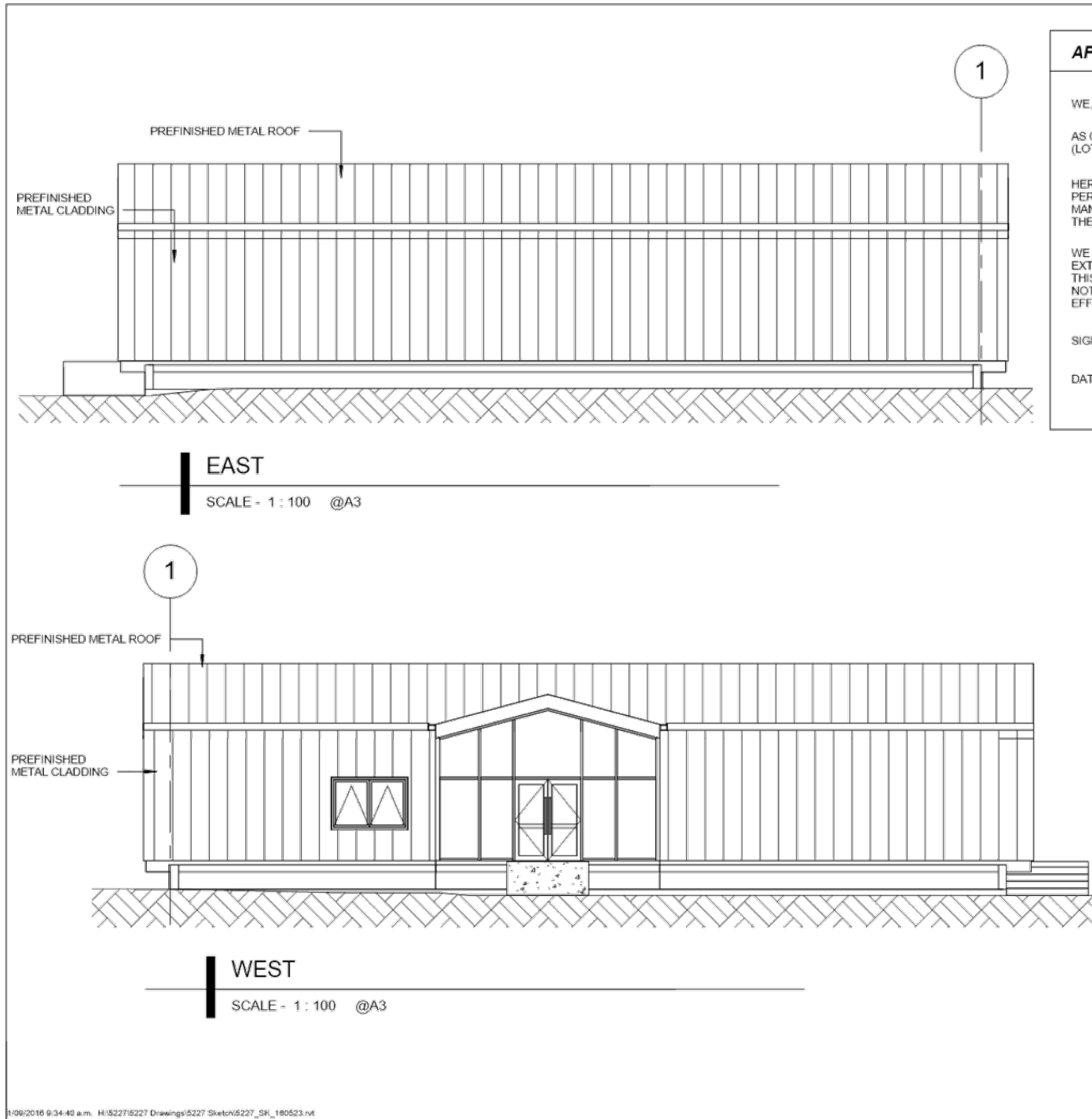
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**AFFECT PERSONS APPROVAL**

WE, CONAN MICHAEL DOYLE AND KELLY MICHELLE DOYLE

AS OWNERS OF 34 HUNTER BROWN STREET, WAIROA (LOT 1 DP 25818 CFR V4/1297)

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WE HAVE READ AND FULLY UNDERSTOOD THE FULL EXTENT OF THE PROPOSAL AND ACCEPT THAT IN GIVING THIS WRITTEN CONSENT THAT LOCAL AUTHORITY CAN NOT TAKE INTO ACCOUNT ANY ACTUAL OR POTENTIAL EFFECT UPON ME IN DETERMINING THIS PROPOSAL.

SIGNATURES : \_\_\_\_\_

DATE : \_\_\_\_\_

NOTES

REVISIONS

PROJECT  
**WAIROA ARCHIVE STORAGE FACILITY**

CLIENT  
**WAIROA DISTRICT COUNCIL**

ADDRESS  
**FREYBERG STREET, WAIROA**

DRAWING  
**ELEVATIONS II**

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**AFFECT PERSONS APPROVAL**

WE, CONAN MICHAEL DOYLE AND KELLY MICHELLE DOYLE  
 AS OWNERS OF 34 HUNTER BROWN STREET, WAIROA  
 (LOT 1 DP 25818 CFR V4/1297)

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SIGNATURES : \_\_\_\_\_

DATE : \_\_\_\_\_

NOTES

REVISIONS

PROJECT  
**WAIROA ARCHIVE  
 STORAGE FACILITY**

CLIENT  
**WAIROA DISTRICT  
 COUNCIL**

ADDRESS  
**FREYBERG  
 STREET, WAIROA**

DRAWING  
**SITE PLAN**

DATE SCALE - original is A3  
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**SITE PLAN**

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**8.8****TERMS OF REFERENCE: COMMUNITY PARTNERSHIP COMMITTEE**

**Author:** Rebecca Moyle, Executive Assistant

**Authoriser:** Fergus Power, Chief Executive Officer

**Appendices:** 1. Terms of Reference: Community Partnerships Committee

**1. PURPOSE**

- 1.1 This report provides information for Council on Community Partnership Committee. No decisions are required by Council at this stage.

**RECOMMENDATION**

- 1.1 *The Chief Executive Officer RECOMMENDS that Council confirm the Terms of Reference for the Community Partnerships Committee as set out in Appendix 1.*

**2. BACKGROUND**

- 2.1 Councillors attended a workshop on the Terms of Reference (TOR) for the Community Partnerships Committee on 07 March 2017.
- 2.2 This is a new Committee of Council.
- 2.3 At an Ordinary Meeting of Council on 22 November 2016, Council resolved to hold a workshop to determine the TOR of the Community Partnerships Committee.
- 2.4 The establishment of this Committee contributes to Council's vision of 'Connected Communities'.

**3. DECISION SOUGHT**

- 3.1 The draft TOR are attached in Appendix 1.

**4. CONCLUSION**

- 4.1 Council has workshopped the Committee's TOR and a decision is now sought confirming these.

**Further Information**

[List any websites or papers where people interested could read more on this topic]

**Background Papers**


[List any papers/websites used in preparing the report and/or are referenced in the report]

**References (to or from other Committees)**

[List any instances this report or previous reports on this topic have gone to Council/Committee]



Signatories

<i>Rebecca Moyle</i>	
Rebecca Moyle Author	Fergus Power Approved by



## WAIROA DISTRICT COUNCIL

PO Box 54, Wairoa - Telephone (06) 838-7309 - Facsimile (06) 838-8874

### Terms of Reference: Community Partnership Committee

<b>Membership</b>	<p>His Worship the Mayor (ex-officio)</p> <p>6 councillors</p> <p>Ministry of Social Development representative</p> <p>Ministry of Education representative</p> <p>Hawke's Bay District Health Board representative</p> <p>NZ Police representative</p> <p>Housing NZ representative</p> <p>Tatau Tatau representative</p> <p>Ngati Pahauwera representative</p> <p>Tuhoe representative</p>
<b>Meeting frequency</b>	6 weekly and as required
<b>Quorum</b>	6 members – 1 of which needs to be an elected member as per legislation
<b>Purpose</b>	Collaboration with other agencies and community groups on key issues in the district that require a coordinated approach to achieve a better outcome for the community.
<b>Responsibilities</b>	<ul style="list-style-type: none"> <li>• Oversee and coordinate review processes on any matter affecting the district or its inhabitants</li> <li>• Prepare a scope for each review outlining a terms of reference for any sub-group who will be working on a review</li> <li>• Monitor progress of the committee's work programme</li> <li>• Make recommendations to Council based in findings of reviews</li> </ul>

<b>Delegations</b>	<ul style="list-style-type: none"><li>• Powerto.</li><li>• All powers necessary to perform the Committee's responsibilities Except<ul style="list-style-type: none"><li>a. Powers that the Council cannot delegate or has retained to itself</li><li>b. Where the Committee's responsibility is limited to making a recommendation only</li><li>c. The approval of expenditure not contained within approved budgets</li><li>d. The approval of final policy</li></ul></li></ul>
<b>Rules and Procedures</b>	<ul style="list-style-type: none"><li>• Standing Orders apply.</li><li>• Minutes will be submitted to Council.</li><li>• The Committee will be serviced by the Economic Development and Engagement Department.</li><li>• There will be an appropriate induction programme for new members of the committee.</li><li>• The committee will be advised by the Chief Executive Officer, The Economic Development and Engagement Manager and other officers and advisors as necessary.</li></ul>

**9 RECEIPT OF MINUTES FROM COMMITTEES/ACTION SHEETS**

**9.1 MINUTES OF ECONOMIC DEVELOPMENT COMMITTEE MEETING - 21 FEBRUARY 2017**

**Author:** James Baty, Corporate Services Manager

**Authoriser:** James Baty, Corporate Services Manager

**Appendices:** 1. Minutes of Economic Development Committee Meeting - 21 February 2017

**RECOMMENDATION**

1. That the Unconfirmed Minutes of the Economic Development Committee Meeting held on Tuesday 21 February 2017 be received.

**MINUTES OF WAIROA DISTRICT COUNCIL  
ECONOMIC DEVELOPMENT COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA  
ON TUESDAY, 21 FEBRUARY 2017 AT 1.30PM**

**PRESENT:** His Worship the Mayor Craig Little (Mayor), Cr Denise Eaglesome-Karekare (Deputy Mayor), Cr Michael (Min) Johansen, Mr Paul Kelly

**IN ATTENDANCE:** F Power (CEO), K Tipuna (EDEM), J Cox (EM) C Knight (GAPS) R Moyle (EA), A Atzwanger (EDO), G Lavina (EDO), A Spooner (BSO)

**1 KARAKIA**

Given by Mr P Kelly

**2 APOLOGIES FOR ABSENCE**

Councillor Johansen, Karen Burger (Chair TMOTW)

**3 DECLARATION OF CONFLICT OF INTEREST**

None

**4 CHAIRPERSON'S ANNOUNCEMENTS**

None

**5 LATE ITEMS OF URGENT BUSINESS**

Minor items:

- Maori Cultural Tourism
- Evaluation of Land in Wairoa District for Potential Horticultural Development
- Housing
- Earth Base One
- Update from Te Mātārae o Te Wairoa Trust

**6 PUBLIC PARTICIPATION**

A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 5 minutes per person is allowed.

**7 MINUTES OF THE PREVIOUS MEETING**

Not applicable

**Late item EVALUATION OF LAND IN WAIROA DISTRICT FOR POTENTIAL HORTICULTURAL DEVELOPMENT**

Presentation by Jono Rau and Dr Megan Balks on the Masters project being undertaken by Jono in the district.



**8 GENERAL ITEMS****8.1 TERMS OF REFERENCE****COMMITTEE RESOLUTION 2017/01**

Moved: Mr Paul Kelly

Seconded: Cr Denise Eaglesome-Karekare

*The Committee receive the report and recommend that Council invite the PSGEs in the district to have a delegate on the committee and include them as members of the committee in the terms of reference.*

**CARRIED**

**8.2 MAORI LAND DEVELOPMENT PROJECT****COMMITTEE RESOLUTION 2017/02**

Moved: His Worship the Mayor Craig Little

Seconded: Mr Paul Kelly

The Committee

- a) Receive the report
- b) Recommend to Council that it support the Māori Land Development and Commercialisation Project in principle and in kind
- c) Authorise \$10,000 out of the existing economic development budget be provided to the project

**CARRIED**

**Late item MAORI CULTURAL TOURISM**

Cr Denise Eaglesome-Karekare gave an overview of a project she is working on with an ITO for a Marae Heritage Trail for tourism students at Wairoa College.

**Late item HOUSING**

Cr Michael (Min) Johansen had sent the committee members an outline of an idea for provision of housing in Wairoa – rough notes of this idea are attached as an appendix to the minutes.

The idea is to be taken to MSC in March for discussion and then the Community Partnership Committee when it was established.

**Appendices**

- 1 Cr Johansen - Housing idea

**Late item EARTH BASE ONE**

Economic Development Officer gave an update on the material being produced for aeroclubs across NZ about the Wairoa airport.

**Late item TMOTW FEBRUARY UPDATE**

Economic Development and Engagement Manage presented the Trust's report on behalf of Karen Burger. This is attached as an appendix to these minutes.

**Appendices**

- 1 February Update report

Closing karakia given by Mr P Kelly.

**The Meeting closed at 3.05pm.**

**The minutes of this meeting were confirmed at the Economic Development Committee Meeting held on 4 April 2017.**

.....

**CHAIRPERSON**

**9.2 MINUTES OF FINANCE, AUDIT & RISK COMMITTEE MEETING - 28 FEBRUARY 2017**

**Author:** James Baty, Corporate Services Manager

**Authoriser:** James Baty, Corporate Services Manager

**Appendices:** 1. Minutes of Finance, Audit & Risk Committee Meeting - 28 February 2017

**RECOMMENDATION**

1. That the Unconfirmed Minutes of the Finance, Audit & Risk Committee Meeting held on Tuesday 28 February 2017 be received.

**MINUTES OF WAIROA DISTRICT COUNCIL  
FINANCE, AUDIT & RISK COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA  
ON TUESDAY, 28 FEBRUARY 2017 AT 1.30PM**

- PRESENT:** Cr Denise Eaglesome-Karekare (Deputy Mayor), Cr Hine Flood, Cr Jeremy Harker (Chair), Mr Philip Jones, His Worship the Mayor Craig Little (arrived 2.15pm)
- IN ATTENDANCE:** Cr Mike Bird (left 2pm), James Baty (CSM), C Knight (GAPS), J Cox (EM), C Hankey (ACFO), F Power (CEO – arrived 2.15pm)

**1 KARAKIA**

Given by the Corporate Services Manager.

**2 APOLOGIES FOR ABSENCE**

**APOLOGY**

**COMMITTEE RESOLUTION 2017/01**

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Jeremy Harker

That the apology received from His Worship the Mayor be accepted and leave of absence granted. Apologies be received from the CEO and Stuart Mutch (Ernest & Young).

**CARRIED**

**3 DECLARATION OF CONFLICT OF INTEREST**

None

**4 CHAIRPERSON'S ANNOUNCEMENTS**

None

**5 LATE ITEMS OF URGENT BUSINESS**

Supplementary Agenda items

- Infrastructure Work programme progress
- September Quarter Financial Report

**6 PUBLIC PARTICIPATION**

None.

**7 MINUTES OF THE PREVIOUS MEETING**

None.

**8 GENERAL ITEMS****HB REGIONAL INTERNAL AUDIT CAPABILITY PROCUREMENT**

**ACTION FOR NEXT MEETING:** Report On Draft Risk Framework/Policy For The Committee To Consider.

**COMMITTEE RESOLUTION 2017/02**

Moved: Mr Philip Jones

Seconded: Cr Denise Eaglesome-Karekare

That the Committee:

1. Receive this report;
2. Endorse the procurement process as outlined;
3. Authorise the CFO to act as the Wairoa District Council representative and tender evaluator; and
4. Commence consideration of a priority listing for development of an Internal Audit program

**CARRIED**

**NZTA INVESTMENT AUDIT REPORT****COMMITTEE RESOLUTION 2017/03**

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Jeremy Harker

The Committee receive the report.

**CARRIED**

**INSURANCE COVER INFRASTRUCTURE ASSETS****COMMITTEE RESOLUTION 2017/04**

Moved: Cr Jeremy Harker

Seconded: Mr Philip Jones

That the Committee

1. Receive this report; and
2. Recommend to Council that Council instruct the Chief Executive Officer to seek

replacement cover for 1 year utilising the services of Council's broker, JLT, and commence a project analysing the probable maximum loss for any one event for a variety of events.

**CARRIED**

At 2.14 p.m., His Worship the Mayor Craig Little returned to the meeting.

#### **HEALTH & SAFETY REPORT – FEBRUARY 2017**

At 2.27 p.m., His Worship the Mayor Craig Little left the meeting.

At 2.30 p.m., Cr Hine Flood left the meeting.

#### **COMMITTEE RESOLUTION 2017/05**

Moved: Cr Jeremy Harker

Seconded: Mr Philip Jones

That the Committee receive the report.

**CARRIED**

#### **APPROVAL OF PURCHASE ORDER FOR GENESIS ENERGY LIMITED**

At 2.31 p.m., His Worship the Mayor Craig Little returned to the meeting.

#### **COMMITTEE RESOLUTION 2017/06**

Moved: Mr Philip Jones

Seconded: Cr Denise Eaglesome-Karekare

That the Committee approve purchase order 172859 for \$250,000 in favour of Genesis Energy for Council's power usage.

**CARRIED**

At 2.32 p.m., Cr Hine Flood returned to the meeting.

#### **INFRASTRUCTURE WORK PROGRAMME PROGRESS**

#### **COMMITTEE RESOLUTION 2017/07**

Moved: Cr Jeremy Harker

Seconded: Cr Hine Flood

That the Committee receive the report.

**CARRIED**

#### **SEPTEMBER QUARTER FINANCIAL REPORT**

#### **COMMITTEE RESOLUTION 2017/08**

Moved: Cr Denise Eaglesome-Karekare

Seconded: Mr Philip Jones

That the Committee receive this report and approve its referral to full Council.

**CARRIED**

**9 PUBLIC EXCLUDED ITEMS**

**RESOLUTION TO EXCLUDE THE PUBLIC**

**COMMITTEE RESOLUTION 2017/09**

Moved: Mr Philip Jones

Seconded: Cr Jeremy Harker

That the public be excluded at 2.52pm from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<p><b>- Consideration of Sale of Investment in Credit Agricole</b></p>	<p>s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>

**CARRIED**



**COMMITTEE RESOLUTION 2017/10**

Moved: Cr Jeremy Harker

Seconded: His Worship the Mayor Craig Little

That Council moves out of Closed Council into Open Council at 3.23pm.

**CARRIED**

Closing Karakia by Corporate Services Manager.

**The Meeting closed at 3.24 p.m.**

**The minutes of this meeting were confirmed at the Finance, Audit & Risk Committee Meeting held on 11 April 2017.**

.....

**CHAIRPERSON**

**9.3 MINUTES OF MAORI STANDING COMMITTEE MEETING - 9 MARCH 2017**

**Author:** James Baty, Corporate Services Manager

**Authoriser:** James Baty, Corporate Services Manager

**Appendices:** 1. Minutes of Maori Standing Committee Meeting - 9 March 2017

**RECOMMENDATION**

1. That the Unconfirmed Minutes of the Maori Standing Committee Meeting held on Thursday 9 March 2017 be received.

**MINUTES OF WAIROA DISTRICT COUNCIL  
MAORI STANDING COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA  
ON THURSDAY, 9 MARCH 2017 AT 12.30PM**

**PRESENT:** Cr Charles (Charlie) Lambert, Mr Paul Kelly, Mr Kiwa Hammond, Mrs Here Nissen, Mr Peter Whaanga, Ms Whaiora Maindonald, Mr Henare Mita, Ms Sharon Cooper, Ms Theresa Thornton, Mr Adrian Manuel

**IN ATTENDANCE:** F Power (WDC's Chief Executive)  
J Cox (WDC's Engineering Manager)  
D Tipoki (WDC's Maori Relationships Manager)  
K Tipuna (WDC's Economic Development & Engagement Manager)  
D Culshaw (KE representative on HBRC MC)  
Tauru Johnson (Wairoa's TUIA rep)  
Paea Whakatope (Wairoa Pa Haka)  
S Lewis (Wairoa Star)  
G Waikawa (WDC's Administration Assistant)

### 1 KARAKIA

The meeting was opened with a karakia by Henare Mita.

### 2 APOLOGIES FOR ABSENCE

#### APOLOGIES

Apologies were received from His Worship the Mayor and Councillor J Harker.

#### COMMITTEE RESOLUTION 2017/01

Moved: Mr Henare Mita

Seconded: Ms Whaiora Maindonald

That the apologies received from His Worship the Mayor and Councillor J Harker be accepted and leave of absence granted.

**CARRIED**

### 3 DECLARATION OF CONFLICT OF INTEREST

None

### 4 CHAIRPERSON'S ANNOUNCEMENTS

The Chairperson welcomed everyone to the meeting and also extended a warm welcome to Councillor Lambert.

### 5 LATE ITEMS OF URGENT BUSINESS

HBRC Maori Committee Report

D Culshaw

Water, Nuhaka	H Mita
State Highway 38	S Cooper
Illegal dumping of rubbish, Mohaka River	T Thornton
Streetlight outside of Hinemihi Marae	W Maindonald
Maintenance of existing signs	H Nissen

## 6 PUBLIC PARTICIPATION

### Wairoa's Tuia Representative – Tauru Johnston

Mr Tauru Johnston gave his whakapapa and thanked the Committee for allowing him to speak. Mr Johnston explained it is a great networking opportunity for youth throughout Aotearoa and to be a representative for Wairoa.

Mr Tipuna explained the TUIA programme to the Committee.

### Paea Whakatope – Pa Haka 2017

Ms Whakatope informed the Committee Te Wairoa Pā Haka Festival will again occur this year. The festival will take place on the second weekend of November (11 November) and will be held at Takitimu Marae.

An additional element might occur on Friday evening (10 November).

Ms Whakatope asked whether Council is able to donate a taonga and the Committee discussed at length and will defer it to the next meeting.

The Economic Development & Engagement Manager advised the Council already donates resources in kind.

## 7 MINUTES OF THE PREVIOUS MEETING

### COMMITTEE RESOLUTION 2017/02

Moved: Ms Sharon Cooper

Seconded: Ms Whai-ora Maindonald

That the minutes of the Maori Standing Committee Meeting held on 14 February 2017 be confirmed.

**CARRIED**

***DISCUSSION – Boardwalk*** - Mr Whaanga wanted it noted it is the presence of the boardwalks and not the amount of boardwalk as noted in the minutes of 14 February 2017. Discussions were held at length regarding the boardwalks.

*The Engineering Manager will look into the conditions of the consent with regards to the boardwalks.*

*Water Supply for Kuha and Waimako Marae – The Engineering Manager explained the water supply needs to be upgraded to NZ Drinking Water Standards and a submission be written to the Annual Plan process for both Marae to be added to the Tuai water supply.*

*Hinemihi Marae – Mrs Maindonald thanked Council for the fixing of pothole outside the Marae.*

## **8 GENERAL ITEMS**

### **8.1 MAORI RELATIONSHIPS MANAGER**

#### **COMMITTEE RESOLUTION 2017/03**

Moved: Ms Theresa Thornton

Seconded: Mrs Here Nissen

#### **RESOLVED**

*The Maori Relationships Manager resolved that the Committee receive the report.*

**CARRIED**

***DISCUSSION – Draft Maori Policy** – The Committee noted a change of word under the heading Appendix, Number 7 – Election Year Transition, bullet points 2 and 3 the word “sworn” be replaced with “confirmed”. Bullet point 2 reading the next Maori Standing Committee shall be confirmed by the newly elected Council at the next most convenient time.*

#### **COMMITTEE RECOMMENDATION**

#### **RECOMMENDED:**

#### **MOTION**

Moved: Mr Paul Kelly

Seconded: Mrs Here Nissen

That the Maori Standing Committee accepts the draft Maori Policy, with suggested changes, and that the Maori Policy be forwarded to Council for their approval.

**CARRIED**

### **8.2 PUBLIC CEMETERY - MAHIA**

The Committee were advised this project was originally approved in the 2009 Long-term Plan (LTP) but not progressed to completion for lack of suitable land acquisition. A public advertisement in 2011 seeking land for the purpose returned some interest, but no land that was deemed suitable. Although no specific funding is allocated for the project in this particular plan, Council is still keen to explore the possibility of a public cemetery at Māhia. To this end Council will continue to investigate suitable land options with the public.

#### **RECOMMENDED:**

That:

1. Council continue to actively investigate a suitable site for a public cemetery at Mahia.

2. Council develop guidance for the purposes of scattering ashes within the district.

a. Note: Auckland City Council guidance for reference:

<http://www.aucklandcouncil.govt.nz/EN/parksfacilities/cemeteries/Pages/scatteringandsettlementofashes.aspx>

**CARRIED**

### **8.3 WAIROA WASTEWATER CONSENT UPDATE**

#### **COMMITTEE RESOLUTION 2017/04**

Moved: Mr Paul Kelly

Seconded: Cr Charles (Charlie) Lambert

#### **RESOLVED:**

That this informative report be received.

**CARRIED**

The Engineering Manager advised the purpose of the Stakeholder Group is to provide a common platform where representative views of different selections of the community and interest stakeholders can be considered in the process of identifying and choosing the best practicable option for dealing with Wairoa's wastewater.

The membership to the Stakeholder Group is voluntary with membership invited from tangata whenua (2), Wairoa District Councillors (2), Business representative (1), AFFCO representative (1) and community members (2) being one youth and one senior member.

### **8.4 HBRC MAORI COMMITTEE REPORT**

Mr D Culshaw presented HBRC's Maori Committee report and reported on Appointment of members, Appointment of Chairperson and Deputy Chairperson, HBRC MC representative to the WDC Maori Standing Committee, Meeting dates, Update from HBRC Chairman, Council reports and MC Working Group.

### **8.5 WATER, NUHAKA**

Mr Henare advised the Committee of water shortage for this summer period in the Nuhaka area. The Engineering Manager advised the community hold a meeting and put a submission to explore setting up a water system in Nuhaka within the annual plan process.

### **8.6 STATE OF ROAD - STATE HIGHWAY 38**

Ms Cooper expressed concerns regarding the state of the unsealed road leading to Waikaremoana.

The Engineering Manager explained the Council was unable to fund non-maintenance works for that section. The development of funding for improving this section was being handled by NZTA, and was out of the Council's control, Mr Cox said.

**8.7 FLY DUMPING OF RUBBISH - MOHAKA RIVER**

Ms T Thornton reported rubbish has been illegally dumped near the Mohaka River and would like the rubbish to be picked up. Ms Thornton was advised to contact Wairoa District Council to remove.

**8.8 MAINTENANCE OF EXISTING SIGNS**

Mrs Nissen expressed concerns regarding the exit signs outside of Erepeti Marae. The Committee were advised Council need to determine what signs need fixing throughout the district

The meeting closed at 3.54pm with a karakia by Henare Mita

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**CHAIRPERSON**



**10 PUBLIC EXCLUDED ITEMS****RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<b>10.1 - Minutes of Public Excluded Council Meeting - 14 February 2017</b>	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>10.2 - Minutes of Public Excluded Finance, Audit &amp; Risk Committee Meeting - 28 February 2017</b>	<p>s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied</p> <p>s7(2)(h) - the withholding of the information is necessary to</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	enable Council to carry out, without prejudice or disadvantage, commercial activities	
<b>10.3 - Natural Calamities Application</b>	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>10.4 - QRS Directors Fees</b>	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>10.5 - Consideration of Sale of Investment in Credit Agricole</b>	s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	<p>information should continue to be supplied</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	
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