

# WAIROA DISTRICT COUNCIL

## ANNUAL REPORT

FOR THE YEAR ENDING 30 JUNE 2017



# 2016-2017 ANNUAL REPORT

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## JOINT STATEMENT FROM THE MAYOR AND THE INTERIM CHIEF EXECUTIVE OFFICER

Kia ora tātou and welcome to the Wairoa District Council's 2016/2017 Annual Report, being year two of the 2015-25 Long Term Plan. We are pleased to share with you the highlights of another busy and challenging year. This year can be characterised as a continuing one of positive change for both Council and the District. Council has continued the process of examining opportunities for Te Wairoa to prosper as a district, as well as maintaining core levels of service. This report is a summary of the Council's activities, performance and financial situation.

The 2016 elections saw the return of all of the Councillors who sought re-election to Council and the addition of Charles Lambert to the elected members' team. This reinforced the community's desire to continue the change and development of the District as a vibrant, desirable and treasured community and environment. It also matched what you, and the visitors to the District, have been telling Council in the phone calls you have made to Council, the annual survey of residents and the surveys of visitors undertaken during the year.

We warmly acknowledge our Treaty Settlement partners – Ngāti Pāhauwera Development Trust (Ngāti Pāhauwera), Te Uru Taumatua (Ngāi Tūhoe) and Tātau Tātau o Te Wairoa Trust (Iwi and Hapū of Te Rohe o Te Wairoa). These partnerships present exciting opportunities for the Wairoa district. We look forward to forging long lasting affiliations with all our Treaty Settlement partners. Equally, we will continue to build strong relationships with our Māori community, who make up over half our population base for our district. It is important that recognise the whakapapa connections to all our whanau, marae and hapū within our Māori community. Nō tō rourou, nō tōku rourou, ka ora ai te iwi.

The district saw a historic first on 25 May 2017. Rocket Lab launched the first space capable rocket from a privately owned launch facility in the world. Despite four days of delays, as this was a test of the launch systems, a number of visitors remained in the district waiting to see this launch. Council has been working with regional and national tourism agencies, as well as Gisborne and other Hawke's Bay councils, to provide the framework and support for a range of additional activities for our visitors to experience during their stay. These opportunities allow for the natural environment, history and culture of Te Wairoa to be on display to the potential visitors to our district.

The work of Council does not focus solely on economic development. Our core services have also been in high demand. This comes from new and expanding businesses, as well as a pleasing reversal in the recent population decline in the District, as identified in prior census results. A recently commissioned report identified that the population of the district has increased to approximately 8200 people.

Our wastewater resource consents will expire in the 2018/19 year. We have begun the process of looking at the options to review, upgrade or replace our existing infrastructure. This is so that we can provide the best level of service needed for the future and people of Te Wairoa, while ensuring that we minimise the impact of this service on the environment; in particular the rivers and other waterways of the district. This is a major consultative process. Council established a focus panel made up of a range of individuals, business and iwi representatives. This group meets regularly to represent the views of the people during the development of the options. Council will be undertaking a consultation with the wider District in the future so that all members of the District have an opportunity to have their say in this process.

Our Building Control and Resource Consent teams were recognised for being highly responsive to the questions and queries of the community and people undertaking the consenting process, resulting from the changes implemented over previous years.

During this year, a number of policies were consulted on and adopted by Council. These included; Easter Trading, Council's Te Reo Māori Policy and the Early Repayment of the Māhia and Opoutama Capital Rating Scheme.

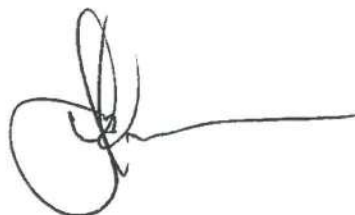
This year has also seen a number of staff changes of particular note. Council's Chief Financial Officer Andrew Morton resigned and we welcomed Gary Borg as his replacement. At the end of the financial year, Fergus Power announced his resignation as Chief Executive Officer. We welcomed the extremely experienced John Freeman, the former CEO of Central Hawke's Bay District Council, as the interim CEO to lead council operations while the journey to find Mr Power's replacement continues. This year, Council established the Economic Development and Engagement group and welcomed Kitea Tipuna to the senior leadership team as head of this group. This change will ensure that Council maintains the strategic focus on the areas he manages and improves the value of services that the community receives, while taking into consideration the mana, cultural history and diversity of our community.

The following pages provide some highlights of our results, which are expanded on in the balance of the report.

This Annual Report provides insight into the activities of Council and is a review of the work undertaken on behalf of the people of the Wairoa District. On behalf of Council and the management team we wish to acknowledge the contribution of staff and contractors for the achievements outlined in this Annual Report. We are pleased to be associated with the Wairoa District Council as it continues to maintain infrastructure, deliver core services and plan for Wairoa's future.



C Little  
MAYOR



J Freeman  
INTERIM CHIEF EXECUTIVE OFFICER

# Annual Report Highlights

## Wairoa District

	30 June 2017	30 June 2016	30 June 2015
The number of rating units within the district.	7,279	7,330	7,276
The total capital value of rating units within the district.	\$1,971,995,700	\$1,895,797,600	\$1,813,313,900
The total land value of rating units within the district.	\$1,159,145,900	\$1,070,101,650	\$1,057,704,050

## Wairoa District Council

Specific measures in the results are:

Measure	2016/17	2015/16	Change	Commentary
Operating Surplus / (Deficit)	(1,288,567)	57,688	↓	Reduction in Subsidy income.
Rates Revenue Increase	249,748 (2.2%)	246,041 (2.2%)	↑ (↔)	Consistent with 2015/16.
Fees and Charges	2,516,286	1,694,641	↑	Early repayment of Mahia and Opoutama Capital scheme future targeted rates.
Investment Income	843,593	1,079,610	↓	A reduction in the average interest rate for investments
Investments Held	17,814,044	18,097,690	↓	Long term Bonds, Term Deposits and Cash held in on-call interest bearing account.
Working Capital	9,023,375	7,696,768	↑	The difference between Cash and cash due within one year and accounts payable in one year.
Cash flow from Operations	4,149,681	8,540,279	↓	Reduced subsidy income
Capital Expenditure	4,696,642	8,001,599	↓	Reduced spending

## Performance Management

	2016/17	2015/16	Change
Total Number of Measures	230	220	↑
Achieved	180 (79%)	174 (79%)	↑ (↔)

## Roading

Work undertaken this financial year:

Measure	2016/17	2015/16	Change
Rehabilitated Roads - Seal	0 Km	3.93 km	↓
Resurfaced Roads	9.7 km	6.7 km	↑
Unsealed Road Metal Build-up	8.1 Km	2.2 km	↑

## Quality Roothing and Services (Wairoa) Limited

Measure	2016/17	2015/16	Change	Commentary
Operating Surplus / (Deficit)	(210,254)	\$427,477	↓	Includes a non-cash write down of stock of \$260,000.
After Tax Profit / (Loss)	(151,661)	\$307,681	↓	
Return on Equity After Tax	(2.52)%	5.3%	↓	
Total Equity	\$5.73 Million	\$6.02 Million	↓	
Cash Dividend Paid to Council	\$140,000	\$50,000	↑	Dividend declared and paid from 2015/16 Result

# YROA YNOT - CONTRIBUTING TO YOUTH DEVELOPMENT

## The aim of Yroa Ynot

Yroa Ynot provides a chance for youth to engage and give back by working voluntarily within their communities on projects they create. Being the core hub for youth development in Wairoa, it achieves this vision by giving young people the opportunities as well as the tools & training to bring their own ideas to life, find solutions to issues facing themselves & their peers as well as building capacity for higher self-confidence, planning, peer encouragement and mentoring.

Yroa Ynot focuses on various sectors throughout the year bringing youth input and energy to all. These sectors include community engagement, education development, sporting & culture as well as environmental projects. Our input has evolved from being helpers and workers, to creating and running our own projects to now being included at the table of strategic planning & governance.

YROA YNOT meetings are also instrumental in development and planning direction for the group. The 'hui' are hives of energy; with projects to complete, ideas to attach to available funding for the community, and energizing activities to break the ice. Activities can include anything from fried bread making to waiata composition. These are but a few activities that our young people in YROA YNOT are wanting to add to their kete and using skills and strong leadership within their rohe and to represent away.

It is very exciting watching and listening to the rangatahi discuss what we need more of in this town and how youth can support each other better. There is always strong emphasis on more collaboration with other community organisations and Wairoa District schools participation. The Youth Coordinator position is also essential for the further developmental progress for the crew member. It also creates a legacy within the group as the position develops, young people are able to step up and further utilize the skills they have learnt from being in the group, giving back to the YNOT kaupapa in another way and when they move on they can use their skills and contacts to venture into further employment and opportunities.

As well as planning and executing our own events, YROA YNOT continues to support other local groups & initiatives. We also strive for youth participation on every level for every sector and encourage the young people in our community to platform themselves into exciting & important spaces.

**Wairoa Wellness Coalition** - Fulfilling the need to identify and agree on what outcomes we want to see for our whanau and community advice was gained from rangatahi (Yroa Ynot & Wairoa College students), pakeke, community leaders, professionals and whanau

**Alcohol Scoping Forum** - YROA YNOT rangatahi were keen to engage in this discussion on what are the current issues with youth and alcohol related issues and ideas to readdress what our services and community are doing to safeguard and protect the advertising and selling of alcohol to youth.

**E Tu Whanau** - A violence free whanau/Wairoa stand up and lead the way - This is an amazing kaupapa and YROA YNOT along with The Planeteers are supporting and engaging by adding feedback/feed forward to this campaign as we are all victims or witnesses of all violence. The launching of this kaupapa in a signing of commitment by all leaders of the community as well as whanau, is a great start. Following our heavy engagement with the environmental space Yroa Ynot was able to ensure and nominate a youth rep position for the **Wairoa Wastewater Stakeholder Group**. This year the youth rep is Beretta Keefe.

Encouraging young people outside of the group is also important for us widening the circles of connections and the benefits possible for the youth of Wairoa.

## Timeline of Events 2016/2017

**August 2016 - #Cleanourawa** - Follow-up event to #saveourawa saw the crew revisiting the Wairoa riverbank to clean-up, weed and plant natives to help strengthen the banks and filter clean the rivers. This was another project where we worked with Jennifer Scothern King (Wairoa EnviroSchool Coordinator)



## Sept 2016 - YROA YNOT/AUT Wananga

YROA YNOT combined with AUT University Māori students for a wānanga. Learning about community engagement, giving back, connections & relationships.



**Keep Wairoa Beautiful** - weeklong project lead by Skylar encouraging people to get out and clean-up our various sites of significance around Wairoa's township and rivers. Ending the week's activities with YROA YNOT crew as a collective participating in the WDC Spring Clean.



**Oct – Riverbank Working Bee**

Weeding, transplanting and upkeep of plants followed by a kai.



**Nov – White Ribbon Day Wairoa**

Yroa Ynot went along to the White Ribbon Day Riders event with the hopes to please the children with games, competitions & prizes; which complemented the bouncy castle & onstage entertainment provided by sponsors of the event. The YROA YNOT crew then finished their day with a swim at the Nuhaka Bridge.

**Dec - Wairoa Wellness Coalition Meeting**

Yroa Ynot was able to be included in the first phases of DHB’s project aiming at gathering input from community members as they start to shape the direction for the re-design of the Wairoa Health and Social Service sector. Fulfilling the need to identify and agree on what outcomes we want to see for our whanau and community, advice was gained from rangatahi (Yroa Ynot & Wairoa College students), pakeke, community leaders, professionals and whanau.

**Te Urunga o Te Rā - Waka Ama W1 Regionals –**

The Yroa Ynot crew supported Adventure Wairoa with this event in various marshalling & administrative roles.



**Xmas Parade & Celebrations** - A core annual event for the Yroa Ynot crew to attend. We participated in the parade as Prince & Princesses, ran an ice block and spider drink stall as well as fill in Personal assistant positions for the organizers of the event UpStream Wairoa.



**Nuhaka Leavers Camp** – Crew members and ex Nuhaka school students helped facilitate and run activities for the annual Nuhaka School Leavers Camp.

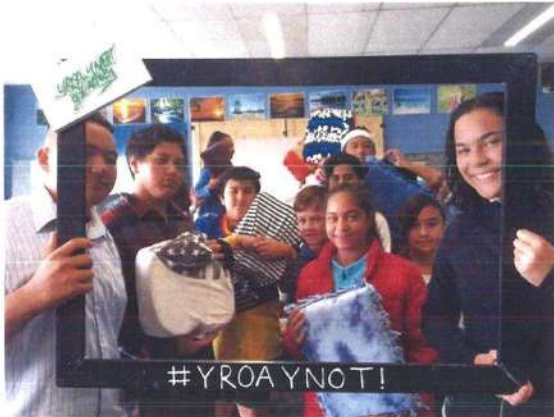
**Feb – Wairoa Triathlon**

The Yroa Ynot crew continued to support Adventure Wairoa with this event in various marshalling & administrative roles.

**March – Business Walk-A-Thon**

The Yroa Ynot crew attended, participated in and marshalled along the Wairoa River for the walk-a-thon event.

**April Get Active Holiday Programme** - During the first week of the Term 2 school holidays the YROA YNOT crew joined forces with the Wairoa Youth Services Trust & Wairoa Community Centre to enjoy the **GET ACTIVE PROGRAMME**. Roughly 30 rangatahi were involved over 3 days of engaging, youth-led activities.



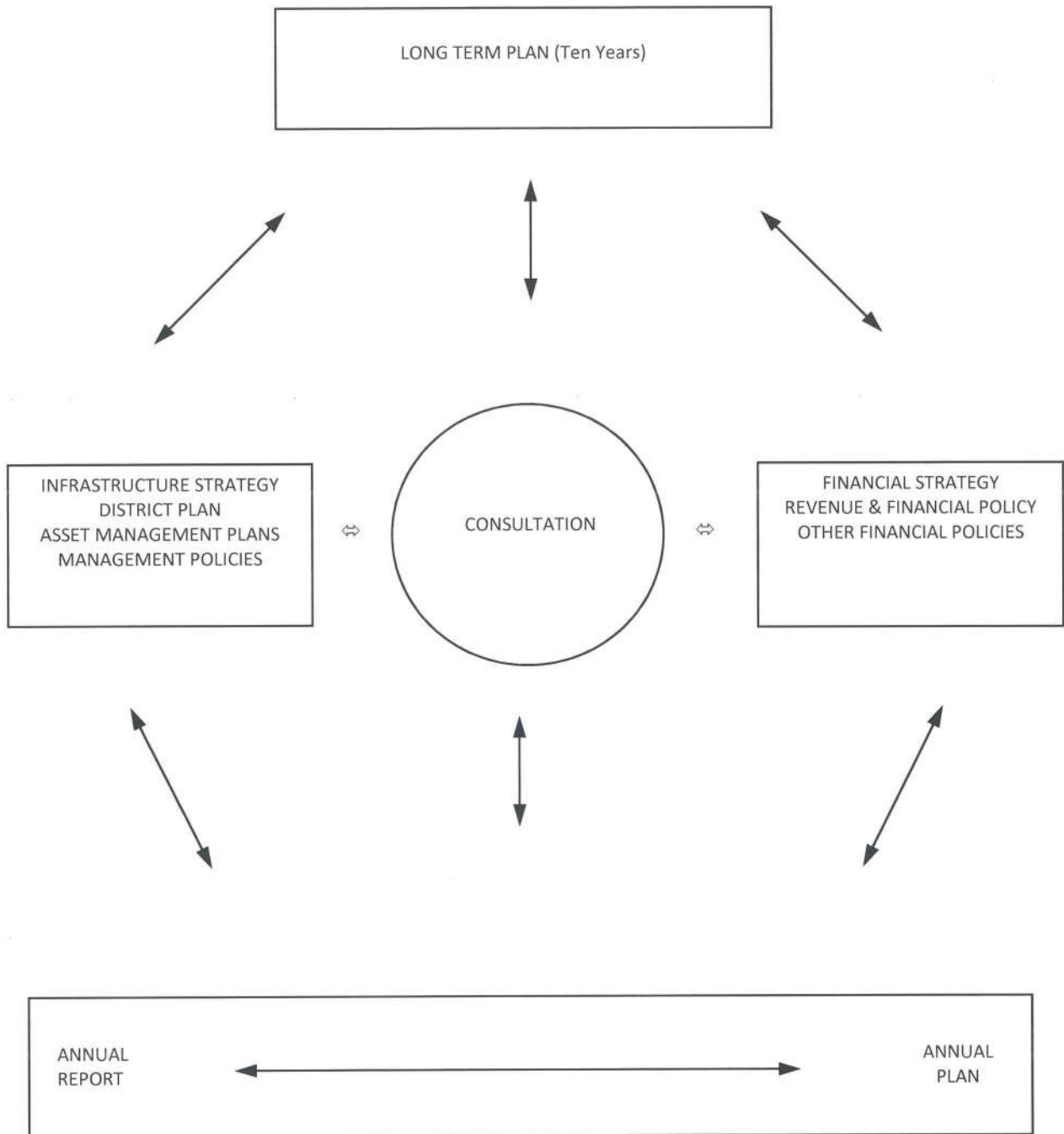
**June – Matariki Celebrations**

Matariki activities on a rainy Wairoa afternoon saw the rangatahi engaging in a Manu Aute (Māori Traditional Kite) Workshop, showcase of the Wairoa Song and Matariki Stories. Followed by a quick kōrero with MP Meka Whaitiri then off to the annual Matariki Wairoa concert for music, entertainment, kai & fireworks.

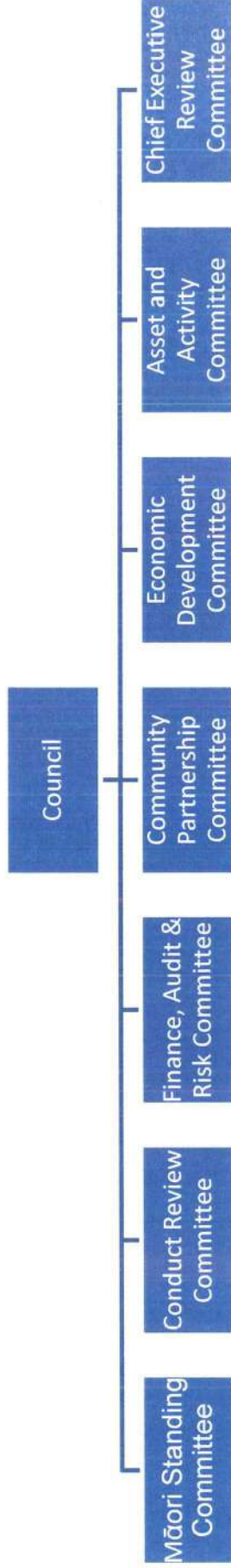




# RELATIONSHIP BETWEEN COUNCIL'S POLICIES AND PLANS



# WAIROA DISTRICT COUNCIL 30 JUNE 2017



<p>His Worship the Mayor Mr. Craig Little</p>	<p>Councillors: Denise Eaglesome-Karekare (Deputy Mayor) Mike Bird Charles Lambert Hine Flood Jeremy Harker Min Johansen</p>
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<p>MĀORI STANDING COMMITTEE MEMBERS</p>	<p>Chairperson: Mr. Kiwa Hammond</p> <p>His Worship the Mayor, Mr Craig Little (Ex-Officio)</p> <p>Councillor Jeremy Harker (Council Representative)</p> <p>Councillor Charles Lambert (Council Representative)</p> <p>Mr Paul Kelly, Mrs Here Nissen Ms Whaioira Maindonald Mr Henare Mita, Ms Sharon Cooper, Mr Adrian Manuel Mr. Peter Whaanga Ms Theresa Thornton</p>
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# MANAGEMENT STRUCTURE AS AT 30 JUNE 2017

## Chief Executive Officer

## Fergus Power

OFFICE OF THE CHIEF EXECUTIVE	ECONOMIC DEVELOPMENT AND ENGAGEMENT	ENGINEERING SERVICES	FINANCE SERVICES	CORPORATE SERVICES	OPERATING SERVICES
FERGUS POWER	KITEA TIPUNA	JAMIE COX	GARY BORG	JAMES BATY	HELEN MONTGOMERY
CEO	ECONOMIC DEVELOPMENT AND ENGAGEMENT MANAGER	ENGINEERING MANAGER	CHIEF FINANCIAL OFFICER	CORPORATE SERVICES MANAGER	CHIEF OPERATIONS OFFICER
<ul style="list-style-type: none"> <li>• Transformation</li> <li>• Human Resources</li> <li>• Stakeholder Relations</li> </ul>	<ul style="list-style-type: none"> <li>• Communications</li> <li>• Economic Development</li> <li>• Information Centre</li> <li>• Tourism &amp; Events</li> <li>• Māori Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Roads, Streets &amp; Bridges</li> <li>• Cemeteries</li> <li>• Sports Grounds</li> <li>• Reserves</li> <li>• Airport Control</li> <li>• Water Supply</li> <li>• Wastewater</li> <li>• Stormwater</li> <li>• Waste Management</li> <li>• Street Lighting</li> <li>• Traffic Management</li> <li>• Asset Management</li> <li>• Property Administration</li> <li>• Pensioner Housing</li> </ul>	<ul style="list-style-type: none"> <li>• Accounting Services</li> <li>• Information Services</li> <li>• Financial Management</li> <li>• Revenue Collection</li> <li>• Rating</li> <li>• Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>• Secretarial Services</li> <li>• Social Services</li> <li>• Library</li> <li>• Public Halls</li> <li>• Recreational</li> <li>• Official Information</li> <li>• Records and Archives</li> <li>• Elections</li> <li>• Work Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Subdivision</li> <li>• Resource Planning</li> <li>• Building Control</li> <li>• Environmental Health</li> <li>• Liquor Licensing</li> <li>• Animal Control</li> <li>• Bylaws</li> <li>• Emergency Management</li> </ul>

Subsequent to balance date, Chief Executive Officer Fergus Power resigned. As at the date of the adoption of the financial statements, Mr. John Freeman has been appointed as the interim Chief Executive Officer.

# STATEMENT OF COMPLIANCE AND RESPONSIBILITY

## Compliance

The Council and management of Wairoa District Council confirm that all statutory requirements of the Local Government Act 2002 have been complied with.

## Responsibility

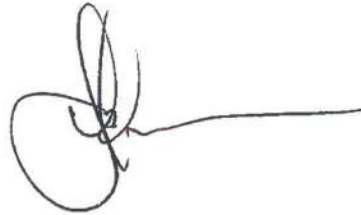
- 1 The Council and management of Wairoa District Council accept responsibility for the preparation of the Annual Financial Statements and the judgements used in them.
- 2 The Council and management of Wairoa District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.
- 3 In the opinion of the Council and management of Wairoa District Council, the Annual Financial Statements for the year ended 30 June 2017 fairly reflect the financial position and operations of Wairoa District Council.



Mayor

C Little

24 October 2017



Interim Chief Executive

J Freeman

24 October 2017

## COMMUNITY OUTCOMES

Community outcomes are aspirational statements that describe what the community believes are important for its present and future economic, social, cultural and environmental well-being. The community outcomes were derived from a regional-wide approach by the five Hawke's Bay Councils: Hastings District Council, Napier City Council, Central Hawke's Bay District Council, Wairoa District Council and the Hawke's Bay Regional Council, to work collectively with the community to identify community outcomes and determine a long-term vision for the future of our region. The community have reconfirmed the outcomes identified.

The community outcomes in this plan remain unchanged and in addition Council has grouped its activities into seven "Key Activity Areas". The following tables shows how these grouped key activity areas relate to the work of Council, the strategic goal areas of Council, and shows where there is a direct linkage to the community outcomes identified in the LTP. These are:

Community Outcomes		
<b>ECONOMIC WELL-BEING</b>	<b>SOCIAL AND CULTURAL WELL-BEING</b>	<b>ENVIRONMENTAL WELL-BEING</b>
<p>1. A strong prosperous and thriving economy</p> <p>2. A safe and integrated transport system</p>	<p>3. A community that values and promotes its culture and heritage</p> <p>4. Safe and accessible recreational facilities</p> <p>5. Supportive, caring and valued communities</p> <p>6. Strong district leadership and a sense of belonging</p>	<p>7. A safe and secure community</p> <p>8. A lifetime of good health and well-being</p> <p>9. An environment that is appreciated, protected and sustained for future generations</p>



Council's Strategic Response		
<p>Community Representation</p> <p>Māori Relationships</p> <p>Economic Development</p> <p>Parks &amp; Reserves</p> <p>Airport</p> <p>Library</p> <p>Community Support</p> <p>Property</p> <p>Land Transport</p>	<p>Resource Planning</p> <p>Environmental Health</p> <p>Bylaw Compliance:</p> <ul style="list-style-type: none"> <li>• Dog Control</li> <li>• Livestock Control</li> <li>• General Bylaw Enforcement</li> </ul> <p>Cemeteries</p> <p>Building Control</p> <p>Liquor Control</p>	<p>Waste Management</p> <p>Emergency Management</p> <p>Land Transport</p> <p>Water Supply</p> <p>Stormwater</p> <p>Wastewater</p>

It is important to note that Council is not solely responsible for the delivery of these community outcomes. Council will work with the community, key organisations and stakeholders to achieve the community outcomes together. Council's role therefore will vary, depending on the specific outcomes and the activities involved.

More information on the outcomes and the way in which Council will work towards achieving them can be found in the LTP 2015-2025 on Council's website or from Council's office.

### Council Activities

Council activities are divided into two strategic goal areas being:

- **Community Development & Participation**  
Council's aim is to provide services and facilities to encourage community focus, ensuring access to information and leisure opportunities and to promote the expansion of the economy by encouraging tourism options and business development.
- **Safe Living Environment**  
Council's aim is to provide services and facilities which contribute to community health and safety and ensure that the natural and physical resources of the district are preserved for future generations.

These are in turn supported by management services and investments.

## KEY ACTIVITY AREAS

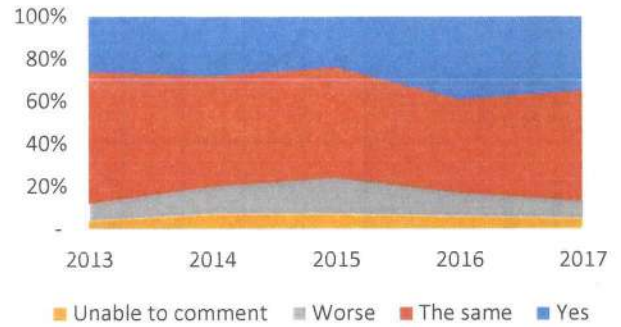
ACTIVITIES GROUP	ACTIVITY	ECONOMIC WELL-BEING			SOCIAL AND CULTURAL WELL-BEING					ENVIRONMENTAL WELL-BEING		
		1 A strong prosperous and thriving economy.	2 A safe and integrated transport system.	3 A community that values and promotes its culture and heritage.	4 Safe and accessible recreational facilities.	5 Supportive, caring and valued communities.	6 Strong district leadership and a sense of belonging.	7 A safe and secure community.	8 A lifetime of good health and well-being.	9 An environment that is appreciated, protected and sustained for future generations.		
1. Water Services	Water Supply	✓				✓		✓	✓	✓	✓	✓
	Stormwater	✓	✓		✓	✓		✓	✓	✓	✓	✓
	Wastewater	✓		✓		✓		✓	✓	✓	✓	✓
2. Waste Management	Waste Management	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
	Land Transport	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
3. Transport	Airport	✓	✓					✓		✓		✓
	Cemeteries			✓		✓						✓
	Library			✓	✓	✓					✓	
4. Community Facilities	Parks & Reserves			✓		✓		✓			✓	✓
	Community Support			✓	✓	✓		✓				

ACTIVITIES GROUP	ACTIVITY	ECONOMIC WELL-BEING			SOCIAL AND CULTURAL WELL-BEING					ENVIRONMENTAL WELL-BEING		
		1 A strong prosperous and thriving economy.	2 A safe and integrated transport system.	3 A community that values and promotes its culture and heritage.	4 Safe and accessible recreational facilities.	5 Supportive, caring and valued communities.	6 Strong district leadership and a sense of belonging.	7 A safe and secure community.	8 A lifetime of good health and well-being.	9 An environment that is appreciated, protected and sustained for future generations.		
5. Planning & Regulatory	Resource Planning							✓		✓		
	Environmental Health								✓			
	Building Control	✓			✓					✓		
	Liquor Control									✓		✓
	Bylaw Compliance – Dog Control									✓		✓
6. Leadership & Governance	Bylaw Compliance – Livestock Control											
	Bylaw Compliance – General Bylaws Enforcement											✓
	Emergency Management										✓	✓
	Community Representation	✓		✓	✓				✓		✓	✓
	Māori Relationships			✓								
7. Corporate Functions	Economic Development	✓										
	Property	✓		✓	✓				✓		✓	✓
	Corporate & Funds Management	✓		✓	✓				✓		✓	✓

The Local Government Act 2002 requires Council to report measures taken and progress made towards achieving the community outcomes stated in the LTP. Council undertakes an annual customer satisfaction survey to measure its progress in some of these areas. Survey results relating to outcomes (rounded to whole numbers):

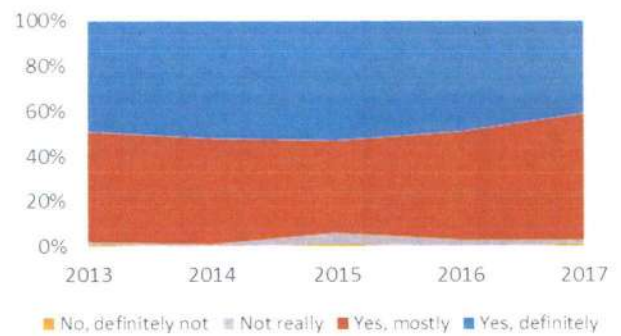
**Is Wairoa a better place to live than it was three years ago? (All outcomes)**

	2013	2014	2015	2016	2017
Yes	27%	28%	24%	39%	35%
The same	62%	52%	52%	44%	52%
Worse	8%	13%	17%	11%	8%
Unable to comment	4%	7%	7%	6%	5%



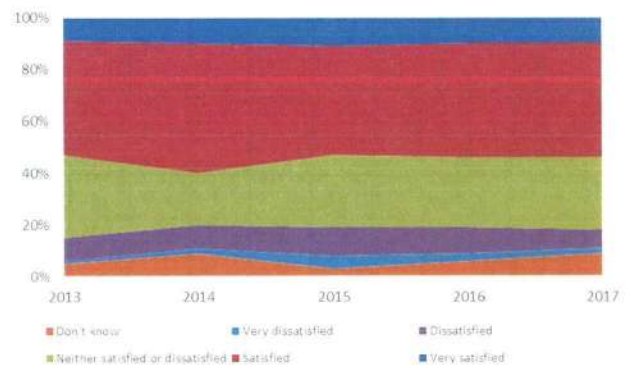
**Is Wairoa District generally a safe place to live? (A safe and secure community)**

	2013	2014	2015	2016	2017
Yes, definitely	49%	52%	53%	49%	41%
Yes, mostly	49%	47%	41%	48%	56%
Not really	1%	1%	5%	3%	2%
No, definitely not	1%	-	1%	-	1%
Unsure	-	-	-	-	-



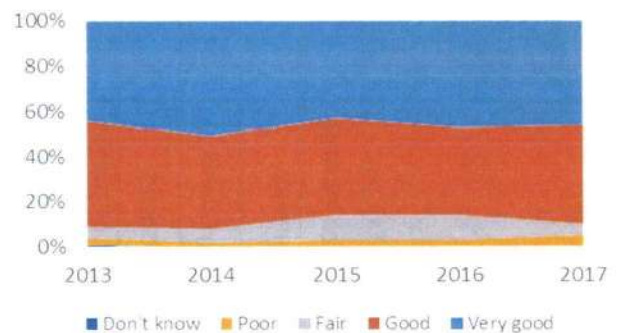
**Satisfaction with the way Council involves the public in the decisions it makes (Strong district leadership and a sense of belonging; Supportive, caring and valued communities)**

	2013	2014	2015	2016	2017
Very satisfied	9%	10%	11%	10%	10%
Satisfied	44%	50%	42%	44%	44%
Neither satisfied or dissatisfied	32%	20%	28%	27%	28%
Dissatisfied	9%	9%	11%	10%	7%
Very dissatisfied	1%	2%	5%	3%	2%
Don't know	5%	9%	3%	6%	9%



**Quality of Life (All outcomes)**

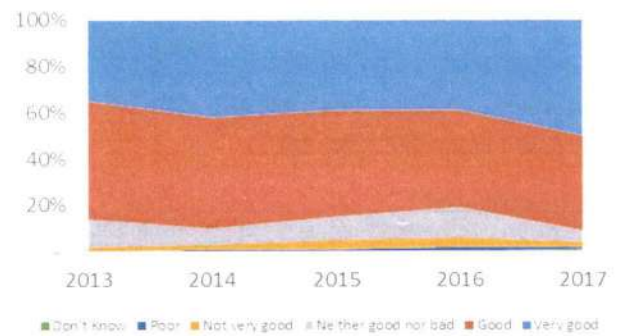
	2013	2014	2015	2016	2017
Very good	44%	51%	43%	47%	46%
Good	47%	41%	43%	39%	44%
Fair	5%	6%	11%	11%	5%
Poor	3%	2%	3%	3%	5%
Don't know	1%	-	-	-	-





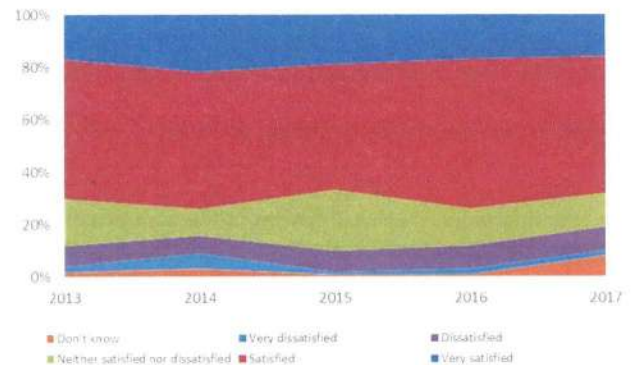
### Community Spirit (Supportive, caring and valued communities)

	2013	2014	2015	2016	2017
Very good	35%	42%	39%	39%	50%
Good	51%	48%	46%	42%	41%
Neither good nor bad	12%	7%	10%	13%	5%
Not very good	2%	2%	4%	4%	2%
Poor	-	1%	1%	2%	1%
Don't Know	-	-	-	-	1%



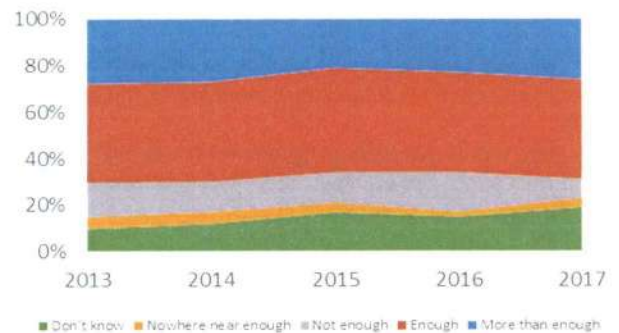
### Natural Environment (An environment that is appreciated, protected and sustained for future generations)

	2013	2014	2015	2016	2017
Very satisfied	17%	22%	19%	17%	16%
Satisfied	53%	52%	48%	57%	52%
Neither satisfied nor dissatisfied	18%	10%	23%	14%	13%
Dissatisfied	8%	7%	8%	9%	9%
Very dissatisfied	2%	6%	1%	2%	2%
Don't know	2%	3%	1%	1%	8%



### Level of Consultation with Māori (A community that values and promotes its culture and heritage)

	2013	2014	2015	2016	2017
More than enough	28%	27%	21%	23%	26%
Enough	43%	43%	45%	43%	43%
Not enough	15%	13%	13%	17%	8%
Nowhere near enough	5%	5%	4%	2%	4%
Don't know	10%	12%	17%	15%	19%



### How well has the community assessed our improvement in provision of our key service activity areas?

The annual survey's assessment of the combined Very Good/Fairly Good levels for the 13 key activity areas, identified that 8 have improved over 2015/16, while 4 have reduced and 1 remained the same. Overall the movement in all Very Good/Fairly Good assessments was a net increase of 37 percentage points, which represents a 3% increase on the prior year.

# REPORT ON DEVELOPMENT OF MĀORI CAPACITY TO CONTRIBUTE TO THE DECISION-MAKING PROCESS

## PARTICIPATION IN DECISION MAKING

### Legislative background

I raro i te mauri o te Tiriti o Waitangi me āta kōrero te Kaunihera o Te Wairoa ki ngā tangata whenua nōna nei te whenua, te ahikaa me te mana ki runga i ngā wahi i whakataupua e o rātou tūpuna. Mā reira e whakamana ngā wawata o ia rohe, o ia rohe i roto i te Kaunihera o Te Wairoa kia tūtuki ai te hā o te Tiriti o Waitangi.

Within the spirit of the Treaty of Waitangi, the Wairoa District Council must consult with Māori who are the descendants of the original inhabitants, who own the land, who currently reside in the area, and who exercise traditional authority over the areas made sacred by their ancestors.

The Local Government Act 2002 requires that Council *'must, in the course of its decision-making process in relation to a matter, give consideration to the views and preferences of the persons likely to be affected by, or to have an interest in, the matter'*.

Section 81 of the Act specifically requires Council to:

- (a) Establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of Council.
- (b) Consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of Council.
- (c) Provide relevant information to Māori for the purposes of (a) and (b) above.

Through this consultation process the aspirations of each area within Wairoa will be realised in accordance with the Local Government Act 2002, and the principles of the Treaty of Waitangi 1840.

### **Position statement**

The Wairoa community is 58.6% Māori compared to 15.8% in New Zealand as a whole. This means that Māori are well represented at most levels within the community.

Council acknowledges that specific iwi, hapū and whānau have ahikaa (unbroken occupation) and exercise mana whenua (maintenance and sustainable management of land) over lands within the Council's boundaries. Council consult iwi for the purpose of the Resource Management Act 1991

(where there is a duty to consult with tangata whenua) and where there is mutual agreement between the Council and iwi exercising mana whenua. The Council also acknowledges that specific iwi, hapū and whānau have historical and spiritual ties to land within Council's boundaries.

The Council maintains processes that provide opportunities for Māori to contribute to decisions. The Wairoa District Council Māori Standing Committee, (the group that advise and support Council on things pertaining to Māori) advises on how best to manage the consultation process and to facilitate relationships between the Council and iwi exercising mana whenua. The Wairoa District Council Māori Policy, which was adopted in 2012, outlines the relationship between the Council and tangata whenua.

Within the Wairoa district there are several Māori organisations which involve themselves in a range of issues. These organisations are noted in appendix 1 of the Wairoa District Council Māori Policy.

Council will continue to consider, and where appropriate, implement ways to foster the development of Māori capacity to contribute to the decision-making process.

Council has adopted the following steps to further facilitate and enhance Māori involvement in decision making:

- At the triennial local government elections held during the scope of this annual report, a referendum was held asking the community to vote on the establishment of Māori voting wards for the Wairoa District. This was passed by the voters of Te Wairoa and wards will be established for the next Triennial local elections in 2019 and for the following two election cycles, after which the wards will be reviewed in accordance with the Local Government Act 2002.
- Council has established the position of Māori Relationships Manager. The roles of this position are:
  - To liaise with local hapū to ensure they understand the processes of Council, how they can become involved and to ensure that their views are considered by Council on matters of concern to them.
  - To ensure Council and management have an understanding of tikanga and do not alienate Māori through their actions.
- Council's Māori Policy will be reviewed periodically to enable Council to re-evaluate the structure and composition of the Māori Standing Committee. It is intended that this Committee will continue to be funded and supported by Council. The Māori Standing Committee will be free to discuss any item on Council agendas and make recommendations to Council on those matters.
- In consulting with the public, Council has a history of meeting with Māori and the community on local marae where appropriate.

- Council has a commitment to work with Māori at a variety of levels to both raise awareness of issues and hear their voice before making decisions.
- Two policies were released for consultation and were subsequently adopted by Council. The first was the review of the Māori Policy. The second, being historically significant, was the Te Reo Māori Policy, which includes bilingual signage and an opportunity to encourage Māori to contribute to the democratic process in te reo Māori.

#### **Monitoring our effectiveness**

Council's effectiveness in involving Māori in decision making will be measured in the following ways:

- The percentage of Māori councillors elected approximately reflecting the percentage of Māori in the community.
- The degree to which Māori participate in Council/community consultation.
- The attendance of elected representatives at meetings of the Māori Standing Committee.

## ACTIVITY GROUP ONE - WATER SERVICES

1. Water Supply
2. Stormwater
3. Wastewater

### Water Supply

The water supply activity primarily contributes to the following community outcomes:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities.	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
✓				✓		✓	✓	✓

### Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will own, operate and maintain reliable drinking water systems serving Wairoa, Frasertown, Tuai and Mahanga, protecting public health	All domestic householders and non-domestic premises connected to the water supply systems will be provided with a service that delivers a reliable supply of drinking water	Council will have in place, at all times, suitable water supply operation and maintenance contracts and arrangements to provide the services outlined  Minimum 24 hours' daily consumption storage capacity to be maintained	2016/17: Achieved: Contracts in place with QRS for this year. The only complaints received around a lack of supply were associated with emergency water repairs when water had to be turned off. (2015/16: Achieved)  2016/17: Not Achieved: Work continues on the completion of the Tawhara Reservoir which will bring storage up to the requirement. (2015/16: Not Achieved)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through Annual Plan process	2016/17: Achieved: The Annual Plan process considers the cost of service. There were no submissions on the cost of water supply service levels. (2015/16: Achieved)
	The provision of facilities shall be adequate for current and foreseeable demand	Mahanga supply assessment to continue in consultation with local community	2016/17: Achieved: The review of the Mahanga supply issue continued with consultation with the stakeholders. A binding referendum was signalled during the year for completion early 2017/18. (2015/16: Achieved)
	Customers' water pressure will be maintained	No valid CSRs regarding inadequate water pressure	2016/17: Achieved: Monitored and recorded 24/7 on a telemetry Scada System. There is sufficient flow in

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
			the water mains to keep up with demand during summer. However, pressure issues occur at elevated properties when the water main leaks or breaks at the properties connections. The supply is fed into water tanks on the resident's properties. The pressure issue was known to the resident, when they connected to the WDC supply. (2015/16: Achieved)
Council will comply with current standards, legislation and Council bylaws	Council shall meet all legislative requirements	Annual review of current legislation for compliance	2016/17: Achieved: Wairoa, Frasertown and Tuai supplies are all compliant with the New Zealand Drinking Water Standards (NZDWS). Frasertown (also supplies Wairoa) and Tuai Water Treatment Plants (WTP) are also NZDWS compliant. 2016/17: Not Achieved: Mahanga currently has no water treatment facility however a Water Safety Plan for Mahanga has been approved and implemented. (2015/16: Achieved) (2015/16: Not Achieved: Mahanga)
	Council shall comply with Fire Fighting Standards	Council shall comply with Fire Fighting Standards	2016/17: Achieved: Council has complied with standards. Fire hydrants are inspected as part of maintenance contract. (2015/16: Achieved)
	Council's Water Supply Bylaw shall be enforced	Council shall provide for monitoring of the bylaw  All known breaches of the bylaw shall be addressed as provided for in the bylaw	2016/17: Achieved: All new building consents are reviewed by the Utilities Engineer to ensure compliance with the WDC Water Supply Bylaw. Any breaches are managed in accordance with the Bylaw, noting that no breaches of the bylaw were recorded for this year. (2015/16: Achieved)
	Council shall meet the requirements of the Drinking Water Standards (NZDWS)	Bacterial compliance shall be monitored in accordance with part 4 of the Drinking Water Standards  Protozoal compliance shall be monitored in accordance with part 5 of the Drinking Water Standards	2016/17: Not Achieved: All Water Treatment Plants and supplies met the NZDWS including bacterial and protozoal contamination, except Mahanga which is currently being managed through a Water Safety Plan. Water is currently chlorinated. Mahanga – is on a permanent boil water notice and the supply is only to top up the resident's water tanks in emergency situations. Mahanga is going to referendum at the beginning of 2017/18 year to verify that the residents are willing to pay for a potable water supply. (2015/16: Not Achieved)

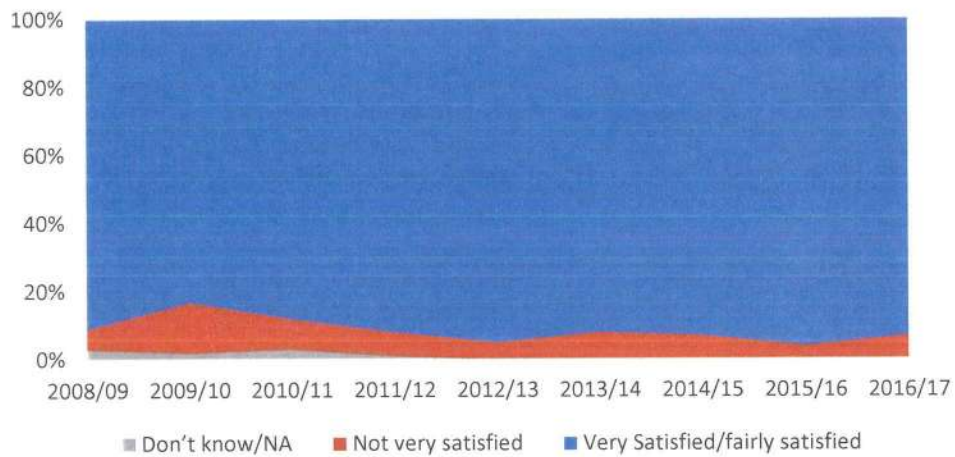
LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	Customers will have water service available to them except during planned maintenance or an emergency	No CSRs regarding unplanned or emergency shutdowns  Planned shutdowns are advertised	2016/17: Not Achieved: 1 CSR complaint received indicating a lack of water service at Mahanga. The other 24 No Water complaints were due to emergency main repairs. Any planned shutdown is advertised through the Wairoa Star. (2015/16: Not Achieved)
	The taste, smell and look of the water are monitored	Compliance with the Drinking Water Standards in accordance with requirements of the Health Act in relation to taste, smell and look (aesthetic determinants)	2016/17: Not Achieved: 1 CSR complaint received relating to taste in the Wairoa Supply. (2015/16: Achieved)
	Council shall comply with conditions of consent for all systems.	There shall be no abatement notices, infringement notices, enforcement orders or convictions in relation to resource consents	2016/17 Achieved: HBRC Consents for Frasertown and Tuai Water Treatment Plants are complied with. Mahanga Consent and Water Permit conditions were Achieved. (2015/16: Achieved)
Council will maintain water supplies to ensure long-term sustainability	Asset database to be maintained	Asset database to be maintained up to date including all additions and disposals  Critical assets identified  Develop programme for condition assessments of the reticulation	2016/17: Achieved: The Engineering Department maintains the Asset Finda Database with all associated contractor and council works. (2015/16: Achieved)
	% of water loss from the reticulation systems through leakage, shall reduce with time	% water loss* shall not exceed 20%  <i>*calculated as difference between quantity of water produced and that consumed based on per capita standard consumption</i>	2016/17: Not Measured: Water loss from leakage in the reticulation system is not currently monitored. Accordingly no information is available for this measure. However Council has undertaken two leak detection surveys for both Wairoa/Frasertown and Tuai reticulations. (2015/16: Not Measured)
	The average consumption of drinking water per day per resident shall reduce with time (due to system leakage, estimated 2014 consumption is 1,400m <sup>3</sup> /person/day)	The average consumption of drinking water per day per resident shall be less than 1,200m <sup>3</sup> - <i>Please Note: This figure should read in Litres and will be amended in the LTP 2018</i>	2016/17: Achieved: Average Water Consumed per resident per Day is 544 Litres or 0.544m <sup>3</sup> (2015/16: Achieved).
	All maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process  Works to be within budget +/- 5%	2016/17: Achieved: All maintenance, programmed and reactive works were completed on time and within budgets. (2015/16: Achieved)
	Operational and maintenance activities are undertaken in a safe and healthy manner	No health and safety non compliances are received or issued.  Annual Review of hazard register.	2016/17: Achieved: No reported accidents or near misses. (2015/16: Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	2016/17: Achieved: 92% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2015/16: Achieved: 96%)
	Council shall respond to faults / interruptions in the network reticulation	<p>The median response time to attend a fault/interruption to the network reticulation from receiving notification to the time that service personnel reach the site shall not exceed 4 hours for URGENT call-outs.</p> <p>The median response time to confirm resolution of the blockage or other fault from receiving notification shall not exceed 4 hours for URGENT call-outs.</p> <p>The median response time to attend a fault/interruption to the network reticulation from receiving notification to the time that service personnel reach the site shall not exceed 4 hours for NON-URGENT call-outs.</p> <p>The median response time to confirm resolution of the blockage or other fault from receiving notification shall not exceed 4 hours for NON-URGENT call-outs.</p>	<p>2016/17: Achieved: Customer Service Requests are updated with the corrective action taken and then signed off by the council officer responsible.</p> <p>Urgent Median response time: 2 Hours Non-urgent Median response time: 2 Hours</p> <p>(2015/16: Achieved)</p>
	Complaints received annually shall not exceed: 20 for drinking water clarity 20 for drinking water taste 20 for drinking water odour 40 for drinking water pressure or flow 40 for continuity of supply 20 for response to issues Expressed per 1000 connections.	Complaints received annually shall not exceed: 20 for drinking water clarity 20 for drinking water taste 20 for drinking water odour 40 for drinking water pressure or flow 40 for continuity of supply 20 for response to issues Expressed per 1000 connections.	2016/17: Achieved: Complaints received through the CSR system: <ul style="list-style-type: none"> <li>• 3 for drinking water clarity</li> <li>• 1 for drinking water taste</li> <li>• 1 for drinking water odour</li> <li>• 7 for drinking water pressure</li> <li>• 32 for continuity of supply</li> </ul> (2015/16: Achieved)
Council will implement systems/processes to ensure continued service delivery in emergency events	Contingency plans shall be implemented for emergency events such as earthquake, tsunami, fire which result in the inability to provide the service	<p>Annual meeting with civil defence team</p> <p>Contingency plans shall be developed</p>	2016/17: Achieved: Programmed Earthquake actuation valves have been placed on at risk reservoirs. Council has Civil Defence Contingency Plans in place for earthquake, tsunami and fire events and meets with civil defence personnel regularly.  (2015/16: Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	There shall be a minimum of 24-hours' storage of potable water at all times	There shall be a minimum of 24-hours' storage of potable water at all times	2016/17: Not Achieved: Capacity sits at 18 hours however this will be elevated to 24 hours by September 2017 when the new Reservoir is commissioned.  (2015/16: Not Achieved)

COMMUNITY SURVEY - PERFORMANCE RATING

Water Supply (Users)	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Very Satisfied/fairly satisfied	91%	84%	88%	92%	95%	92%	93%	96%	93%
Not very satisfied	6%	15%	9%	7%	5%	8%	7%	4%	7%
Don't know/NA	3%	2%	3%	1%					





## FUNDING IMPACT STATEMENT - WATER SUPPLY

For the year ending 30 June 2017

	ACTUAL 2016/17 (\$ 000)	BUDGET 2016/17 (\$ 000)	LTP 2016/17 (\$ 000)	LTP 2015/16 (\$ 000)
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	954	930	1,054	935
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	723	1,070	1,133	1,054
Local authorities fuel tax, fines, infringement fees, and other receipts	100	108	134	138
<b>Total Operating Funding</b>	<b>1,777</b>	<b>2,108</b>	<b>2,321</b>	<b>2,127</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	1,586	1,411	1,585	1,468
Finance costs	107	6	113	107
Internal Charges and overheads applied	431	343	298	278
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>2,124</b>	<b>1,760</b>	<b>1,996</b>	<b>1,853</b>
<b>Surplus (Deficit) of operating funding</b>	<b>(347)</b>	<b>348</b>	<b>325</b>	<b>274</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,279	1,484	1,000	100
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	104	104	-
Gross proceeds from sale of assets	-	-	10	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>1,279</b>	<b>1,588</b>	<b>1,114</b>	<b>100</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	21	104	104	-
- to replace existing assets	1,041	1,461	1,801	762
Increase (Decrease) in reserves	(130)	371	(466)	(388)
Increase (Decrease) of investments	-	-	-	-
<b>Total application of capital funding</b>	<b>932</b>	<b>1,936</b>	<b>1,439</b>	<b>374</b>
<b>Surplus (Deficit) of capital funding</b>	<b>347</b>	<b>(348)</b>	<b>(325)</b>	<b>(274)</b>
<b>Funding Balance</b>				
Group depreciation and amortisation	495	468	468	451

## Stormwater

The stormwater activity primarily contributes to the following community outcomes:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities.	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
✓	✓		✓	✓		✓	✓	✓

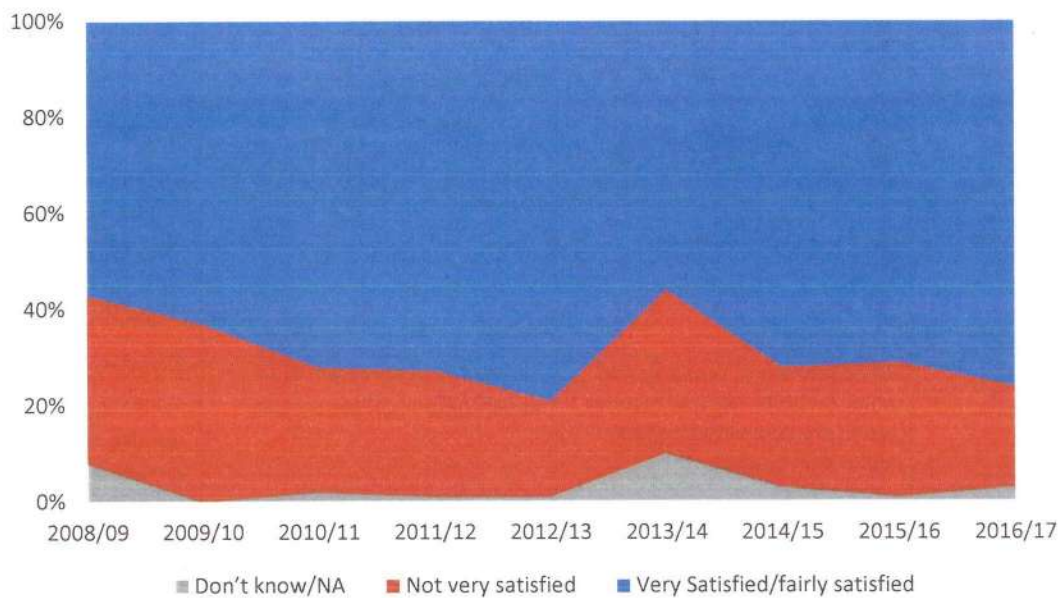
### Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will own, operate and maintain a stormwater system within the town limits of Wairoa, Tuai and Mahia that will protect properties from flooding events	All domestic households and non-domestic premises connected to the stormwater system will be provided with a service that removes storm water from their properties	Council will have in place at all time, suitable stormwater system operation and maintenance contracts and arrangements to provide the services outlined	2016/17: Not Achieved: QRS are contracted for the year to provide all required services, however CSR's associated with concerns over storm water issues were raised covering a wide area from open rural drains being blocked with dead sheep, to domestic property owners. All CSR's addressed and closed off. (2015/16: Not Achieved)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through the Annual Plan process	2016/17: Achieved: No reports received indicating any concerns with associated costs. Long Term and Annual Plan consultation processes provide opportunity for community to raise willingness to pay issues (2015/16: Achieved)
	The stormwater system shall be managed to limit the number of flooding events where 'flooding event' means an overflow of stormwater from the stormwater system and the impact of those flooding events on properties	There shall be no more than 10 flooding events  For each flooding event, the number of habitable floors affected shall not exceed 50 per 1000 properties connected to the system	2016/17: Achieved: There were less than 10 flooding events in the year. 5 CSRs received. The council visually inspects the network during heavy rain events to identify and rectify the areas that are affected by network flooding/blockages to help identify areas that will benefit from the renewals program - ongoing. (2015/16: Achieved)
Council will comply with current legislation and Council bylaws	Council shall meet all legislation requirements	Annual review of current legislation for compliance	2016/17: Achieved: Council is compliant with all Acts impacting this activity. (2015/16: Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	Council shall comply with conditions of consent for any systems	There shall be no abatement notices, infringement notices, enforcement orders or convictions in relation to resource consents	2016/17: Not assessed. No consents are in place for storm water systems. (2015/16: Not assessed)
	Council's Stormwater Bylaw shall be enforced (once adopted)	Council shall provide for monitoring of the bylaw  All known breaches of the bylaw shall be addressed as provided for in the bylaw	2016/17: Not Achieved: Bylaw has not yet been adopted by Council. Work is in progress. (2015/16: Not Achieved)
Council will maintain stormwater systems to ensure long-term sustainability	Asset database to be maintained	Asset database to be maintained up to date including all additions and disposals  Condition assessment of assets 50% of assets  Critical assets identified	2016/17: Achieved: Assetfinda used to maintain the Asset Database. (2015/16: Achieved)
	Address impacts of infiltration and inflow into Wairoa system	Address impacts of infiltration and inflow into Wairoa system as they arise	2016/17: Achieved: Infiltration and inflow project plan well underway. Due for review late 2017 early 2018. Working plan TBC. (2015/16: Achieved)
	All maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process  Works to be within budget +/- 5%	2016/17: Achieved: All maintenance, programmed and reactive works were completed on time and within budget codes as allocated. (2015/16: Not Achieved)
	Operational and maintenance activities are undertaken in a safe and healthy manner	No health and safety non compliances are received or issued.  Annual Review of hazard register.	2016/17: Achieved: No reported Health & Safety incidences or non-compliances. (2015/16: Achieved)
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	2016/17: Not Achieved: 76% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2015/16: Not Achieved: 71%)
	Council shall respond to faults / interruptions in the network reticulation	The median response time to attend a flooding event from receiving notification to the time that service personnel reach the site shall not exceed 4 hours	2016/17: Not Achieved. Average median time was 14 hours. (2015/16: Achieved)
	The total number of complaints received shall not exceed 50 per 1000 connections	The total number of complaints received shall not exceed 50 per 1000 connections	2016/17: Achieved: 44 CSRs received on 1,600 connections. (2015/16: Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will implement systems/processes to ensure continued service delivery in emergency events	Contingency plans shall be implemented for emergency events such as flooding, earthquake, tsunami, fire which result in the inability to provide the service	Annual meeting with civil defence team  Contingency plans shall be reviewed.	2016/17: Achieved: Council has Civil Defence Contingency Plans in place for events and are reviewed on an ongoing basis. (2015/16: Achieved)

COMMUNITY SURVEY - PERFORMANCE RATING									
Stormwater (those connected)	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Very Satisfied/fairly satisfied	57%	63%	72%	72%	79%	56%	72%	71%	76%
Not very satisfied	35%	37%	26%	26%	20%	34%	25%	28%	21%
Don't know/NA	8%		2%	1%	1%	10%	3%	1%	3%



**FUNDING IMPACT STATEMENT - STORMWATER**

For the year ending 30 June 2017

	ACTUAL 2016/17 (\$ 000)	BUDGET 2016/17 (\$ 000)	LTP 2016/17 (\$ 000)	LTP 2015/16 (\$ 000)
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	296	288	393	361
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	59	59	74	82
<b>Total Operating Funding</b>	<b>355</b>	<b>347</b>	<b>467</b>	<b>443</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	63	68	110	106
Finance costs	80	-	79	73
Internal Charges and overheads applied	55	107	117	109
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>198</b>	<b>175</b>	<b>306</b>	<b>288</b>
<b>Surplus (Deficit) of operating funding</b>	<b>157</b>	<b>172</b>	<b>161</b>	<b>155</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	104	104	100
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>104</b>	<b>104</b>	<b>100</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	111	104	104	100
- to replace existing assets	-	472	473	350
Increase (Decrease) in reserves	46	(300)	(312)	(195)
Increase (Decrease) of investments	-	-	-	-
<b>Total application of capital funding</b>	<b>157</b>	<b>276</b>	<b>265</b>	<b>255</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(157)</b>	<b>(172)</b>	<b>(161)</b>	<b>(155)</b>
<b>Funding Balance</b>				
Group depreciation and amortisation	171	172	202	194

## Wastewater

The wastewater activity primarily contributes to the following community outcomes:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities.	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
✓		✓		✓		✓	✓	✓

### Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will own, operate and maintain a sewer system to Wairoa, Tuai, Mahia and Opoutama that removes wastewater from properties and protects public health and the environment	All domestic householders and non-domestic premises connected to the sewer system will be provided with a service that removes wastewater from their properties	Council will have in place at all time, suitable wastewater system operation and maintenance contracts and arrangements to provide the services outlined	2016/17: Not Achieved: QRS are contracted to supply wastewater system maintenance, renewal and capital work. Wairoa, Tuai, Mahia and Opoutama have operational centralized wastewater schemes. Failures of the system do and have occurred, failures mainly associated with wet weather events. (2015/16: Not Achieved)
	Council will provide, operate and maintain treatment facilities to enable appropriate disposal/discharge of wastewater	Council will have in place at all time, suitable wastewater system operation and maintenance contracts and arrangements to provide the services outlined	2016/17: Achieved: All operational and maintenance work completed through the council Utilities Contract. (2015/16: Achieved)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through the Annual Plan process	2016/17: Achieved: No reports received indicating any concerns with associated costs. Long Term and Annual Plan consultation processes provide opportunity for community to raise willingness to pay issues. (2015/16: Achieved)
	The provision of facilities shall be adequate for current and foreseeable demand	Implementation of programme towards renewal of the Wairoa consent	2016/17: Achieved: Current facilities are adequate for the current and foreseeable demand of the community with some redundancy. There has been some drive for expanding the system to outlying areas and affordability is being discussed with these communities.  A focus group of local persons has been setup and meet regularly to assist with development of and consult on the options and system

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
			for the Wairoa Wastewater re consenting required in the 2018/19 financial year. (2015/16: Achieved)
Council will comply with current legislation and Council bylaws	Council shall meet all legislative requirements	Annual review of current legislation for compliance	2016/17: Not Achieved: The Council meets all legislative requirements through the Building Act and Council Bylaws except the Wairoa Wastewater Discharge Consent during and immediately after heavy rain events due to infiltration and inflow; additionally the heavy silt deposits from weather events has negatively impacted the river profile. (2015/16: Not Achieved)
	Council shall comply with conditions of consent for all systems	There shall be no abatement notices, infringement notices, enforcement orders or convictions in relation to resource consents for the Wairoa, Mahia, Opoutama or Tuai systems  Council shall report 6-monthly to HBRC on progress in relation to the inflow and infiltration study and associated renewals/rehabilitation	2016/17: Not Achieved: There have been multiple breaches of the Wairoa Wastewater discharge consent due to infiltration and inflow during and immediately after heavy rain events. Recently due to weather events the river bed has shifted with significant heavy silt deposits, this has required some urgent reactive maintenance to occur on the discharge outlet, unfortunately this has resulted in an abatement notice from the HBRC. Council has engaged specialists and are actively working with HBRC to bring resolution. (2015/16: Not Achieved)
	There shall be no dry weather sewerage overflows	There shall be no dry weather sewerage overflows for the Wairoa, Mahia, Opoutama or Tuai systems	2016/17: Achieved: There have been no dry weather sewerage overflows (2015/16: Achieved)
	Council's Trade Waste and Wastewater Bylaw shall be enforced	Council shall provide for monitoring of the bylaw  All known breaches of the bylaw shall be addressed as provided for in the bylaw	2016/17: Achieved: All new building consents reviewed by the Utilities Engineer included the requirement to comply with Council's Trade Water and Wastewater Bylaw where applicable.  (2015/16: Achieved)
Council will maintain wastewater facilities to ensure long-term sustainability	Asset database to be maintained	Asset database to be maintained up to date including all additions and disposals  Critical assets identified	2016/17: Achieved: Asset Finda is maintained as an Asset Database recording all wastewater assets. The new Mahia Wastewater Scheme data is being added to the Asset Finda dataset.

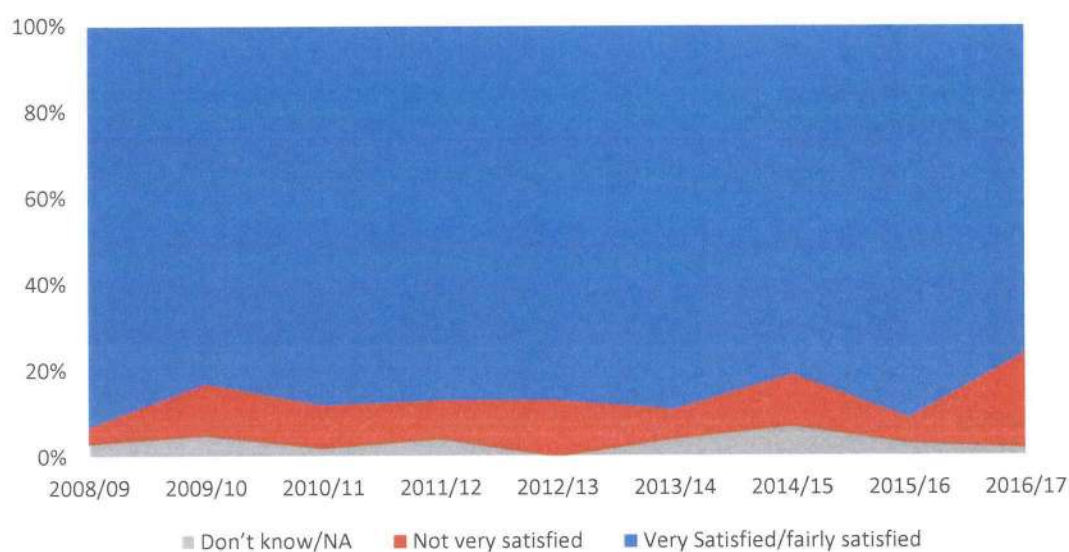
LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
			(2015/16: Achieved)
	Address infiltration and inflow into the Wairoa system	Infiltration and inflow physical investigations and remedial works – set program and budget for Annual Plan	2016/17: Achieved: Investigations are well underway to define the actions required to achieve a renewal of the wastewater discharge consent and part of this includes an investigation into the wastewater reticulation infiltration and inflow. With consent due to expire in 2019 consultation process has started in earnest with all Key stakeholders and with the help of professional consultants. (2015/16: Achieved)
	All maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process  Works to be within budget +/- 5%	2016/17: Achieved: All maintenance, programmed and reactive works have been completed on time. Overall actual costs were within total wastewater budget. Renewals – CCTV footage has identified Tapuwae sewer line in places is non-existent, 500m of sewer pipe renewal will be surveyed late 2017 with the intention to renew early 2018.) (2015/16: Achieved)
	Operational and maintenance activities are undertaken in a safe and healthy manner	No health and safety non compliances are received or issued.  Annual Review of hazard register.	2016/17: Achieved: no reported or recorded incidences of Health & Safety non-compliance. Hazard registers are reviewed regularly.  (2015/16: Achieved)
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	2016/17: Not Achieved: 76% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2015/16: Achieved: 91% )
	Council shall respond to sewerage overflows resulting from a blockage or other fault in the sewerage system	The median response time to attend an overflow from receiving notification to the time that service personnel reach the site shall not exceed 4 hours  The median response time to confirm resolution of the blockage or other fault from receiving notification shall not exceed 4 hours	2016/17: Not Achieved: 5 hrs was the median. (2015/16: Achieved)



LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	The total number of complaints received shall reduce each year	Complaints received shall not exceed: <ul style="list-style-type: none"> <li>• 20 for sewerage odour</li> <li>• 20 for sewerage system faults</li> <li>• 20 for sewerage system blockages</li> <li>• 20 for response to issues with sewerage system</li> </ul> Per annum and expressed per 1000 connections.	2016/17: Not Achieved: <ul style="list-style-type: none"> <li>• 2 for sewerage odour</li> <li>• 41 for sewerage system faults</li> <li>• 27 for sewerage system blockages</li> <li>• Nil for response to issues with sewerage system</li> </ul> For 1,600 connections. (2015/16: Not Achieved)
Council will implement systems/processes to ensure continued service delivery in emergency events	Contingency plans shall be implemented for emergency events such as flooding, earthquake, tsunami, fire which result in the inability to provide the service	Annual meeting with civil defence team  Contingency plans shall be reviewed	2016/17: Achieved: Council has Civil Defence Contingency Plans in place.  (2015/16: Achieved)

#### COMMUNITY SURVEY - PERFORMANCE RATING

Sewerage (Users)	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Very Satisfied/fairly satisfied	93%	83%	88%	86%	86%	89%	81%	91%	76%
Not very satisfied	4%	12%	10%	9%	13%	7%	12%	6%	22%
Don't know/NA	3%	5%	2%	4%		4%	7%	3%	2%



## FUNDING IMPACT STATEMENT - WASTEWATER

For the year ending 30 June 2017

	ACTUAL 2016/17 (\$ 000)	BUDGET 2016/17 (\$ 000)	LTP 2016/17 (\$ 000)	LTP 2015/16 (\$ 000)
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	1,398	1,374	1,391	1,345
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	5	132	8	8
Local authorities fuel tax, fines, infringement fees, and other receipts	161	163	125	145
<b>Total Operating Funding</b>	<b>1,564</b>	<b>1,669</b>	<b>1,524</b>	<b>1,498</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	874	739	669	664
Finance costs	384	306	89	85
Internal Charges and overheads applied	281	269	225	209
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>1,539</b>	<b>1,314</b>	<b>983</b>	<b>958</b>
<b>Surplus (Deficit) of operating funding</b>	<b>25</b>	<b>355</b>	<b>541</b>	<b>540</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	104	83	50
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	453	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>453</b>	<b>104</b>	<b>83</b>	<b>50</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	35	104	104	50
- to replace existing assets	454	1,351	884	755
Increase (Decrease) in reserves	(11)	(996)	(364)	(215)
Increase (Decrease) of investments	-	-	-	-
<b>Total application of capital funding</b>	<b>478</b>	<b>459</b>	<b>624</b>	<b>590</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(25)</b>	<b>(355)</b>	<b>(541)</b>	<b>(540)</b>
<b>Funding Balance</b>				
Group depreciation and amortisation	381	649	649	649

**FUNDING IMPACT STATEMENT - WATER SERVICES**
*For the year ending 30 June 2017*

	ACTUAL 2016/17 (\$ 000)	BUDGET 2016/17 (\$ 000)	LTP 2016/17 (\$ 000)	LTP 2015/16 (\$ 000)
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	2,648	2,591	2,838	2,641
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	728	1,203	1,141	1,061
Local authorities fuel tax, fines, infringement fees, and other receipts	320	330	333	366
<b>Total Operating Funding</b>	<b>3,696</b>	<b>4,124</b>	<b>4,312</b>	<b>4,068</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	2,523	2,219	2,364	2,237
Finance costs	571	311	282	265
Internal Charges and overheads applied	767	719	640	596
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>3,861</b>	<b>3,249</b>	<b>3,286</b>	<b>3,098</b>
<b>Surplus (Deficit) of operating funding</b>	<b>(165)</b>	<b>875</b>	<b>1,026</b>	<b>970</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,279	1,484	1,000	100
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	311	291	150
Gross proceeds from sale of assets	-	-	10	-
Lump sum contributions	453	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>1,732</b>	<b>1,795</b>	<b>1,301</b>	<b>250</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	167	311	311	150
- to replace existing assets	1,495	3,284	3,158	1,867
Increase (Decrease) in reserves	(95)	(925)	(1,142)	(797)
Increase (Decrease) of investments	-	-	-	-
<b>Total application of capital funding</b>	<b>1,567</b>	<b>2,670</b>	<b>2,327</b>	<b>1,220</b>
<b>Surplus (Deficit) of capital funding</b>	<b>165</b>	<b>(875)</b>	<b>(1,026)</b>	<b>(970)</b>
<b>Funding Balance</b>				
Group depreciation and amortisation	1,047	1,289	1,319	1,295

## WATER SERVICES

Statement of Cost of Service for the year ended 30 June 2017

	<b>COSTS</b>	<b>REVENUE</b>	<b>NET COST</b>	<b>BUDGETED</b>	<b>LTP</b>	<b>ACTUAL</b>
	<b>2016/17</b>	<b>2016/17</b>	<b>2016/17</b>	<b>NET COST</b>	<b>NET COST</b>	<b>NET COST</b>
	<b>(\$ 000)</b>	<b>(\$ 000)</b>	<b>(\$ 000)</b>	<b>2016/17</b>	<b>2016/17</b>	<b>2015/16</b>
				<b>(\$ 000)</b>	<b>(\$ 000)</b>	<b>(\$ 000)</b>
Water Reticulation	1,692	258	1,434	1,048	1,195	1,150
Water Production	1,428	1,066	362	2	2	71
Stormwater	369	59	310	288	434	377
Wastewater	1,920	619	1,301	1,668	1,499	1,500
	<u>5,409</u>	<u>2,002</u>	<u>3,407</u>	<u>3,006</u>	<u>3,130</u>	<u>3,098</u>
Less internal allocation	501	501	-			-
	<u>4,908</u>	<u>1,501</u>	<u>3,407</u>	<u>3,006</u>	<u>3,130</u>	<u>3,098</u>
Interest Received		320	(320)	-	-	(371)
	<u>4,908</u>	<u>1,821</u>	<u>3,087</u>	<u>3,006</u>	<u>3,130</u>	<u>2,727</u>
	<b>COSTS</b>	<b>REVENUE</b>	<b>NET COST</b>	<b>BUDGETED</b>	<b>LTP</b>	<b>ACTUAL</b>
	<b>2016/17</b>	<b>2016/17</b>	<b>2016/17</b>	<b>GROSS COST</b>	<b>GROSS COST</b>	<b>GROSS COST</b>
	<b>(\$ 000)</b>	<b>(\$ 000)</b>	<b>(\$ 000)</b>	<b>2016/17</b>	<b>2016/17</b>	<b>2015/16</b>
				<b>(\$ 000)</b>	<b>(\$ 000)</b>	<b>(\$ 000)</b>
<b>Projects</b>						
Water Reticulation	1,007	1,279	(272)	1,098	1,528	1,710
Water Production	55	-	55	466	377	224
Stormwater	111	-	111	576	576	94
Wastewater - Other	489	-	489	1,455	988	358
	<u>1,662</u>	<u>1,279</u>	<u>383</u>	<u>3,595</u>	<u>3,469</u>	<u>2,386</u>
<b>Application of capital funding</b>						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	166	-	166	311	311	126
- to replace existing assets	1,496	1,279	217	3,284	3,158	2,261
	<u>1,662</u>	<u>1,279</u>	<u>383</u>	<u>3,595</u>	<u>3,469</u>	<u>2,387</u>

# ACTIVITY GROUP TWO - WASTE MANAGEMENT

## 1. Waste Management

Waste collection services continues throughout the district along with the management of the landfill through Quality Roading and Services (Wairoa) Limited.

During the year a fire occurred at the Wairoa Landfill. The fire was quickly contained by the local fire service. A review, after the fire, identified that there was no impact on the environment as a result of the event.

The waste management activity primarily contributes to the following community outcomes:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities.	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
✓	✓	✓	✓	✓		✓	✓	✓

### Service Levels and Performance Measures

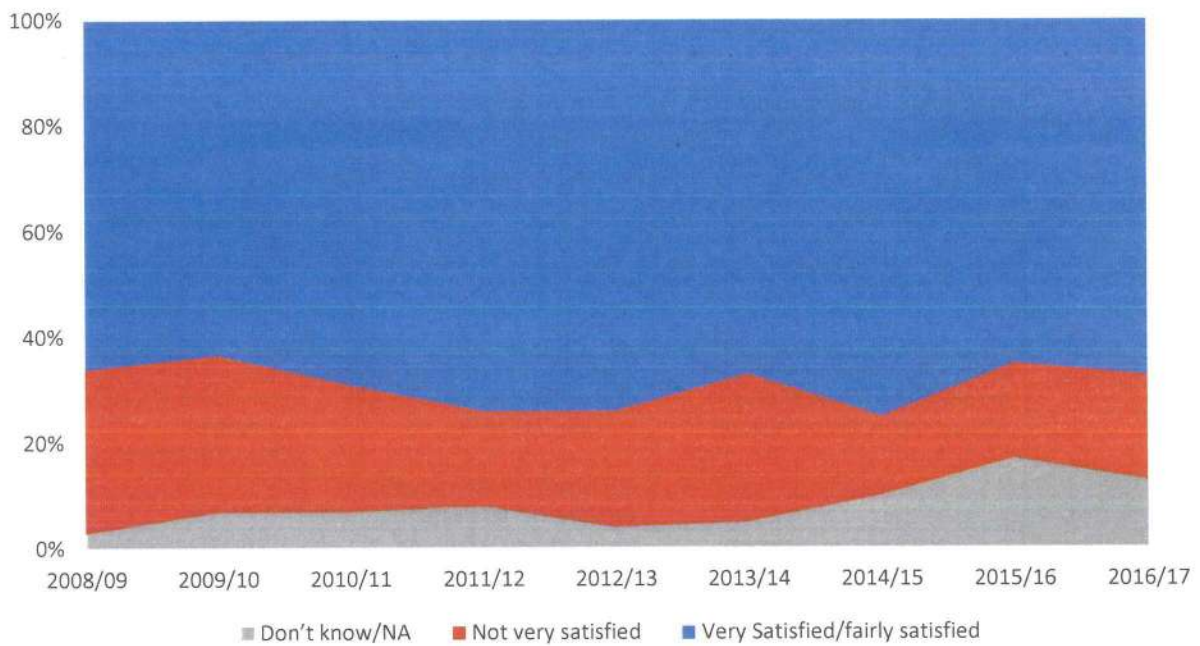
LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will continue to own and deliver the waste management activity to ensure protection of public health and the environment	All domestic households and non-domestic premises have access to a disposal method for their waste, whether this is a kerbside collection, drop-off point or landfill disposal	Council will have in place at all time, suitable waste management contracts and arrangements to provide the services outlined	2016/17: Achieved: Council's contractor carries out weekly kerbside refuse collections in Wairoa, Nuhaka, Mahia and Frasertown.  Council's contractor operates the Wairoa Landfill seven days a week, which is open to both domestic and non-domestic users. No evidence of changes to collections by contractor.  (2015/16: Achieved)
	A reliable recyclables service will be provided: <ul style="list-style-type: none"> <li>weekly from the kerbside in Wairoa &amp; Frasertown</li> <li>fortnightly at specified drop-off points from Mahia, Nuhaka and Mohaka</li> </ul>	Council will have in place at all time, suitable waste management contracts and arrangements to provide the services outlined	2016/17: Achieved: Council's contractor carries out weekly kerbside recycling collections No evidence of changes to collections by contractor.  (2015/16: Achieved)
	Council will operate and maintain the Wairoa landfill for the disposal of domestic and commercial refuse, being open for the public at least: <ul style="list-style-type: none"> <li>5 hours per day</li> <li>359 days per year</li> </ul>	Council will have in place at all time, suitable waste management contracts and arrangements to provide the services outlined	2016/17: Achieved: Wairoa Landfill is open 6 hours per day, closing only on the following days: 1, 2 January, Good Friday, Easter Sunday, 25/26 December and closed for two hours on ANZAC day.  No evidence of variations to opening times by contractor except as advertised for public holiday closures.  (2015/16: Achieved)
	Council shall continue to provide for the community-run waste disposal and recycling service in Waikaremoana and Raupunga	Council will have in place at all time, suitable waste management contracts and arrangements to provide the services outlined	2016/17: Achieved: Waste management in the Waikaremoana and Raupunga areas are community-run services facilitated by Council in partnership with local organisations.

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
			(2015/16: Achieved)
	Council will provide for the disposal of hazardous waste	Council will have in place at all time, suitable waste management contracts and arrangements to provide the services outlined	2016/17: Achieved: Council and contractor have procedures in place to deal with Asbestos and other hazardous waste. This is done by GPS recording locations in the landfill in accordance with resource consent.  (2015/16: Achieved)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through the Annual Plan process	2016/17: Achieved: No reports received indicating any concerns with associated costs. Long Term and Annual Plan consultation processes provide opportunity for community to raise willingness to pay issues.  (2015/16: Achieved)
	Most appropriate form of service delivery to be provided	New contract implemented.	2016/17: Achieved: No change in circumstances have warranted change for Council's service delivery and therefore no new contract has been required. The existing contract has been continued for this year. Service Delivery Review (Section 17a) stage 1 review has recommended a stage 2 future options review.  (2015/16: Achieved)
Council will comply with current legislation and Council bylaws	Council shall meet all legislative requirements, in particular the Litter Act 1979	Review current legislation for compliance	2016/17: Achieved: Council provides numerous litter bins around the district in particular in urban and other high traffic areas in accordance with the Litter Act. The Act is monitored and reviewed regularly for any changes.  (2015/16: Achieved)
	Council will comply with all resource consent conditions	There shall be no breaches of consent conditions	2016/17: Achieved: No breaches of resource consents. Monitoring undertaken on behalf of Council.  (2015/16: Achieved)
	Review and update current bylaws to support effective and efficient waste minimisation; addressing issues such as illegal dumping, litter, private waste collections and community-based services	Council shall provide for monitoring of the bylaw  All known breaches of the bylaw shall be addressed as provided for in the bylaw	2016/17: Not Achieved: Bylaws have not been changed from previous year. No change in circumstances have warranted change for Council's service delivery. Any breaches are recorded in the CSR or infringement fines and managed as provided for in the bylaw.  (2015/16: Not achieved)
Council will maintain the landfill to ensure long-term sustainability	Asset database to be maintained including additions and disposal as well as condition information	Detailed condition assessment of all assets	2016/17: Partially achieved: Progress on asset database under development. (2015/16: Achieved Contractor provides monthly data)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	Council will undertake a continual improvement approach with the aim of continually reducing the amount of waste going into the landfill	Waste going into the landfill is reducing  Implement waste education programme  Develop programme of implementation  Audit to measure the types and amounts of waste into the landfill	2016/17: Achieved: increased communication around recycling. A s17a service level review is investigating options with other councils.  (2015/16: Achieved: New sorting pad assists with reducing the amount of recyclables going into the landfill – 81.6 tonnes of recyclables diverted from landfill in 2015/16 compared to 69.4 in 2014/15.)
Council will undertake operational, maintenance and renewals activities in a cost-effective manner	All maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process  Works to be within budget +/- 5%	2016/17: Achieved: As per contractor monthly schedule recoding delivery of the plan in line with budget.  (2015/16: Achieved)
	Landfill and recycling area will be well maintained, clean and tidy at all times	No complaints regarding the tidiness of the landfill area.	2016/17: Achieved: Duty to maintain the Landfill and Recycling area is detailed in the contract and monitored by council staff, working with the contractor. No complaints were received.  (2015/16: Achieved)
	Council shall implement measures to control the spread of litter in Wairoa, Mahia and on reserves	Litter bins shall be serviced and maintained in accordance with the Litter Act 1979  CSR reports of litter and fly dumping will be cleared	2016/17: Achieved: Contractors regularly review all areas to ensure compliance. (2015/16: Achieved)
	Operational and maintenance activities are undertaken in a safe and healthy manner	No health and safety non compliances are received or issued.  Annual Review of hazard register.	2016/17: Not Achieved: Customer Service Requests (CSR) received, dealt with via meeting and change in work practices.  (2015/16: Not Achieved.)
Customers will receive a prompt and efficient service	Council will monitor opening and closing times to ensure people are satisfied	Review CSR/Annual Plan submissions regarding landfill opening and closing times  Set program for public consultation in opening and closing times	2016/17: Achieved: No CSRs receive in regards to the landfill's opening and closing times. Section 17a stage 2 review will consider future options. No evidence of variations to opening times by contractor except as advertised for public holiday closures.  (2015/16: Achieved)
	Level of customer satisfaction through annual survey indicates 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	2016/17: Not Achieved. Satisfaction result of very and fairly satisfied was 68%.  (2015/16: Not Achieved: 65%.
	Analysis of CSR complaints to enable issues to be addressed	Number of complaints shall reduce	2016/17: Not Achieved: 17 CSRs were received and dealt with via contractors to remedy issues.  (2015/16: Achieved 2 CSRs, down from 38 in 2014/15)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will implement systems/processes to ensure continued service delivery in emergency events	Contingency plans shall be implemented for emergency events e.g. pandemics where additional collection services are required or where access is prevented due to flooding	Annual meeting with civil defence team  Contingency plans shall be reviewed.	2016/17: Achieved. Contingency plans are developed and adopted, contingency plans were not required to have been implemented during this time period. (2015/16: Not Required.)

COMMUNITY SURVEY - PERFORMANCE RATING									
Waste Management	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Very Satisfied/fairly satisfied	66%	64%	69%	74%	74%	67%	75%	65%	68%
Not very satisfied	31%	30%	24%	18%	22%	28%	15%	18%	20%
Don't know/NA	3%	7%	7%	8%	4%	5%	10%	17%	13%





**FUNDING IMPACT STATEMENT - WASTE MANAGEMENT**

For the year ending 30 June 2017

	ACTUAL 2016/17 (\$ 000)	BUDGET 2016/17 (\$ 000)	LTP 2016/17 (\$ 000)	LTP 2015/16 (\$ 000)
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	804	785	823	780
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	363	359	359	350
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
<b>Total Operating Funding</b>	<b>1,167</b>	<b>1,144</b>	<b>1,182</b>	<b>1,130</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	907	890	886	845
Finance costs	43	3	47	47
Internal Charges and overheads applied	207	157	164	153
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>1,157</b>	<b>1,050</b>	<b>1,097</b>	<b>1,045</b>
<b>Surplus (Deficit) of operating funding</b>	<b>10</b>	<b>94</b>	<b>85</b>	<b>85</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	50	-	55
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>55</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	50	-	55
- to replace existing assets	-	55	10	40
Increase (Decrease) in reserves	10	39	75	45
Increase (Decrease) of investments	-	-	-	-
<b>Total application of capital funding</b>	<b>10</b>	<b>144</b>	<b>85</b>	<b>140</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(10)</b>	<b>(94)</b>	<b>(85)</b>	<b>(85)</b>
<b>Funding Balance</b>				
Group depreciation and amortisation	84	95	95	95

**WASTE MANAGEMENT**

Statement of Cost of Service for the year ended 30 June 2017

	<b>COSTS</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>REVENUE</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>NET COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>BUDGETED</b> <b>NET COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>LTP</b> <b>NFT COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>ACTUAL</b> <b>NET COST</b> <b>2015/16</b> <b>(\$ 000)</b>
Waste Management	1,241	363	878	786	833	781
	<u>1,241</u>	<u>363</u>	<u>878</u>	<u>786</u>	<u>833</u>	<u>781</u>
<b>Projects</b>	<b>COSTS</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>REVENUE</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>NET COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>BUDGETED</b> <b>GROSS COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>LTP</b> <b>GROSS COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>ACTUAL</b> <b>GROSS COST</b> <b>2015/16</b> <b>(\$ 000)</b>
Waste Management	-	-	-	105	10	42
	<u>-</u>	<u>-</u>	<u>-</u>	<u>105</u>	<u>10</u>	<u>42</u>
<b>Application of capital funding</b>						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	-	-	-	50	-	42
- to replace existing assets	-	-	-	55	10	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>105</u>	<u>10</u>	<u>42</u>

## ACTIVITY GROUP THREE - TRANSPORT

1. Land Transport (district funded and subsidised)
2. Airport

### Land Transport (district funded & NZ Transport Agency subsidised)

The land transport activity contributes to the following community outcomes:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities.	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
✓	✓	✓	✓	✓	✓	✓	✓	✓

### Service Levels and Performance Measures

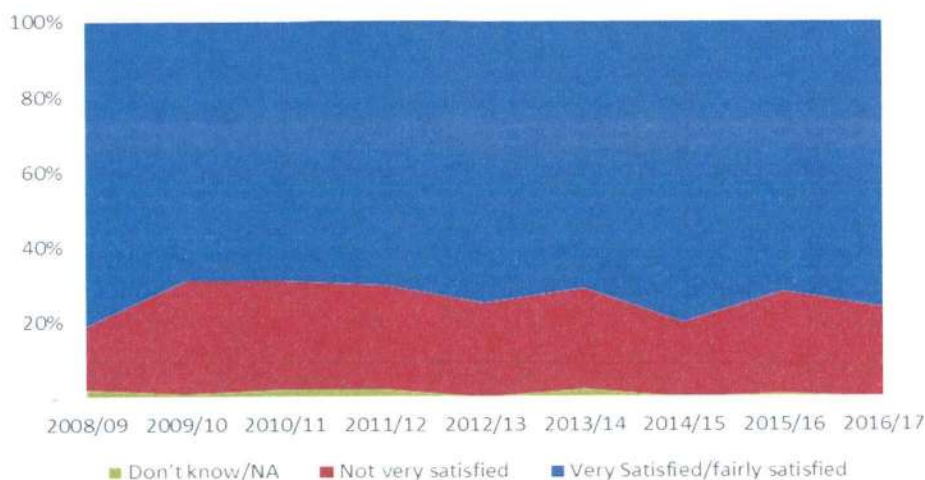
LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ASSESSMENT
Council delivers a land transport system to the community	The land transport network is trafficable at all times, other than when affected by natural events (e.g. slips) and notified planned road closures	The land transport network is trafficable at all times (excluding natural events or notified road closures)	2016/17: Not Achieved – Kinikini Road-loss of traction HV  (2015/16: Not Achieved: Mahia East Coast Road – loss of traction (stock truck).)
	Road closures for planned events (e.g. rallies, bridge repairs etc.) are notified through public notices and residents of affected roads informed.	Road closures for planned events are publically notified	2016/17: Achieved  (2015/16: Achieved: All events advertised in the Wairoa Star.)
Council will manage the land transport system in a sustainable manner, sufficient to meet the current and projected demand	The percentage of the sealed local road network that is resurfaced, expressed as a number ( <i>new mandatory performance measure</i> )	The percentage of the sealed local road network that is resurfaced, expressed as a number	2016/17: 16.4km/300.844 = 5.45%  (2015/16: 6.741km/300.844km = 2.24%)
Customers will receive a prompt and efficient service	The public and other road users satisfied with the overall level of service provided. Target is to have no less than 75% of respondents consider the land transport service to be 'fairly good, very good, or better', as measured by the annual public satisfaction survey.	75% satisfaction rating	2016/17: Achieved. 76% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey.  (2015/16: Not Achieved: 72% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey.)
	All requests for service and complaints are dealt with properly and promptly. Appropriate Council staff contact and discuss complaints received with complainants (subject to contact details being provided) in an effort to improve relationships and responsiveness to customers. 90% of all CSRs and complaints are dealt with within the prescribed timeframes ( <i>new</i>	90% of CSRs are dealt with within the prescribed timeframes	2016/17: Not achieved: : 80% (381 of 474) CSR's were completed within the prescribed timeframe  (2015/16: Achieved: 96% Achieved: With 12 out of 319 Roothing-related CSRs ( <i>including streetlights, footpaths and parking etc.</i> ) not completed by the due date.)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ASSESSMENT
	<i>mandatory performance measure)</i>		
The district-funded footpaths will be maintained in good order	Not more than the number of footpath complaints and CSRs received than the previous year	Not more than the number of footpath CSRs received than the previous year	2016/17: Achieved 14  (2015/16: Achieved: 18 footpath related CSRs for 2015/16 compared to 19 in 2014/15.)
	The percentage of footpaths that fall within the level of service or standard of condition of footpaths set out in Council's relevant document, expressed as a number ( <i>new mandatory performance measure</i> )	The percentage of footpaths that fall within the level of service or standard of condition of footpaths set out in Council's relevant document	2016/17: Not Achieved: Condition data not obtained.  (2015/16: Not Achieved: Condition data not obtained.)
The district-funded land transport activity will contribute to overall road safety by adequately catering for pedestrians, cyclists and other non-motorised road users	Walking & Cycling Strategy programme to be implemented. ( <i>Note that general road safety and vehicular safety in particular is dealt with in the NZTA-funded activities</i> )	Walking & Cycling Strategy programme implemented	2016/17: Achieved: Whakamahia walkway construction completed and construction of new footpaths as per the strategy. Other works are ongoing as per the strategy.  (2015/16: Achieved: Pilot Hill>Whakamahia Limestone walkway construction underway. Construction of walkway from SH2 through Clyde Court connecting to Marine Pde. Dedicated intern developing Project Specific Business Case.)
The district-funded streetlights will be maintained in good order	Not more than the number of streetlight complaints and CSRs received than the previous year ( <i>Note that most streetlights are covered by the NZTA-subsidised activities. Non-subsidised streetlights are those in place for amenity or not specifically related to road safety</i> )	Not more than the number of streetlight CSRs received than the previous year	2016/17: Not Achieved: 88.  (2015/16: Achieved: 71 streetlight-related CSRs for 2015/16 compared to 76 in 2014/15.)
Council provides car parking that is sufficient to meet the current and projected demand	The Wairoa Township and Mahia Beach car parking facilities will be accessible at all times, other than when affected by natural events (e.g. flooding) and notified planned road closures	Public car parking facilities will be accessible at all times (excluding natural events and notified road closures)	2016/17: Achieved: No reported or recorded instances.  (2015/16: Achieved: No reported or recorded blocked parking for 2015/16.)
	Not more than the number of parking complaints and CSRs received than the previous year	Not more than the number of parking CSRs received than the previous year	2016/17: Achieved 1 Parking related CSR received.  (2015/16: Achieved: 1 Parking related CSR received for 2015/16 compared to 2 in 2014/15)
The service is provided at a reasonable cost (value for money)	The costs of these services are consulted on annually	Annual Plan delivered to the community	2016/17: Not Achieved. No consultation undertaken on 2016/17 Annual Plan.  (2015/16: Achieved: No reports received indicating any concerns with associated costs. Long Term Plan consultation processes provided opportunity for community to raise willingness and issues.)
	Local supplier opportunities to be considered prior to engagement of an external supplier to reduce overhead costs and increase in-house efficiency	Local suppliers are engaged in roading related contracts	2016/17: Achieved: Tender/procurement Process utilised incorporates consideration of local supplier score in non-essential criteria.

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ASSESSMENT
			(2015/16: Achieved: Tender Process utilised incorporates consideration of local supplier score in non-essential criteria)
Council endeavours to programme, provide, develop and manage the land transport network in a manner that assists the economic development of the district	Physical works and professional engineering services' procurement options directed to best reflect the local resources where possible, to sustain the district's economy, and to promote local knowledge and technical expertise within the community	Procurement options directed to best reflect the local resources where possible	2016/17: Achieved: Tendering undertaken as per approved procurement Strategy that includes these indicators.  (2015/16: Achieved: Procurement Strategy document updated Nov 2012 resulting in various local suppliers engaged in the publically tendered roading contract process.)
When using the network, all road users will experience a "fair" ride quality on a well-maintained and managed asset (qualified to the extent that it has to be appreciated that over 66% of the network is unsealed)	Council's target is to provide a "fair" ride quality i.e. average sealed road NAASRA <110 for 'fair' ride quality (new mandatory performance measure)	Average NAASRA of the sealed road network <110	2016/17: Achieved. Average NAASRA for 16/17 is 100  (2015/16: Achieved: 2015/16 NAASRA = 102) (2014/15: NAASRA = 103)
Council works with NZ Police and NZTA to promote the safe use of the land transport network by motorists and others	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number (new mandatory performance measure)	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	2016/17: Achieved: Nil fatal, 1 severe crash  (2015/16: Not Achieved: 2015/16: 6 vs 2014/15: 5 total fatal and/or severe crashes.)
	No accidents attributed to engineering aspects of the road network (e.g. loose chip from reseals)	No accidents attributed to engineering aspects of the road network	2016/17: Achieved. No reported incidents or accidents attributed to engineering or site works Traffic Management Plan deficiencies for 2016/17.  (2015/16: Achieved.)

#### COMMUNITY SURVEY - PERFORMANCE RATING

Roads	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Very Satisfied/fairly satisfied	81%	69%	69%	71%	75%	71%	80%	72%	76%
Not very satisfied	17%	30%	29%	28%	25%	27%	20%	27%	24%
Don't know/NA	2%	1%	2%	2%		2%		1%	



## Airport

The airport activity primarily contributes to the following community outcomes:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities.	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
✓	✓	✓	✓			✓	✓	✓

### Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will continue to provide the Wairoa Airport service to meet the current and foreseeable demand of the community	Council shall continue to provide the service at Wairoa Airport to standards appropriate for its use.	Council will have in place, at all times, a suitable maintenance contract	2016/17: Achieved: Maintenance contracts in place to maintain acceptable LoS  (2015/16: Achieved: Airport and runway is checked daily for faults, more frequently during winter months or after severe weather conditions. No reports of issues with maintenance.)
	The community's willingness to pay for the service will be considered.	Monitor for complaints of cost of service through the Annual Plan process	2016/17: Achieved No reports received indicating any concerns with associated costs. Long term and annual plan consultation processes provide opportunity for community to raise willingness to pay issues. Monthly landing charges invoiced based on landing schedules generated by airport users.  (2015/16: Achieved.)
	The provision of the service shall be adequate for current and foreseeable demand.	Monitor usage of airport against results of survey and current services  Survey key stakeholders/users to determine likely future demand for the service	2016/17: Achieved: extensive customer/stakeholder consultation and feedback sought, development of airport management plan completed to respond to future demand  (2015/16: Achieved: Council is looking to review the operations of the airport with a view to possible expansion and development in the future.)
Council will comply with current legislation and Council bylaws	Council shall meet all legislative requirements	Review current legislation for compliance	2016/17: Achieved: The Council meets all legislative requirements through the relevant Acts.  (2015/16: Achieved.)
	Facilities shall meet all relevant safety standards.	Facilities shall be maintained in a safe condition, in accordance with relevant standards	2016/17: Achieved: Meets current status as non-certified.  (2015/16: Achieved.)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will maintain the airport and associated facilities to ensure long term sustainability	Asset database to be maintained	Detailed condition assessment of all airport assets	2016/17: Not Achieved; asset database to be set up in asset finda. However, Asset management plan & airport plan identifies programme for asset renewal/maintenance.  (2015/16: Achieved: Council is looking to review the operations of the airport with a view to possible expansion and development in the future.)
Council will undertake operational, maintenance and renewal activities in a cost-effective manner	All maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process  Works to be within budget +/- 5%	2016/17: Achieved. Contractors managed closely, all work undertaken is delivered on time and within budget. No CSR complaints received  (2015/16: Achieved.)
	Operational and maintenance activities are undertaken in a safe and healthy manner	No health and safety non compliances are received or issued.  Annual Review of hazard register.	2016/17: Not Achieved: PAL not activating in low cloud or misty conditions.  (2015/16: Achieved: No reported health and safety or non-compliance issues.)
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	2016/17: Not Measured. Not included in the communitrak survey. Feedback from key stakeholders/users included in Airport Plan.  (2015/16: Not Measured in Survey)
	Analysis of CSR complaints to enable issues to be addressed	Number of complaints shall reduce	2016/17: Not Achieved 3 CSRs in system relate to airport security and gate being open.  (2015/16: Achieved: 1 Customer Service Request received for leaking hydrant. Issued rectified by council contractor)
Council will implement systems/processes to ensure continued service delivery in emergency events	Contingency plans shall be implemented for emergency events such as earthquake and flooding where services may be affected or facilities damaged	Annual meeting with civil defence team  Contingency plans shall be developed	2016/17: Achieved: Airport is available for emergency events with contingency plans in place. Also identified as a lifeline with CDEM.  (2015/16: Achieved: Airport is available for emergency events with contingency plans in place.)

## FUNDING IMPACT STATEMENT - TRANSPORT

For the year ending 30 June 2017

	ACTUAL 2016/17 (\$ 000)	BUDGET 2016/17 (\$ 000)	LTP 2016/17 (\$ 000)	LTP 2015/16 (\$ 000)
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	58	57
Targeted rates (other than a targeted rate for water supply)	3,603	3,606	3,545	3,466
Subsidies and grants for operating purposes	4,526	4,364	4,937	5,110
Fees and charges	730	64	850	827
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
<b>Total Operating Funding</b>	<b>8,859</b>	<b>8,034</b>	<b>9,390</b>	<b>9,460</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	7,988	5,877	7,340	7,337
Finance costs	-	22	3	3
Internal Charges and overheads applied	1,275	1,398	1,188	1,109
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>9,263</b>	<b>7,297</b>	<b>8,531</b>	<b>8,449</b>
<b>Surplus (Deficit) of operating funding</b>	<b>(404)</b>	<b>737</b>	<b>859</b>	<b>1,011</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,791	3,756	4,727	4,628
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	361	-	50
Gross proceeds from sale of assets	-	-	10	10
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>1,791</b>	<b>4,117</b>	<b>4,737</b>	<b>4,688</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	454	680	535	550
- to replace existing assets	1,555	5,579	6,294	6,054
Increase (Decrease) in reserves	(622)	(1,405)	(1,233)	(905)
Increase (Decrease) of investments	-	-	-	-
<b>Total application of capital funding</b>	<b>1,387</b>	<b>4,854</b>	<b>5,596</b>	<b>5,699</b>
<b>Surplus (Deficit) of capital funding</b>	<b>404</b>	<b>(737)</b>	<b>(859)</b>	<b>(1,011)</b>
<b>Funding Balance</b>				
	-	-	-	-
Group depreciation and amortisation	2,441	2,498	2,639	2,605





## ACTIVITY GROUP FOUR - COMMUNITY FACILITIES

1. Cemeteries
2. Parks & Reserves
3. Library
4. Community Support

### Cemeteries

The cemeteries activity primarily contributes to the following community outcomes:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities.	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
		✓	✓	✓				✓

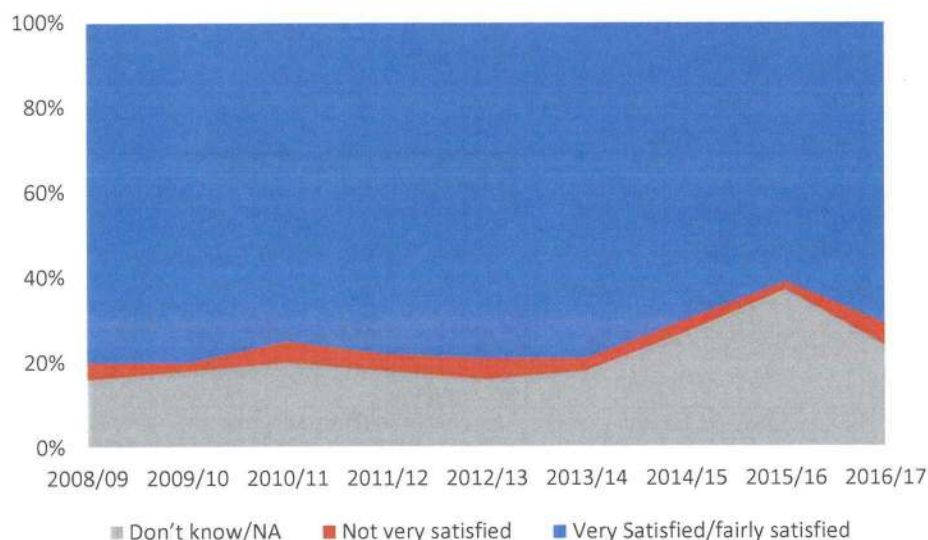
### Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will continue to own and deliver a cemetery service suitable for the current and foreseeable needs of the community	The provision of cemetery land shall be adequate for current and foreseeable demand	Undertake survey to determine need/desire for a public cemetery in Mahia  Implementation of contingency plan as required	2016/17: Achieved: New ashes berm and concrete beam installed previous year. Land is available within cemeteries reserve to cater for future need. Desire for a Mahia cemetery noted during development of annual plan for this and 2017/18 years. (2015/16: Achieved)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through the Annual Plan process	2016/17: Achieved: No reports received indicating any concerns with associated costs. Long term and annual plan consultation processes provide opportunity for community to raise willingness to pay issues. (2015/16: Achieved)
Council will comply with current legislation and Council bylaws	Council shall meet all legislative requirements	Review current legislation for compliance	2016/17: Achieved: The Council meets all legislative requirements through the relevant Acts and Council Bylaws. (2015/16: Achieved)
	Council's Public Safety Bylaw shall be enforced	Council shall provide for monitoring of the bylaw  All known breaches of the bylaw shall be addressed as provided for in the bylaw	2016/17: Achieved: Enforced by By-law compliance officer. Cemeteries are regularly monitored by Police, community patrol, cemeteries contractor and council staff. (2015/16: Achieved)
Council shall provide an up-to-date records and enquiry service	Cemetery interment records are updated and maintained	Cemetery interment records are updated monthly in accordance with the maintenance contract	2016/17: Achieved: Records maintained for council's cemeteries electronically. Including vacant, reserved and occupied plots. (2015/16: Not achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will maintain any public cemeteries to ensure long term sustainability	Asset database to be maintained	Detailed condition assessment of all cemetery assets	2016/17: Achieved: Records maintained for council's cemeteries electronically. Including vacant, reserved and occupied plots. (2015/16: Achieved)
Council will undertake operational, maintenance and renewals activities in a cost-effective manner	All preventative maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process  Works to be within budget +/- 5%	2016/17: Achieved: All programmed work scheduled has been delivered on time and within budget. (2015/16: Achieved)
	Operational and maintenance activities are undertaken in a safe and healthy manner	No health and safety non compliances are received or issued.  Annual Review of hazard register.	2016/17: Achieved: No issues with health and safety or compliance have been reported for this year. Health and safety processes in place that ensure all incidents and near misses are reported and appropriate mitigation measures are put in place. (2015/16: Achieved)
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	2016/17: Not Achieved: 71% (2015/16: Not Achieved 61%)
	How the service is delivered to the community will be monitored through the CSR system	Number of complaints for inadequate service shall reduce	2016/17: Achieved: 4 CSRs received for cemeteries in year 2016-17. Issues actioned by Council and remedied by contractor. (2015/16: Not achieved 7 CSRs)

#### COMMUNITY SURVEY - PERFORMANCE RATING

Cemetery	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Very Satisfied/fairly satisfied	80%	80%	75%	78%	79%	79%	70%	61%	71%
Not very satisfied	4%	2%	5%	4%	5%	3%	3%	2%	5%
Don't know/NA	16%	18%	20%	18%	16%	18%	27%	37%	24%



## Parks & Reserves

The parks and reserves activity primarily contributes to the following community outcomes:

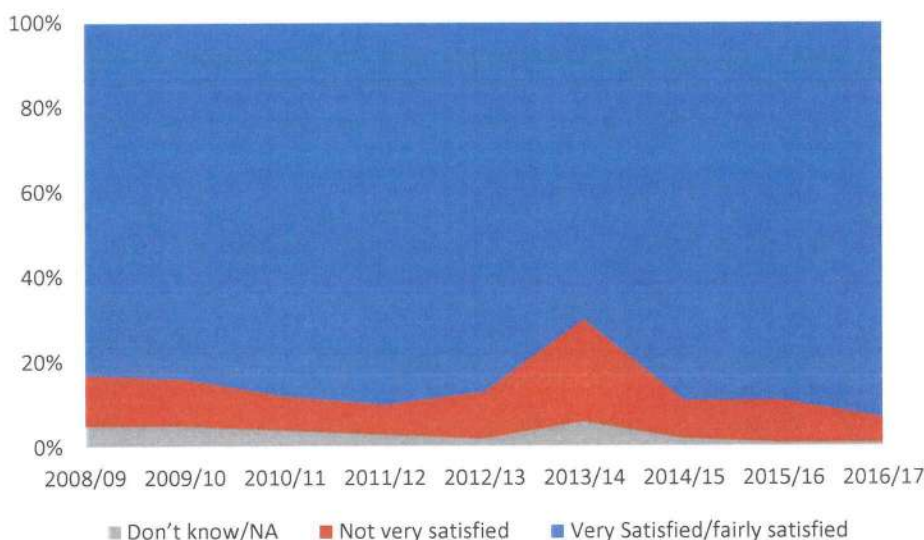
ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities.	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
		✓	✓	✓		✓	✓	✓

## Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will continue to provide parks and reserves with associated facilities to meet the current and foreseeable desires of the community	The provision of land and facilities shall be adequate for current and foreseeable demand	Undertake survey to determine desires of community in terms of parks and reserves	2016/17: Achieved: Status quo – no current change in demand. Plan for monitoring the use has been developed. (2015/16: Achieved)
	Council shall implement development projects from Reserve Management Plans (RMP)	Implementation of Reserve Management Plans Programme	2016/17: Achieved: Projects undertaken from Reserve Management Plan include picnic table installation, Toilet and Pilot Hill improvements. (2015/16: Achieved)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through the Annual Plan process	2016/17: Achieved: No reports received indicating any concerns with associated costs. Long term and annual plan consultation processes provide opportunity for community to raise willingness to pay issues. (2015/16: Achieved)
Council will comply with current legislation and Council bylaws	Council shall meet all legislative requirements	Review current legislation for compliance	2016/17: Achieved: The council meets all legislative requirements through the relevant Acts. (2015/16: Achieved)
	Council's Public Safety Bylaw shall be enforced	Council shall provide for monitoring of the bylaw  All known breaches of the bylaw shall be addressed as provided for in the bylaw	2016/17: Achieved: Enforced by By-law compliance officers. Any breaches addressed as per the bylaw. (2015/16: Achieved)
	Facilities shall meet all relevant safety standards	Facilities shall be maintained in a safe condition, in accordance with relevant standards  Safety assessment of facilities with action plan of remedial works as appropriate	2016/17: Achieved: Equipment certified and maintained to specified standards contractually. Additionally, no issues with health and safety or compliance have been reported for this year. (2015/16: Achieved)
Council will maintain parks and reserves and associated facilities to ensure long term sustainability	Asset database to be maintained	Detailed condition assessment of all parks and reserves assets	2016/17: Achieved. (2015/16: Not achieved)
	All maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process  Works to be within budget +/- 5%	2016/17: Not Achieved: Work undertaken by contractors is managed closely, all work undertaken has been delivered on time, but total costs are over budget. (2015/16: Not achieved)

	Operational and maintenance activities are undertaken in a safe and healthy manner	No health and safety non compliances are received or issued.  Annual Review of hazard register.	2016/17: Achieved: No issues with health and safety or compliance have been reported for this year. Health and safety processes in place that ensure all incidents and near misses are reported and appropriate mitigation measures are put in place. (2015/16: Achieved)
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	2016/17: Achieved: 89%. (2015/16: Achieved: 89%)
	How the service is delivered to the community will be monitored through the CSR and Annual Plan systems	Number of complaints for inadequate service shall reduce	2016/17: Achieved: 4 CSR complaints responded to and actioned by contractors under instruction from Council. (2015/16: Achieved 7 CSRs)
Council will implement systems/processes to ensure continued service delivery in emergency events	Contingency plans implemented for emergencies such as earthquake & flooding where services may be affected or damaged	Annual meeting with civil defence team  Contingency plans shall be reviewed.	2016/17: Achieved: Covered within plans for a Civil Defence event. (2015/16: Achieved)

COMMUNITY SURVEY - PERFORMANCE RATING									
Parks and Reserves (Users)	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Very Satisfied/fairly satisfied	83%	84%	88%	90%	87%	70%	89%	89%	93%
Not very satisfied	12%	11%	8%	7%	11%	24%	9%	10%	6%
Don't know/NA	5%	5%	4%	3%	2%	6%	2%	1%	1%



## Library

Community engagement has been the focus of the past year in the Library.

SALUTE Wairoa WW100, after years of planning and local fundraising - gifted a 65" Ideum Touch Table to the Wairoa Centennial Library. The Library's brief in receiving the gift was to investigate ways to maximise the amazing capabilities of the touch table and engage all ages with the modern cutting edge technology. The Salute Wairoa group wished the table to be used as widely as possible, bringing local information to life and increasing digital confidence. The most significant observation we have made on how the Touch Table has impacted on the local community is in the way it brings people together. Typically new technology isolates individuals into silos. The touch table generates interaction between those using the table and also just watching, even crossing generational boundaries in a warm and exciting way.

We strengthened our relationship with Glengarry Rest Home by a staff member visiting Glengarry, she now has 13 residents exchanging books on a weekly basis. The housebound service has also been promoted and we have some very happy patrons loving the service.

Our regular children's reading programmes in the summer and winter are still the highlight of our year. There is nothing like watching the joy in children's faces as they share the excitement of the story they just read. Our Adult Reading Programmes have been just as successful and have become a regular feature, showing the strength of 'community' as they enjoy the book at home and then enjoy the sharing with staff and other programme participants.

The library activity primarily contributes to the following community outcomes:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities.	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
		✓	✓	✓			✓	

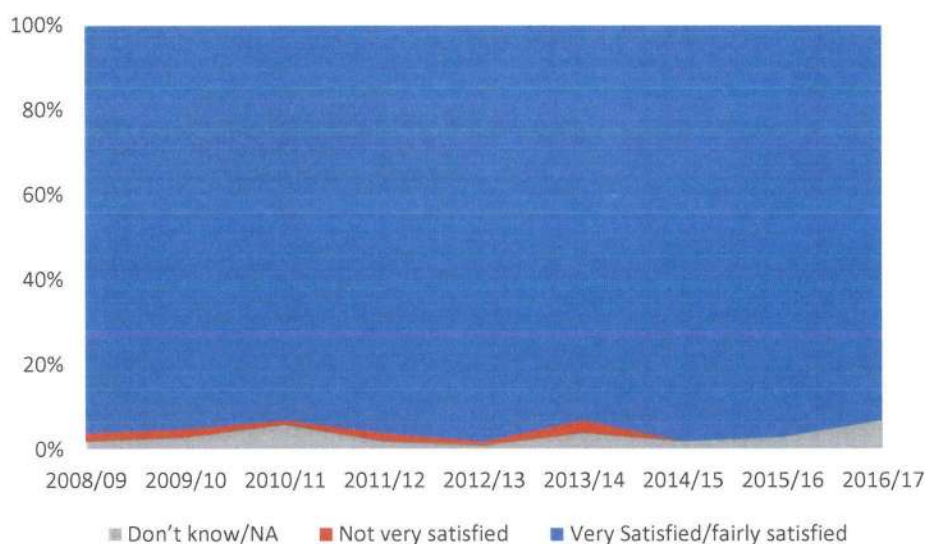
### Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
<b>Demand and Capacity</b> Council will continue to provide library services for the district through the Wairoa Centennial Library.	A regular pattern of new member enrolments is demonstrated.  An increase in the number of eBook issues.  Library visits exceed benchmark of 60,000.	Achieve measure  Reports of library visits (both physical and virtual) reflect significant use by the Wairoa community	Achieved: 267 new members  Not achieved: 1,097 ebooks issues vs 1,123 in 2015/16  Not Achieved: Recorded visits = 47,146 (2015/16: Not Achieved: Recorded visits = 50,406)
<b>Accessibility</b> Excluding statutory and public holidays, the Wairoa Centennial Library will be open during the times displayed.	The library building is accessible during the displayed opening hours and there is 24/7 online access to eBooks and EPIC reference information sources.	Achieve measure  Encourage and promote use of/visits to library facilities (physical and virtual)	Achieved: Library was open all advertised hours. After-hours access was improved with the migration to OCLC Worldshare as borrowers can now renew and reserve from home, ebooks are linked via online catalogue.  Achieved: Promotion of library visits included: Wairoa Star monthly "At the Library", SWTT promotions including YouTube video <a href="https://www.youtube.com/watch?v=mtDpNZFI5Bw">https://www.youtube.com/watch?v=mtDpNZFI5Bw</a> , Adult Reading Programmes
<b>Quality and Reliability</b> The services provided will include:	Increased awareness of EPIC collections through	Achieve measure	Achieved: EPIC promoted via: <ul style="list-style-type: none"> <li>'At the Library' in Wairoa Star</li> </ul>



<p>Customer Service and Satisfaction Council will respond to all enquiries, requests, complaints, and identified issues in a timely manner.</p>	<p>Level of customer satisfaction through survey indicates a 'fairly good, very good or better' minimum 80% approval rating.</p>	<p>Achieve measure</p> <p>With the exception of public holidays, the Wairoa Centennial Library will be open: Monday to Thursday: 10:00 am – 5:00 pm Friday: 9.30 am – 6:00 pm Saturday 10:00 am – 12:00 pm (noon) Closed: Sundays and Statutory Public Holidays</p>	<p>Achieved 93% of Wairoa District residents are satisfied with the library service in the District (2015/16: Achieved)</p> <p>2016/17: Achieved. The library was open during all of the indicated hours. (2015/16: Achieved)</p>
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COMMUNITY SURVEY - PERFORMANCE RATING									
Library (Users)	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Very Satisfied/fairly satisfied	96%	95%	93%	96%	98%	93%	98%	97%	93%
Not very satisfied	2%	2%	1%	2%	1%	3%	-	-	-
Don't know/NA	2%	3%	6%	2%	1%	4%	2%	3%	7%





## Community Support

The community support activity primarily contributes to the following community outcomes:

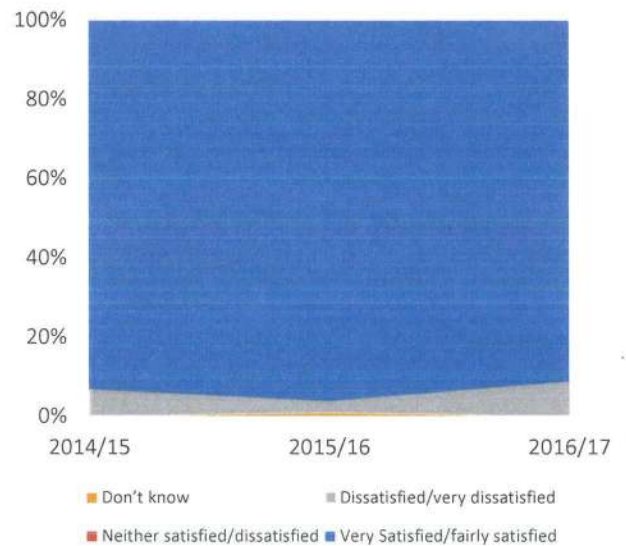
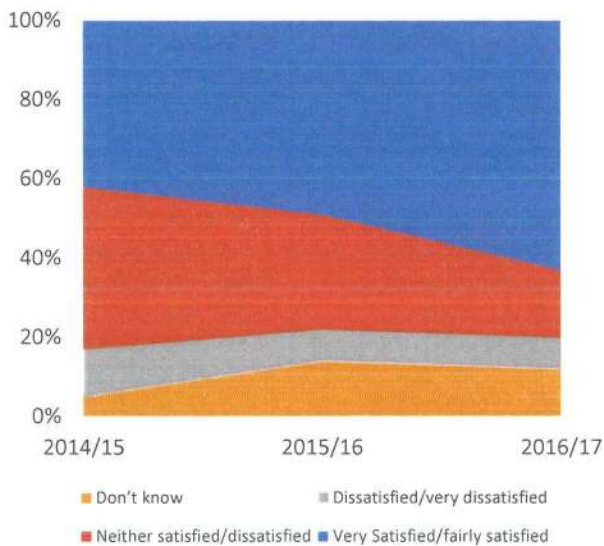
ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities.	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
		✓	✓	✓				

### Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
<b>Demand</b> Council will assist in the provision of healthy, accessible and enjoyable community facilities and encourage community participation.	The number of customers visiting the Wairoa Community Centre and Wairoa Museum and level of customer satisfaction are the same or better than that of the previous year.	Achieve measure Community facilities are user focused, reviewed, and improved/changed in direct response to feedback from the local community through: <ul style="list-style-type: none"> <li>• Consultation</li> <li>• Needs analysis</li> <li>• Surveys</li> </ul>	Not achieved: Wairoa Community Centre 94% very/fairly satisfied. (2015/16: Achieved: 96%)  Achieved: Wairoa Museum 96% very/fairly satisfied. (2015/16: Achieved: 96%)
<b>Quality</b> Community facilities will provide a valuable resource for the creation of local communities of interest as meeting places and for passive and physical leisure.	Overall 'user' satisfaction of community facilities through survey indicates a 'fairly good, very good or better' approval rating of not less than 80%.	Achieve measure  Councillors, Managers, and staff will have a broad level of awareness of local needs and ensure these are well represented in policy, plans, and provision of community facilities provided of funded by the Council  Reports are received from the Wairoa Community Centre, Wairoa Museum and Sport's Hawkes Bay in accordance with funding contracts/agreements  Monthly reports are received from the Visitor Information Centre.	Achieved: 91% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. Papers to Council include local needs assessments including assessments of significance and engagement policy and presentation to the Māori Standing Committee. Reports have been received as required. (2015/16: Achieved: 96%)
<b>Costs and Funding</b> Funds are provided for community facilities and initiatives in accordance with Council's community outcomes.	Council grants to funded organisations are paid in accordance with funding contracts/agreements.  Funding contracts/agreements are reviewed annually/triennially in accordance with existing funding contract specifications.	Achieve measure  Funding is made available for distribution to community facilities and organisations within allocated timeframes  Funded organisations achieve/exceed agreed service provision targets as specified in funding contracts/agreements  Community organisations are assisted to build capabilities, resources, and structures  Council to review and approve the annual/triennial renewal of	Achieved: All grants paid in accordance with contracts/agreements. (2015/16: Achieved)  Achieved: All agreements reviewed. Funding supports building of capabilities. Also interns engaged by Council have provided direct manpower support to community organisations and start up business' during the year. (2015/16: Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	Residents are satisfied with value for money through rates on supporting community facilities and organisations with an approval rating of not less than 80%.	existing funding contracts/agreements	Not Achieved: 63%. (2015/16: Not Achieved: 49%.)

COMMUNITY SURVEY - PERFORMANCE RATING				COMMUNITY SURVEY - PERFORMANCE RATING			
Community Facilities Support	2014/15	2015/16	2016/17	Community Facilities Satisfaction	2014/15	2015/16	2016/17
Very Satisfied/fairly satisfied	42%	49%	63%	Very Satisfied/fairly satisfied	93%	96%	91%
Neither satisfied/dissatisfied	41%	29%	17%	Neither satisfied/dissatisfied	-	-	-
Dissatisfied/very dissatisfied	12%	8%	8%	Dissatisfied/very dissatisfied	7%	3%	9%
Don't know	5%	14%	12%	Don't know	-	1%	-



**FUNDING IMPACT STATEMENT - COMMUNITY FACILITIES**

For the year ending 30 June 2017

	ACTUAL 2016/17 (\$ 000)	BUDGET 2016/17 (\$ 000)	LTP 2016/17 (\$ 000)	LTP 2015/16 (\$ 000)
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charges, rates penalties	988	1,027	1,076	1,010
Targeted rates (other than a targeted rate for water supply)	826	829	705	671
Subsidies and grants for operating purposes	100	47	48	47
Fees and charges	72	64	58	56
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
<b>Total Operating Funding</b>	<b>1,986</b>	<b>1,967</b>	<b>1,887</b>	<b>1,784</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	1,450	1,560	1,528	1,453
Finance costs	132	47	54	54
Internal Charges and overheads applied	282	277	222	206
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>1,864</b>	<b>1,884</b>	<b>1,804</b>	<b>1,713</b>
<b>Surplus (Deficit) of operating funding</b>	<b>122</b>	<b>83</b>	<b>83</b>	<b>71</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	778	-	250
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>778</b>	<b>-</b>	<b>250</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	229	824	45	299
- to replace existing assets	224	201	10	110
Increase (Decrease) in reserves	(331)	(164)	28	(88)
Increase (Decrease) of investments	-	-	-	-
<b>Total application of capital funding</b>	<b>122</b>	<b>861</b>	<b>83</b>	<b>321</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(122)</b>	<b>(83)</b>	<b>(83)</b>	<b>(71)</b>
<b>Funding Balance</b>				
Group depreciation and amortisation	416	151	151	151



## ACTIVITY GROUP FIVE - PLANNING & REGULATORY

1. Resource Planning
2. Environmental Health
3. Building Control
4. Liquor Control
5. Bylaw Compliance:
  - Dog Control
  - Livestock Control
  - General Bylaw Enforcement
6. Emergency Management

### Resource Planning

The resource planning activity primarily contributes to the following community outcomes:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities.	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
						✓	✓	

### Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
<p><b>Legislative Obligations:</b></p> <p>a) As required by the Resource Management Act 1991, the Council will maintain an Operative District Plan to guide the future development of the District.</p> <p>The present District Plan became operative in June 2005. It does not have to be reviewed again until 2015.</p> <p>The Council will also formulate development policies and strategies.</p> <p>b) The Council will ensure that all subdivision and development in the district takes place in conformity with all of the requirements of the District Plan.</p>	<p>Council is committed to processing all applications within the statutory timeframes as set under the Resource Management Act.</p>	<p>Achieve measure</p>	<p>2016/2017: Achieved all consents went out in the statutory time frame.</p> <p>(2015/16: Not Achieved: 1 out of 28 consents went over the statutory timeframes. 96.5% within statutory timeframes.)</p>
	<p>No situations where inadequate conditions were imposed relating to roading, water supply, wastewater or stormwater infrastructure to be constructed and transferred to the Council, or to the standard and condition to which it was actually built before being transferred.</p>	<p>No Council resource consent or land use consent decisions subsequently overturned by the Environment Court</p>	<p>2016/2017 Achieved: No situations where inadequate conditions were imposed have been reported.</p> <p>(2015/16: Achieved.)</p>
	<p>No instances where legal proceedings have succeeded against the council, alleging that it has acted unlawfully or has been negligent in the exercise of its responsibilities.</p>	<p>Achieve measure</p>	<p>2016/2017 Achieved: No instances where legal proceedings have succeeded against Council have been reported.</p> <p>(2015/16: Achieved.)</p>

	The number of actual or potential claims that have had to be notified to the Council's insurers.	Target – none.	2016/17: Achieved: There have been no actual or potential claims notified to the Council's insurers.  (2015/16: Achieved.)															
<p><b>Costs and Funding:</b></p> <p>a) The services will be provided at a cost that will be publicly consulted on annually – via either the LTP or Annual Plan preparation process.</p> <p>b) The Council will fund this activity by a combination of user charges and the general rate. The following table shows the approximate share of the cost from each source.</p> <table border="1" data-bbox="108 725 501 1081"> <thead> <tr> <th></th> <th>General Rate</th> <th>User Fees and Charges</th> </tr> </thead> <tbody> <tr> <td>Policy Development</td> <td>100%</td> <td></td> </tr> <tr> <td>Consent Applications</td> <td></td> <td>100%</td> </tr> <tr> <td>Consent Monitoring</td> <td></td> <td>100%</td> </tr> <tr> <td>Environmental Monitoring</td> <td>100%</td> <td></td> </tr> </tbody> </table>		General Rate	User Fees and Charges	Policy Development	100%		Consent Applications		100%	Consent Monitoring		100%	Environmental Monitoring	100%		The cost related to this activity does not exceed the approved budget.	Expenditure to be within budget +/- 5%	2016/17: Not Achieved: Net Costs of \$163,798 were less than the budgeted net costs of \$467,678  (2015/16: Not Achieved.)
	General Rate	User Fees and Charges																
Policy Development	100%																	
Consent Applications		100%																
Consent Monitoring		100%																
Environmental Monitoring	100%																	
<p><b>Customer Service:</b></p> <p>a) All complaints and requests for service will be responded to within the following timeframes:</p> <ul style="list-style-type: none"> <li>• verbal complaints – 3 working days</li> <li>• written complaints and requests for information – 10 working days.</li> </ul> <p>b) All applications for consent will be responded to within the following timeframes:</p> <p>i) If not required to be notified – within 20 working days.</p> <p>ii) If required to be notified – notified, and notice served within 10 working days.</p> <p>The Council will aim to ensure that the users of the services and the general public will be satisfied with the overall level of service that is being provided.</p>	a) 100% of applications for consent dealt with within specified timeframes.	Achieve measure	2016/17: a) Achieved: All resource consents were processed in the relevant timeframes.  (2015/16: Achieved.)															

## Environmental Health

The environmental health activity primarily contributes to the following community outcomes:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities.	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
						✓	✓	

### Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
<p>Legislative Obligations:</p> <p>(a) The Council will inspect all premises that are required to be registered under the Health Act 1956, the Food Act 2014, and the Food Hygiene Regulations 1974, for compliance every year, e.g.:</p> <ul style="list-style-type: none"> <li>• food premises</li> <li>• hairdressers</li> <li>• funeral directors</li> <li>• camping grounds.</li> </ul>	100% of all registered premises inspected during the year.	Achieve measure	2016/17: Achieved: 100% of all premises registered under the Health Act 1956 and its Regulations, the Food Hygiene Regulations 1974 and the Food Act 2014 were inspected or visited under the verification regime, depending on the requirements of the applicable legislation.
<p>And it will take steps to ensure that all food workers are aware of their obligations.</p> <p>(b) It will also:</p> <p>i) monitor the community's water, wastewater, storm water and sanitary services to ensure that they are being satisfactorily managed, and are performing satisfactorily, from the health point of view</p> <p>ii) maintain a general overview of the public health of the district and respond to public health complaints.</p>	Any illness will be investigated with the cause of illness to be identified and measures instituted to minimise or eliminate the risk of it reoccurring.	Achieve measure	2016/17: Achieved: There were no reports/complaints received during the year regarding illness resulting from consumption of food from commercial vendors.
	100% of all complaints about unreasonable noise are responded to in accordance with legislation, regulations and Council policy.	Achieve measure	2016/17: Achieved: All complaints regarding unreasonable noise were responded to in accordance with Council's policy and statutory requirements. A total of 134 noise related complaints were recorded during the year.
<p>Health and Safety:</p> <p>All of the above responsibilities will be carried out safely.</p>	No health or safety incidents	Achieve measure	2016/17: Achieved: The Environmental Health Officer was not involved in any Health and Safety incidents or near misses at work during the year.
<p>Costs and Funding:</p> <p>The services will be provided at a cost that will be publicly consulted on annually via the LTP or Annual Plan process. The Council will fund the activity by way of a combination of user fees and charges and the general rate.</p>	The cost related to this activity did not exceed the approved budget.	Expenditure to be within budget +/- 5%	2016/17: Not Achieved: Net Costs of \$107,946 were higher than the budgeted net costs of \$98,212
			(2015/16: Not Achieved.)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
<p>Customer Service: All complaints will be responded to within the following timeframes:</p> <ul style="list-style-type: none"> <li>• verbal complaints – emergencies – 1 hour</li> <li>• other – 1 working day</li> <li>• written complaints – 10 working days.</li> </ul> <p>b) The Council will aim to ensure that the users of the service and the general public will be satisfied with the overall level of service that is being provided.</p> <p>c) Maintain 'approval' status as organisation and Environmental Health Officer.</p>	<p>Target: Not less than 95% of all complaints dealt with within the specified timeframes.</p>	<p>Achieve measure</p>	<p>2016/17: Achieved: 95% of all complaints received were attended within the council's specified timeframes.</p> <p>(2015/16: Achieved.)</p>



## Building Control

The building control activity primarily contributes to the following community outcomes:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
✓			✓			✓	✓	

### Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
<b>Legislative Obligations:</b>	Accreditation as a Building Consent Authority (as required by the Building Act) obtained and continued to be maintained with each International Accreditation New Zealand (IANZ) assessment.	Achieve measure	2016/17: Achieved: The BCA still maintains its accreditation status. (2015/16: Achieved)
(a) Council will monitor and exercise control over all building work that is undertaken in the district in accordance with its role as a Building Consent Authority.	Number of historic building consents, still needing code compliance certificates, is to be reduced annually.	Achieve measure	2016/17: Achieved. 78 as of 30/06/17 (2015/16: Achieved. 103 as at 30.06.16)
(b) Council processing, inspection and certification of buildings meet the requirements of the Building Act 2004.	Any unfenced or non-complying swimming pool fences identified during the year are addressed.	Achieve measure	2016/17: Achieved: 0 non-compliant pools fences identified (2015/16: Not achieved)
(c) Ensure that all building work will be monitored and addressed to the extent that offers assurance that people, places and property will not be significantly harmed.	Council responds to 100% of all known illegal or unauthorised buildings (or instances of illegal or unauthorised building work identified during the year).	Achieve measure	2016/17: Achieved: Zero notices to fix issued. (2015/16: Achieved)
(d) Council will monitor and enforce the requirements of the Fencing of Swimming Pools Act 1977.	No instances where legal proceedings have been taken against, or have been threatened to be taken against Council, alleging that it has acted unlawfully or has been negligent in the exercise of its responsibilities.	Achieve measure	2016/17: Achieved: No legal proceedings during the year. (2015/16: Achieved)
<b>Costs and Funding:</b>  The service will be provided at a cost that will be publicly consulted on annually – via either the LTP or Annual Plan processes.  The Council will fund this activity entirely from user fees and charges (except the cost of statutory administrative duties, which will be met from the general rate).	Operations and associated capital investments (vehicles) are undertaken cost effectively.	Expenditure to be within budget +/- 5%	2016/17: Not Achieved: Net Costs of \$240,244 were higher than the budgeted net costs of \$107,946  (2015/16: Not Achieved)
<b>Customer Service of Building Consent Authority and Territorial Authority:</b>  All applications for consent or other information will be processed within the following timeframes:-	The number of consents, inspections, etc. are processed within the prescribed times.  Target: 100%.	Achieve measure	2016/17: Not Achieved: • Building Consents - 97.62% • 94 Building Consents  • Project information memoranda (PIM) - 100%. • 0 PIM

<ul style="list-style-type: none"> <li>i) Building consents – 20 working days</li> <li>ii) Project information memoranda – 20 days</li> <li>iii) Code of compliance certificates – 20 days</li> <li>iv) Certificates of acceptance – 20 days</li> <li>v) Certificates of public use – 20 days</li> </ul>			<ul style="list-style-type: none"> <li>• Code of compliance certificates (CCC) – 100%. <ul style="list-style-type: none"> <li>• 53 Code of compliance certificates</li> </ul> </li> <li>• Certificates of acceptance – 100%. <ul style="list-style-type: none"> <li>• 5 Certificate of acceptance</li> </ul> </li> <li>• Certificates of public use - 100%. <ul style="list-style-type: none"> <li>• 1 Certificate of public use (Wairoa College)</li> </ul> </li> </ul> <p>(2016/17: Not achieved)</p>
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## Liquor Control

The liquor control activity primarily contributes to the following community outcomes:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities.	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
						✓	✓	✓

### Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
<p><b>Legislative Obligations:</b></p> <p>The District Licensing Committee will issue 'on, off and club' licenses that allow the sale and supply of liquor. Inspections will be carried out as required.</p> <p>It will also process applications for renewal licences and for special licences (which are licences that allow the sale and supply of liquor at events such as sporting occasions, street parties and other functions).</p>	100% of all 'on, off and club' licensed premises monitored during the year.	Achieve measure	2016/17: Achieved: All liquor licenced premises monitored by means of inspections and administrative attention as required.  (2015/16: Achieved: All premises monitored.)
	Council responds in accordance with legislation to 100% of all known unlicensed liquor premises or other activities in contravention of the requirements of the Sale and Supply of Alcohol Act 2012.	Achieve measure	2016/17: Achieved: A "sting" operation was conducted during the year in which one outlet failed. That outlet was processed in accordance with legislation.  (2015/16: Achieved: One case was investigated to ensure that the sale of alcohol ceased when the liquor license expired and alcohol was anecdotally still being supplied.)
	Council responds in accordance with legislation to 100% of all situations where licences have to be suspended or revoked during the year.	Achieve measure	2016/17: Achieved: This office reviewed the reasons for the failure of the outlet noted above with the operator and cooperated with the police and DHB in the short suspension imposed. (2015/16: Achieved: There were no circumstances requiring the revocation or suspension of licenses.)
<p><b>Costs and Funding:</b></p> <p>The services will be provided at a cost that will be publicly consulted on annually – via either the LTP or Annual Plan preparation process.</p> <p>The Council will fund the activity by a combination of user fees and charges and the general rate.</p>	The cost related to this activity did not exceed the approved budget.	Expenditure to be within budget +/- 5%	2016/17: Not Achieved: Net Revenue of \$7,034 was higher than the budgeted net costs of \$65,024  (2015/16: Achieved)
All complaints will be responded to within the following timeframes:	Not less than 95% of all complaints dealt with within the specified timeframes.	Achieve measure	2016/17: Achieved: A verbal complaint was received from a patron regarding the behaviour

<ul style="list-style-type: none"> <li>• verbal complaints, emergencies – 1 hour</li> <li>• other – 1 day</li> <li>• written complaints – 10 working days.</li> </ul> <p>The Council will aim to ensure that the users of the service and the general public will be satisfied with the overall level of service that is being provided.</p>			<p>of a premises Manager. The alleged incident was considered and judged to be a matter for police which should have been reported to them at the time of the incident. No other complaints were received.</p> <p>2016/17: Achieved: No adverse comments or observations noted regarding the level of service delivered by the liquor licencing team.</p> <p>(2015/16: Achieved: There were no formal complaints lodged regarding the sale of alcohol.)</p>
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## Bylaw Compliance:

### Dog Control Livestock Control General Bylaw Enforcement

The bylaw compliance activity primarily contributes to the following community outcomes:

ACTIVITY	ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
	A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities.	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
Dog Control							✓	✓	✓
Livestock Control							✓		
General Bylaws Enforcement							✓	✓	✓

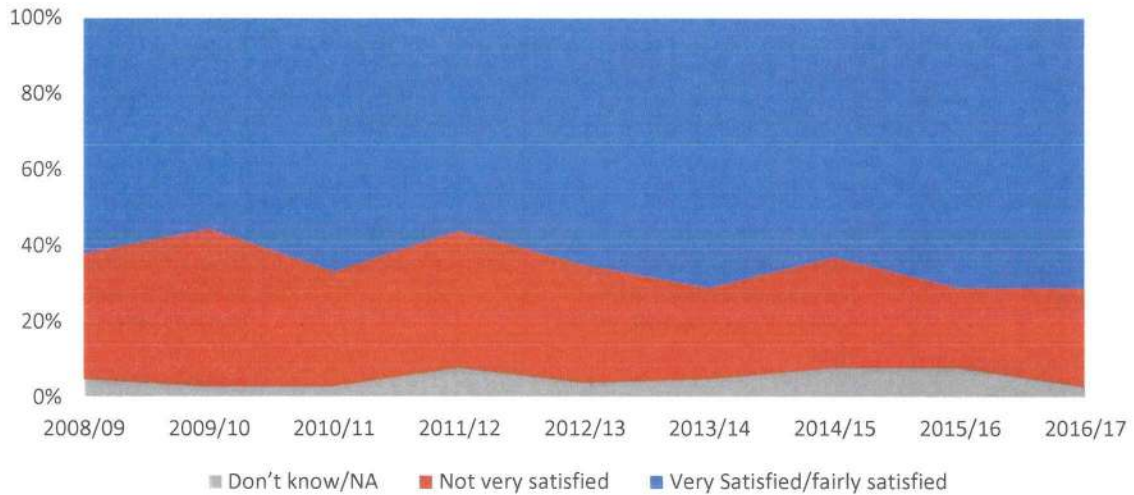
## Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
<p><b>Legislative Obligations – DOG CONTROL:</b></p> <p>The Council will exercise its responsibilities under the Dog Control Act 1996 and the Dog Control Amendment Act 2003, including:</p> <p>a) the maintenance and regular review of a Dog Control Policy and of a Dog Control Bylaw</p> <p>b) the maintenance of a register of all known dogs in the district and National Dog Database</p> <p>c) the promotion of responsible dog ownership</p> <p>d) impounding (and, if not claimed, destroying) stray dogs</p> <p>e) responding to complaints about dangerous stray/barking/nuisance dogs etc.</p> <p>Council will issue a public report annually about the administration of its policy and dog control practices, including information relating to:</p> <p>i) the number of registered dogs in the district (currently about 3,580)</p> <p>ii) the number of probationary owners and disqualified owners within the district</p>	a) All known dogs registered by 30 June each year.	Achieve measure	2016/17 Achieved: 3107 registered dogs.  (2015/16: Achieved: 3165 Registered Dogs.)
	b) Annual Report about the administration of the Council's policy and dog control practices adopted by 30 August each year.	Achieve measure	2016/17 Achieved all round improvement presented to Council (communitrak customer satisfaction survey) 28 <sup>th</sup> June formally received.  (2015/16: Achieved: The communitrak customer satisfaction survey was presented to council on the 28th of June 2016, the survey was formally received at that meeting.)
	c) Council responds in accordance with legislation to 100% of complaints in relation to instances of:	Achieve measure	2016/17 Achieved: All complaints are/were responded to within the legislative time frames. 27 Reported cases of attacks on people 43 reported cases of attacks on other animals 17 rushing reported cases. 0 reported cases of serious injuries. 0 reported disturbance threat to wildlife. 2016/17 There are currently 3107 registered dogs.  2016/17: 7 probationary owners 2016/17: Menacing class total 72 - 38 female 34 male. 2016/17: 51 Infringements Issued.

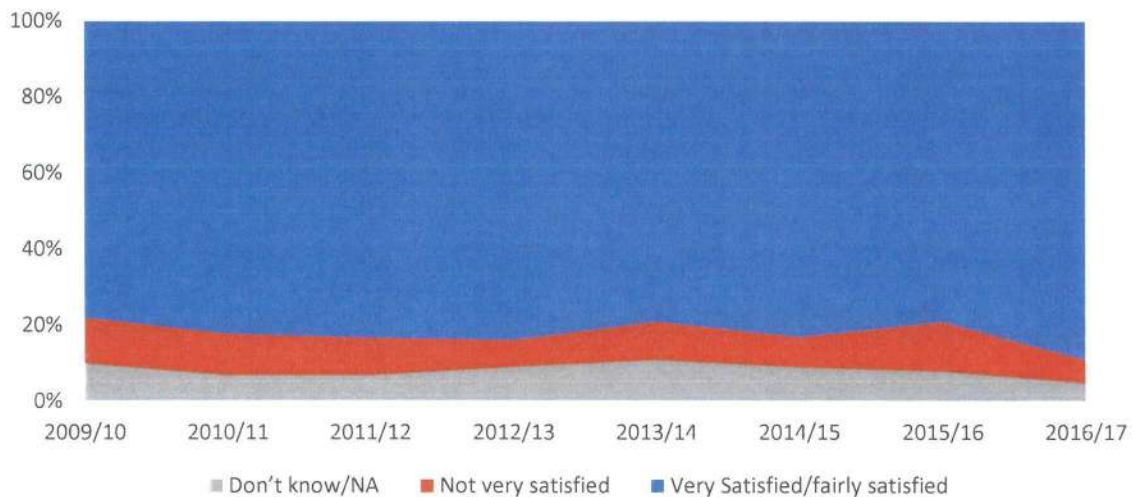
<p>iii) the number of dogs classified as dangerous and menacing</p> <p>iv) the number of infringement notices issued</p> <p>v) the number of complaints received, and the number of prosecutions taken.</p>			<p>2016/17: 317 reported complaints received, 4 prosecutions taken.</p> <p>(2015/16: Achieved: All complaints are responded to within legislative time frames. 5 reported cases. 0 recorded incidents.)</p>
<p><b>Legislative Obligations – LIVESTOCK CONTROL:</b></p> <p>The Council will provide a stock ranging service for the retrieval and impounding of roaming animals on roads other than state highways.</p> <p>It will also respond to complaints relating to animal nuisances.</p>	<p>a) The extent to which wandering stock poses a danger to traffic in the district as measured by:</p> <p>i) The number of complaints received about wandering stock.</p> <p>ii) The number of times stock has had to be impounded during the year.</p> <p>b) No complaints about the manner in which the Council has carried out its livestock control responsibilities.</p>	<p>Achieve measure</p>	<p>2016/17: Achieved: 99 reported complaints about stock incidents 6 times stock has been impounded.</p> <p>2016/17 Achieved: No complaints received about the manner in which Council has carried out its livestock control responsibilities.</p> <p>(2015/16: Not Achieved: Approximately 250 reported incidents.)</p>
<p><b>Legislative Obligations – GENERAL BYLAWS ENFORCEMENT:</b></p> <p>(a) The Council will maintain bylaws for a variety of purposes relating to community well-being.</p> <p>(b) The Council will enforce compliance with its bylaws as and when necessary.</p>	<p>a) The number of occasions when the Council has had to formally enforce compliance with any of its bylaws, or institute a legal action under them during the year.</p> <p>b) Target: No court decisions against the Council on the basis that any Council bylaw is, or the Council's enforcement of it has been, unreasonable or ultra vires.</p>	<p>Achieve measure</p>	<p>2016/17 Achieved: 223 Freedom Camping infringements issued in accordance with the bylaw. (2015/16 Achieved: 120 infringements were issued relating to Freedom Camping.)</p> <p>2016/17: Achieved: no court action taken against Council. (2015/16: Achieved: No court actions against council.)</p>
<p><b>Costs and Funding – DOG CONTROL:</b></p> <p>The services will be provided at a cost that will be publicly consulted on annually via the LTP or Annual Plan process. 90% of the cost of this activity will be funded from dog control fees, with the balance of 10% being met from the general rate.</p>	<p>The cost related to this activity does not exceed the approved budget.</p>	<p>Expenditure to be within budget +/- 5%</p>	<p>2016/17: Achieved: The budgets net costs for Dog Control, Livestock Control and General Bylaw Compliance are not separated for reporting or budgetary purposes. Net costs of \$181,194 for all services was less than the budgeted net costs of \$189,795. (2015/16: Achieved)</p>
<p><b>Costs and Funding – LIVESTOCK CONTROL:</b></p> <p>The services will be provided at a cost that will be publicly consulted on annually – via either the LTP or Annual Plan process.</p> <p>The activity will be funded by fines and pound charges, supplemented by an input from the general rate.</p>	<p>The cost related to this activity did not exceed the approved budget.</p>	<p>Expenditure to be within budget +/- 5%</p>	<p>Refer above, not separately reported</p>
<p><b>Costs and Funding – GENERAL BYLAWS:</b></p>	<p>The cost related to this activity did not exceed the approved budget.</p>	<p>Expenditure to be within budget +/- 5%</p>	<p>Refer above, not separately reported.</p>

<p>The services will be provided at a cost that will be publicly consulted on annually – via either the LTP or Annual Plan process.</p> <p>The activity will be funded by fines and supplemented by an input from the general rate.</p>			
<p><b>Health and Safety:</b></p> <p>All of the above responsibilities will be carried out safely.</p>	<p>The number of reported health or safety incidents is the same or less than the previous year.</p>	<p>Achieve measure</p>	<p>2016/2017 Achieved 0 reported incidents</p> <p>(2015/16: Achieved: 0 reported incidents.)</p>
<p><b>Customer Service:</b></p> <p>The Council will aim to ensure that the users of the service and the general public will be satisfied with the overall level of service that is being provided.</p>		<p>Achieve measure</p>	
<p><b>Customer Service - DOG &amp; LIVESTOCK CONTROL:</b></p> <p>All complaints will be responded to within the following timeframes:</p> <ul style="list-style-type: none"> <li>• urgent complaints – immediately.</li> <li>• non-urgent verbal complaints – 1 working day.</li> <li>• written complaints – 3 working days.</li> </ul>	<p>a) Not more than the number of complaints received in the previous year – in total and by type.</p>	<p>Achieve measure</p>	<p>2016/17 Achieved: fewer complaints received than the previous year, total 99 complaints.</p> <p>(2015/16: New Measure, Not previously measured: 511 Complaints.)</p>
	<p>b) Not less than 95% of all complaints dealt with within the specified timeframes.</p>	<p>Achieve measure</p>	<p>2016/2017 Achieved: all complaints dealt with in the specified time frames.</p> <p>(2015/16: Achieved: Required timeframes for complaints was met.)</p>
	<p>c) Not less than 70% of the respondents rate the service as ‘fairly good or better’ in the annual public satisfaction survey.</p>	<p>Achieve measure</p>	<p>2016/17: Achieved: Dog Control 71%, Livestock Control: 89% customer satisfaction as shown in the communitrak survey.</p> <p>(2015/16: Achieved.)</p>
<p><b>Customer Service - ENFORCEMENT</b></p> <p>All complaints will be responded to within the following timeframes: -</p> <ul style="list-style-type: none"> <li>• urgent complaints – 1 working day.</li> <li>• non-urgent verbal complaints – 1 working day.</li> <li>• written complaints – 10 working days.</li> </ul>	<p>Not less than 95% of all complaints dealt with within the specified timeframes.</p>	<p>Achieve measure</p>	<p>2016/17 Achieved: Required timeframes for complaints was met.</p> <p>(2015/16: Achieved: Required timeframes for complaints was met.)</p>

COMMUNITY SURVEY - PERFORMANCE RATING									
Dog Control	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Very Satisfied/fairly satisfied	62%	56%	66%	56%	65%	71%	63%	71%	71%
Not very satisfied	33%	42%	30%	36%	31%	24%	29%	21%	26%
Don't know/NA	5%	3%	3%	8%	4%	5%	8%	8%	3%



COMMUNITY SURVEY - PERFORMANCE RATING								
Livestock Control	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Very Satisfied/fairly satisfied	78%	83%	84%	83%	79%	83%	79%	89%
Not very satisfied	12%	11%	10%	7%	10%	8%	13%	6%
Don't know/NA	10%	7%	7%	9%	11%	9%	8%	5%





**Emergency Management:  
Civil Defence  
Rural Fire**

**Movements in Civil Defence Operations During the Year**

Effective 1 January 2017, management of Civil Defence operations was transferred to Hawkes Bay Regional Council Civil Defence Management Group (CDEM). Under the memorandum of Understanding for the transfer of responsibility, funding of Civil Defence remains the responsibility of the Wairoa District Council until the HBRC completes the 2018-28 Long Term Plan in which it will consult with the people of the Hawkes Bay Region on the transfer of costs.

**Movements in Rural Fire Operations Subsequent to the End of the Year**

Subsequent to the end of the year all assets and responsibility for the delivery of Rural Fire services was transferred to Fire and Emergency New Zealand (FENZ), which is a central government department. Accordingly this is the last year of reporting and management of Rural Fire services for the Wairoa District Council.

The emergency management activity primarily contributes to the following community outcomes:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities.	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
						✓	✓	✓

**Service Levels and Performance Measures**

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED:
Council will work with residents, tangata whenua, businesses, industry, and stakeholders to develop initiatives that promote emergency management preparedness.	Warden groups are established in civil defence sectors.	Achieve measure	2016/17: Achieved: Warden groups maintained. Note: Wairoa District Council ceded control of civil defence to the Hawkes Bay Regional Council on the 1 <sup>st</sup> of January 2017.  (2015/16: Achieved: Warden groups are established.)
	Public awareness of rural fire and civil defence through liaison with community groups, volunteers and the media is maintained.	Achieve measure	2016/17 Achieved: Public awareness maintained.  (2015/16: Achieved: Public awareness of rural fire and civil defence through liaison with community groups, volunteers and the media is maintained.)
Council will ensure emergency management resources are available to all ratepayers, residents, stakeholders, and visitors to the district when required.	Rural Fire Plan maintained and meets statutory and local requirements.	Achieve measure	2016/17: Achieved: Rural fire plan is in place and has met all statutory and local requirements.  (2015/16: Achieved: Rural Fire Plan is in place and has met all statutory and local requirements.)

<p><b>Readiness and Preparedness:</b></p> <p>Council will be prepared to respond to and manage emergency management incidents.</p>	<p>Response plans and Standard Operating Procedures (SOPs) are current and reflect perceived threats.</p> <p>Appropriate response plans and SOPs are developed and maintained.</p> <p>Council staff and volunteers are trained and exercised to the degree necessary to maintain efficient and effective rural fire and civil defence operations.</p> <p>Appropriately trained personnel are identified for the position of controller.</p>	<p>Achieve measure</p>	<p>2016/17 Achieved: All SOP'S and response plans are current and reflect perceived threats</p> <p>(2015/16: Achieved: Response plans and Standard Operating Procedures (SOPs) are current and reflect perceived threats.)</p> <p>Appropriately trained personnel were identified and assigned the position of controller.</p>
<p><b>Response/Recovery:</b></p> <p>Council will provide resources to effectively manage emergency management incidents</p>	<p>Non-declared and declared events are responded to and recovered from efficiently and effectively in accordance with Hawke's Bay Civil Defence Emergency Management Plans.</p> <p>The procedures described in the Adverse Events Plan and the Civil Defence Emergency Management Group Plan pertaining to warning systems, co-ordination, and management, of response and recovery activities are complied with.</p> <p>Rural fire prevention and suppression activities are administered effectively and efficiently in accordance with Council's Rural Fire Plan 2014</p>	<p>Achieve measure</p>	<p>2016/17 Achieved: compliance met, no declared events.</p> <p>(2015/16: Achieved: No declared events)</p> <p>Ongoing: Non declared events</p> <ul style="list-style-type: none"> <li>• 14/11/16 tsunami warning</li> </ul> <p>2016/17 Achieved. WDC rural fire plan has been complied with.</p> <p>(2015/16: Achieved: WDC rural fire plan has been complied with.)</p>
<p><b>Cost and Funding:</b></p> <p>Council will deliver an effective, efficient and economical emergency management service, which meets the needs and expectations of our communities.</p>	<p>All preventative maintenance, renewals and other programmed works are completed on time and within budget</p> <p>90% rural firefighting costs recovered.</p> <p>100% of claims on the National Rural Firefighting Fund are successful.</p>	<p>Achieve measure</p>	<p>2016/17 Achieved: Preventative maintenance and renewals are under contract with Professional Fire and Fleet Maintenance.</p> <p>(2015/16: Achieved.)</p> <p>2016/17: Not Achieved: Net operating costs of \$264,203 is higher than budgeted net costs of \$238,756.</p> <p>(2015/16: Achieved)</p>
<p><b>Customer Service:</b></p> <p>Council will provide timely response, information, advice and support to the local community.</p>	<p>A Duty Officer is on-call 24/7 for 365 days of the year.</p>	<p>Achieve measure</p>	<p>Achieved: A rural fire officer is on call 24/7-365 days of the year 2016/17</p> <p>(2015/16: Achieved: A rural Fire Officer is on call 24/7 for 365 days of the year.)</p>

	<p>Response times to customer enquiries will be as follows:</p> <ul style="list-style-type: none"> <li>• telephone calls (1 working day).</li> <li>• reception (15 minutes).</li> <li>• letters, faxes, e-mail (8 working days).</li> </ul>		<p>2016/17 Achieved: All events/incidents are recorded, response met within time frames.</p> <p>(2015/16: Achieved: All events are recorded, and response timeframes were met.)</p>
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**FUNDING IMPACT STATEMENT - PLANNING AND REGULATORY**

For the year ending 30 June 2017

	ACTUAL 2016/17 (\$ 000)	BUDGET 2016/17 (\$ 000)	LTP 2016/17 (\$ 000)	LTP 2015/16 (\$ 000)
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charges, rates penalties	189	319	326	565
Targeted rates (other than a targeted rate for water supply)	461	346	383	394
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	734	544	527	514
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
<b>Total Operating Funding</b>	<b>1,384</b>	<b>1,209</b>	<b>1,236</b>	<b>1,473</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	1,273	1,287	1,379	1,389
Finance costs	28	1	10	10
Internal Charges and overheads applied	390	462	401	378
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>1,691</b>	<b>1,750</b>	<b>1,790</b>	<b>1,777</b>
<b>Surplus (Deficit) of operating funding</b>	<b>(307)</b>	<b>(541)</b>	<b>(554)</b>	<b>(304)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	15	-	15
Gross proceeds from sale of assets	2	-	-	40
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>2</b>	<b>15</b>	<b>-</b>	<b>55</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	97	15	-	15
- to replace existing assets	-	93	10	216
Increase (Decrease) in reserves	(402)	(634)	(564)	(480)
Increase (Decrease) of investments	-	-	-	-
<b>Total application of capital funding</b>	<b>(305)</b>	<b>(526)</b>	<b>(554)</b>	<b>(249)</b>
<b>Surplus (Deficit) of capital funding</b>	<b>307</b>	<b>541</b>	<b>554</b>	<b>304</b>
<b>Funding Balance</b>				
Group depreciation and amortisation	91	55	55	55

**PLANNING & REGULATORY**

Statement of Cost of Service for the year ended 30 June 2017

	<b>COSTS</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>REVENUE</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>NET COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>BUDGETED</b> <b>NET COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>LTP</b> <b>NET COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>ACTUAL</b> <b>NET COST</b> <b>2015/16</b> <b>(\$ 000)</b>
Resource Planning	204	40	164	468	507	99
Environmental Health	143	21	122	98	102	121
Building Control	377	137	240	108	123	201
Liquor Control	18	25	(7)	65	65	(8)
Bylaw Compliance	448	267	181	190	153	84
Safer Communities	58	60	(2)	-	-	-
Civil Defence	86	-	86	94	117	144
Rural Fire	448	184	264	239	250	218
	<u>1,782</u>	<u>734</u>	<u>1,048</u>	<u>1,262</u>	<u>1,317</u>	<u>859</u>
	<b>COSTS</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>REVENUE</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>NET COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>BUDGETED</b> <b>GROSS COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>LTP</b> <b>GROSS COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>ACTUAL</b> <b>GROSS COST</b> <b>2015/16</b> <b>(\$ 000)</b>
<b>Projects</b>						
Building Control	-	-	-	-	-	72
Bylaw Compliance	48	-	48	75	-	43
Environmental Health	14	-	14	10	10	20
Civil Defence	35	-	35	11	-	57
Rural Fire	-	-	-	12	-	1
	<u>97</u>	<u>-</u>	<u>97</u>	<u>108</u>	<u>10</u>	<u>193</u>
<b>Application of capital funding</b>						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	97	-	97	15	-	95
- to replace existing assets	-	-	-	93	10	99
	<u>97</u>	<u>-</u>	<u>97</u>	<u>108</u>	<u>10</u>	<u>194</u>

## ACTIVITY GROUP SIX - LEADERSHIP & GOVERNANCE

1. Community Representation
2. Māori Liaison
3. Economic Development

### Community Representation

#### Kitaibaraki (Japan) – Wairoa’s Sister City

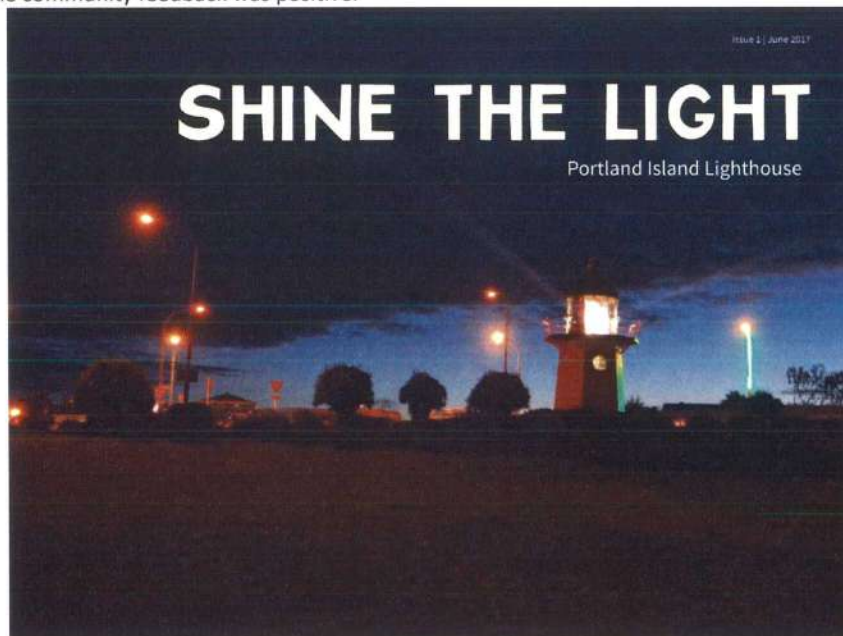
Wairoa District Council hosted delegates from the Council of our sister city, Kitaibaraki who brought representatives from a diverse range of schools. WDC organised a full day to explore the beauty of the District and its people. The farm life experience was hosted by Mayor Craig Little and Mrs Jan Little. The opportunity to interact with animals and feed them were the highlight of the day. The group ventured to Lake Waikaremoana to explore the ‘Lou’s Lookout’ short walk, the Waikaremoana Visitor Centre and had a swim and lunch near the Lake at Homebay. The day ended with dinner hosted by the council who invited past families, individuals who attended the exchange programme and representatives from Wairoa College.

#### UFB rollout for Wairoa brought forward

Council is over the moon after receiving confirmation that Wairoa was blasted to the front of the queue for the rollout of ultra-fast broadband (UFB2). Council received confirmation from Chorus in late May of this year that the rollout of UFB2 in Wairoa will start in June next year. Wairoa’s scheduled rollout start-date was set for July 2021, which would’ve meant a three-year wait for our district. After Chorus announced Wairoa’s original roll out date, Mayor Craig Little lobbied for Wairoa to be reprioritised, recognising that the district’s demographic profile was ample justification for the community to be elevated on the list. In a letter to Crown Fibre Holdings, the government agency leading the rollout initiative across New Zealand, Mr Little stated that households without internet service were increasingly being left behind in the new information age. According to the last Census, only 51.4 per cent of households in the Wairoa district had access to the internet. Given that almost half of the district’s households do not have access to the internet, Wairoa District Council was committed to advocating for its people. Wairoa is now attracting innovative industries like Rocket Lab and their space launch activities and Starkraving Movie Productions. It is vitally important that basic infrastructure like the ability to access UFB is available. Council has welcomed the announcement by Chorus, saying high-speed internet access is an essential component in making necessary advancements for our region in a new age of technology and economic development. There is an increasing demand for faster broadband connectivity in Wairoa, which is positioning itself as a national identity through key technology operations like Rocket Lab. Economic development is a matter of priority in the Wairoa district, and thanks to this announcement, we can now take the next step into the ‘new economy’. It is great that Chorus and Crown Fibre Holdings have taken on-board our concerns and have reprioritised Wairoa, because our need is just as great as any other region, if not more. Completion of UFB2 rollout in Wairoa is set for May 2019.

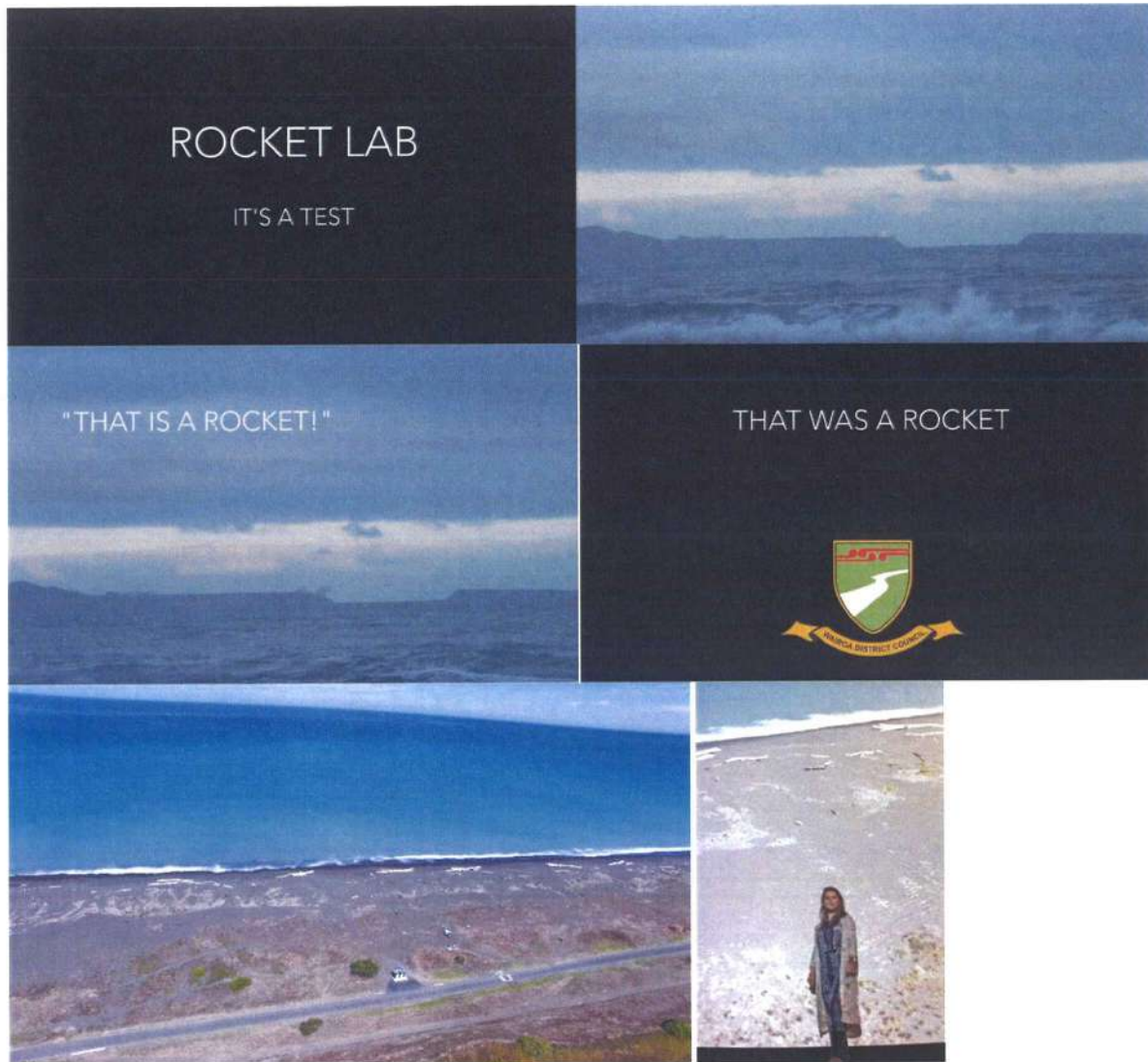
#### E-Magazine – Shine The Light

There have been several exciting initiatives in the communications department, with a slow and steady push towards engaging the community through video, graphic design and digital online forums. In June, the economic development and engagement team launched Council’s first E-magazine: Shine The Light, the first of a series of digital, online publications that showcase the best that Wairoa has to offer. As part of the launch of our first edition, our ED&E team engaged with members of the community to gather historic information pertaining to the Portland Island Lighthouse. The online community feedback was positive.



**Rocket Lab and Whakamahia Film**

Rocket Lab broke new ground on May 25th when its Electron rocket reached space. Electron lifted-off from Rocket Lab Launch Complex 1 on the Māhia Peninsula. It was the first orbital-class rocket launched from a private launch site in the world. Council captured this historic event on film, from the Blucks Pit Road viewing area in Nūhaka, and edited it into a short film that has been viewed more than 24,000 times by people around the world. This further emphasises Council’s success with more digitised content through a social media environment. Council staff also produced a 10-minute short film promoting Wairoa’s Whakamahia Beach and its rich Māori history.



The community representation activity primarily contributes to the following community outcomes:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities .	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
✓	✓	✓	✓	✓	✓	✓	✓	✓

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
<p><b>Access</b></p> <p>Opportunities are provided to the public to address Council on any matter through public forums and submissions.</p>	<p>Business conducted in confidence is kept to a minimum, and where decisions are deemed to not be of a sensitive nature, confidential items are released as public information.</p>	<p>Achieve measure</p> <p>Meetings of Council are scheduled, advertised, and conducted in the advertised day.</p> <p>Elected representatives attend all meetings of Council, and where they are absent, a formal leave of absence has been applied for prior to the meeting.</p>	<p>(2016/17: Achieved:</p> <ul style="list-style-type: none"> <li>• Confidential items kept to a minimum</li> <li>• Meetings of Council are scheduled, advertised, and conducted on the advertised day</li> <li>• Apologies were sent in prior to meetings for absent elected members</li> </ul> <p>(2015/16: Achieved)</p>
<p><b>Quality</b></p> <p>Council will promote and maintain ethical standards.</p>	<p>Council’s Code of Conduct, policies, and other such documentation are available to the public on request and/or from Council’s website.</p> <p>Council activities meet legislative requirements.</p>	<p>Achieve measure</p> <p>Council’s Governance Statement is clear, understandable, and in line with current practice.</p> <p>Codes and policies cover all legal requirements and standards for councillors, staff, and contractors.</p> <p>Council’s policy manual is up to date.</p> <p>Council formally adopts significant changes and/or amendments to policy following review.</p>	<p>2016/17: Achieved:</p> <ul style="list-style-type: none"> <li>• All policies provided on the website/available on request.</li> <li>• Local Governance Statement updated after elections within legislative timeframe and is in line with current practice.</li> <li>• All activities performed in accordance with legislative requirements. No court proceedings upheld.</li> <li>• Policy manual is up to date.</li> <li>• All changes following reviews are formally adopted by Council.</li> </ul> <p>(2015/16: Achieved)</p>
<p><b>Leadership</b></p> <p>The services provided will include:</p> <p>Council will demonstrate leadership to the community as a whole, to its electors, stakeholders, and within the organisation.</p>	<p>Executive Officer and all other officers of the Council are clearly defined.</p> <p>Lines of accountability and delegation are defined.</p>	<p>Achieve measure</p> <p>Corporate structures ensure that planning, standards, performance management, internal controls and communications are consistently applied across the Council.</p> <p>Council’s vision acknowledges both community priorities and Council’s strategy.</p> <p>Leadership is open to self-criticism, challenge, and review via mechanisms such as surveys.</p> <p>Potential problems between politics and management, councillors and officers, and clients and contractors, are minimised.</p> <p>Senior managers engage openly and honestly with staff and internal communication is regular.</p> <p>Staff meetings.</p>	<p>2016/17: Achieved:</p> <p>All roles clearly defined by job descriptions and Council policy/delegations. Lines of accountability and delegation are clearly defined. Corporate planning, standards, performance management, internal controls and communications are consistently applied across the Council.</p> <p>Council’s vision acknowledges both community priorities and Council’s strategy.</p> <p>Participated in the LGNZ Excellence Programme – results pending.</p> <p>Participated in the PWC LG Performance Excellence program – results reviewed by SLT.</p> <p>Regular internal communication undertaken both within departments and across the council, and staff meetings held regularly.)</p>



<p><b>Consultation</b></p> <p>Council will communicate clearly and informatively with, and on behalf of, the ratepayers, Tangata Whenua, and stakeholders of the Wairoa district.</p> <p>The interests of the district will be represented at all levels, including government, its agencies, and other local authorities.</p> <p>Council will make decisions openly, in a timely manner, and communicate decisions effectively.</p>	<p>No complaints are upheld against Council for not publicly consulting via the special consultative procedure when it was legally required to do so.</p> <p>Opportunities are provided for community groups, ratepayers, Tangata Whenua and stakeholders to fully participate in consultation and the development and fostering of community outcomes.</p>	<p>Achieve measure</p> <p>Continue to develop and maintain a strong relationship with Tangata Whenua by providing for the ongoing support and involvement of the Māori Standing Committee.</p> <p>Consultation provides understanding of the needs of the different and diverse communities of the district.</p>	<p>(2015/16: Achieved)</p> <p>2016/17: Achieved: No complaints upheld. No court proceedings upheld. Consultation opportunities provided for the development and fostering of community outcomes.</p> <p>Ongoing support and involvement of the MSC in building strong relationships with tangata whenua.</p> <p>(2015/16: Achieved)</p>
<p><b>Costs and Funding</b></p> <p>Council will manage community representation activities in a financially viable manner.</p>	<p>The cost related to this activity did not exceed the approved budget.</p>	<p>Achieve measure</p>	<p>2016/17: Achieved: Net costs of \$1,537,896 is less than the budgeted net costs of \$1,562,591.</p> <p>(2015/16: Not Achieved)</p>
<p><b>Customer Service and Satisfaction</b></p> <p>Council will respond to all enquiries, requests, complaints, and customers are happy with the Mayor and councillors, and Council staff performance.</p>	<p>Mayor and councillors 'not very good or poor' rating in annual survey is less than 10%.</p> <p>Council staff 'not very good or poor' rating in annual survey is less than 10%.</p>	<p>Achieve measure</p> <p>With the exception of public holidays, Council offices will be open Monday through Friday 9:00am – 4:30pm</p> <p>Response times to customer enquiries will be as follows:</p> <ul style="list-style-type: none"> <li>• telephone calls (1 working day)</li> <li>• reception (15 minutes)</li> <li>• letters, faxes, e-mail, submissions (8 working days).</li> </ul>	<p>Mayor and councillors: 2016/17: Achieved. "Not very good" or "poor" performance rated at 6%.</p> <p>(2015/16: Achieved)</p> <p>Council staff: 2016/17: Achieved. "Not very good" or "poor" performance rated at 6%.</p> <p>(2015/16: Achieved)</p>

COMMUNITY SURVEY - PERFORMANCE RATING

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Mayor and Councillors									
Very good/fairly good	59%	61%	71%	69%	63%	67%	57%	55%	69%
Just acceptable	30%	28%	16%	21%	27%	18%	25%	32%	19%
Not very good/poor	8%	9%	8%	6%	6%	4%	15%	5%	6%
Don't know	3%	2%	5%	5%	4%	11%	3%	9%	6%



## Māori Relationships

### Te Reo Māori Classes

Over the last few months staff have been given an opportunity to learn basic conversational Māori. The programme was designed for those with no previous background in te reo Māori. Participants have learnt basic informal and formal greetings, introductory songs and vocabulary, how to introduce themselves, express family relationships and converse about basic day-to-day events. The programme was delivered in a relaxed, mutually respectful and entertaining manner.

### Bilingual Signage (including new boundary signage)

We take this opportunity to thank the tireless efforts of those involved with the Visual Identity Project. A special mention to the new bilingual boundary signs that have been erected at Wharerata Hills and Kotemāori. In 2014, Wairoa District Council embarked on a district-wide project to create a visual identity for the district. Residents, ex-patriates, schools, businesses and community groups were invited to contribute to the project, providing an opportunity to strengthen and unite the community whilst creating tangible 'tools' to reflect the special and unique character and to celebrate and promote the district strongly and consistently locally, regionally and internationally.

### Tātau Tātau Waitangi Day Concert

Former Māori Relationships Manager, David Tipoki, organised a successful Tātau Tātau concert on the Library Green to celebrate Waitangi Day. Numerous musicians were invited to entertain locals on a very warm summer afternoon. The event also included the promotion of Te Wairoa Reorua/Bilingual Wairoa 2040 in its ambition to make Te Wairoa a bilingual district.

The Māori relationship activity primarily contributes to the following community outcome:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
		✓			✓			

### Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
<b>Demand</b> Council will ensure effective representation is maintained.	The required number of nominated representatives are received within established timeframes and appointments made to Council's Māori Standing Committee.	Achieve measure Vacancies on the Māori Standing Committee are filled. Council to nominate two councillors as representatives on the Māori Standing Committee.	2016/17: Achieved: There has been an absence of one takiwā representative due to family issues, but all vacancies are filled. Two Councillors and His Worship the Mayor regularly attend monthly meetings.  (2015/16: Achieved)
<b>Access</b> Opportunities are provided for Māori to address Council on policy, reports, submissions, and any other Council-related business.	No less than bimonthly meetings of the Māori Standing Committee are scheduled, advertised, and conducted on the advertised day.	Achieve measure	2016/17: Achieved: Meetings held monthly alternating between marae and Council chambers. The council has adopted a Te Reo Māori Policy and the Māori Standing Committee have made submissions to Tātau Tātau o Te Wairoa in support of the draft legislation and the Hawke's Bay Regional Council regarding rates increase.  (2015/16: Achieved.)
<b>Consultation</b> With respect to Council's Māori Policy the Council will ensure that whenever an option relating to any	Māori Standing Committee meetings, public meetings and special consultative meetings provide opportunities for Māori to	Achieve measure Tangata Whenua are actively involved in the	2016/17: Achieved: As per Local Government Act (2002). Māori Standing Committee has been active in nominating

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
proposed decision involves a significant decision in relation to land or a body of water, it will take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.	contribute to the decision-making process.	design, implementation and evaluation of the consultation process.  Advice and analysis is provided in a timely manner and can be supported by appropriate sources/references.	tangata whenua representation on the Waste Water Discharge Focus Group.  (2015/16: Achieved)
<b>Costs and Funding</b> Council will manage Māori liaison activities in a financially viable manner.	Agreed levels of service are Achieved within budget.	Achieve measure Budgets clearly defined and accounted for.	2016/17: Achieved: Net operating costs of \$156,079 is less than budget of \$182,727.  (2015/16: Achieved)
<b>Customer Service and Satisfaction</b> Council will respond to all enquiries, requests, complaints, and identified issues in a timely manner.	Council offices are open during the hours displayed.           All complaints are responded to within established timeframes.	Achieve measure With the exception of public holidays, Council offices will be open Monday through Friday 9:00am – 4:30pm.       Response times to customer enquiries will be as follows: <ul style="list-style-type: none"> <li>• telephone calls (1 working day)</li> <li>• reception (15 minutes)</li> <li>• letters, faxes, e-mail (8 working days).</li> </ul>	2016/17: Achieved: Council offices have been open Monday through Friday each week except for public holidays.  (2015/16: Achieved)      2016/17: Achieved: Complaints received via the CSR process have been dealt with in the directed timeframes..  (2015/16: Achieved)

## Economic Development

### Blucks Pit

Blucks Pit is current being enhanced to provide viewing options of the rocket launches from the Rocket Lab location at Onenui, Mahia Peninsula during the test launch phase. It was also intended to be a marshalling area for visitors who wished to view the rocket launches, mitigating the potential for traffic congestion heading into the Mahia Peninsula. Currently, upgrade work for the area has included providing car parking options, temporary toilet facility (portaloo) and a pop-up information kiosk (WDC staff/interns being available under a gazebo to provide information to visitors). Signage has also been erected directing traffic and users to the area. This upgrade work was funded by the Ministry of Business, Innovation and Employment (MBIE).



### Whanau Enterprise Business Support Clinics

As a result out of the 'Matariki' workshop held in the beginning of May 2017 and the high interest out of the community to get support for their individual businesses, 9 business clinics were offered specially targeted to the Māori population. All of the clinics were leading up to the last session in which several organisation that invest and fund start-up businesses and community initiatives were pitched to.



## Major Tourist Events this year

### Little Easy

By offering something for all ages, especially targeting kids and families, the Little Easy is part of the Easter holidays and offers the community a great event to come together and enjoy themselves.



**Dave Dobbyn**

With support of the community we managed to get award winning, national music legend Dave Dobbyn into town as part of his ‘Slice of Heaven - 40 Years of Hits’ tour. A slice of heaven also outside our beloved Gaiety theatre created the perfect mood for two magical nights out in Wairoa.



The economic development activity primarily contributes to the following community outcome:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
✓								

**Service Levels and Performance Measures**

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Strategy planning & policy:	Development of Economic Development Plan.	Completed – Action Plan to be developed	2016/2017: Achieved: Draft Wairoa District Council Economic Development Plan developed and ready to be signed off. Aligned to both Hawke’s Bay and Tairāwhiti regional economic development strategies.  (2015/16: Achieved: New Regional Economic Development Strategy (REDS) developed and adopted.
	Number of actions completed in the Economic Development Plan – Action Plan.	60% of actions completed.	2016/2017: Partially Achieved as updated draft plan ready to be signed off by Council and REDS actions still underway. Action 6.1 of the Regional Economic Development Plan, which

			WDC leads is underway but not yet complete.  (2015/16: Not Achieved: No actions have been complete yet as the REDS was launched on the 27 <sup>th</sup> of July 2016, and later adopted by Council.)
District Promotion  Promoting economic development of the district.	Number of tourism focused events	Achieve measure	2016/2017: Achieved: 21 (From February – June 2017)  (2015/16: Achieved: 40 events)
	Number of business promotion events.	Achieve measure	2016/2017: Achieved 13 (from February – June 2017)  (2015/16: Achieved: 41 events)
	The number of businesses that have been established in the district annually.	Achieve measure	2016/2017: Achieved: 21  (2015/16: Achieved: 19)
	The number of registered unemployed in the district.	Annual reduction in, or at least no increase, in the number of unemployed compared with the same period of the previous year.	2016/17: Not Achieved 570 Unemployed.  (2015/16: Achieved: 467 Unemployed)
Visitor Centre	The number of visitors to the Visitor Information Centre.	Increase of 5% more visitors per annum.	2016/2017: Achieved: 21,643 An increase of 46%. The Wairoa Visitor Information Centre is now open on the weekends and this accounts for the dramatic increase in visitors.  (2015/16: Not Achieved: 14,813 Visitors)
	Number of visitors who stay overnight in the district.	Achieve measure	2016/17: Achieved: 61,475  (2015/16: 60,746 (1 June 2015 – 31 May 2016))
Funding of the net cost of the activity (after any financial assistance that may be available from the government or other sources) by way of the general rate.	The cost related to this activity did not exceed the approved budget.	Achieve measure	2016/17: Achieved: Net operating costs of \$452,646 is less than budget net costs of \$468,063. (Economic Development)  (2015/16: Not Achieved)
Customer complaints will be dealt with promptly and properly.	Verbal complaints within 1 working day.	Achieve measure	2016/17: Achieved: Any verbal complaints are dealt with using prescribed procedures at time that the complaint is made. (2015/16: Achieved)
	Written complaints within 3 working days.	Achieve measure	2016/17: Achieved: Any written complaints are dealt with using prescribed procedures at time that the complaint is made. (2015/16: Not Achieved: Correct complaints procedure was not followed.)

**FUNDING IMPACT STATEMENT - LEADERSHIP AND GOVERNANCE**

For the year ending 30 June 2017

	ACTUAL 2016/17 (\$ 000)	BUDGET 2016/17 (\$ 000)	LTP 2016/17 (\$ 000)	LTP 2015/16 (\$ 000)
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charges, rates penalties	2,351	2,222	2,036	1,848
Targeted rates (other than a targeted rate for water supply)	-	184	145	140
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	37	126	126	124
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
<b>Total Operating Funding</b>	<b>2,388</b>	<b>2,532</b>	<b>2,307</b>	<b>2,112</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	1,158	1,322	1,133	1,104
Finance costs	11	13	11	5
Internal Charges and overheads applied	1,244	1,280	1,206	1,116
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>2,413</b>	<b>2,615</b>	<b>2,350</b>	<b>2,225</b>
<b>Surplus (Deficit) of operating funding</b>	<b>(25)</b>	<b>(83)</b>	<b>(43)</b>	<b>(113)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	213	103	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>213</b>	<b>103</b>	<b>-</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	113	213	103	-
- to replace existing assets	-	22	-	-
Increase (Decrease) in reserves	(138)	(105)	(43)	(113)
Increase (Decrease) of investments	-	-	-	-
<b>Total application of capital funding</b>	<b>(25)</b>	<b>130</b>	<b>60</b>	<b>(113)</b>
<b>Surplus (Deficit) of capital funding</b>	<b>25</b>	<b>83</b>	<b>43</b>	<b>113</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Group depreciation and amortisation	23	7	7	7



**LEADERSHIP & GOVERNANCE**

Statement of Cost of Service for the year ended 30 June 2017

	<b>COSTS</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>REVENUE</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>NET COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>BUDGETED</b> <b>NET COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>LTP</b> <b>NET COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>ACTUAL</b> <b>NET COST</b> <b>2015/16</b> <b>(\$ 000)</b>
Community Representation	1,564	26	1,538	1,563	1,561	1,472
Maori Governance	156	-	156	183	187	140
Economic Development	454	1	453	468	338	378
Visitor Information Centre	262	10	252	282	145	133
<b>Total</b>	<b>2,436</b>	<b>37</b>	<b>2,399</b>	<b>2,496</b>	<b>2,231</b>	<b>2,123</b>
	<b>COSTS</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>REVENUE</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>NET COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>BUDGETED</b> <b>GROSS COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>LTP</b> <b>GROSS COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>ACTUAL</b> <b>GROSS COST</b> <b>2015/16</b> <b>(\$ 000)</b>
<b>Projects</b>						
Economic Development	96	-	96	213	103	-
Visitor Information Centre	17	-	17	-	-	1
Community Representation	-	-	-	22	-	7
	<b>113</b>	<b>-</b>	<b>113</b>	<b>235</b>	<b>103</b>	<b>8</b>
<b>Application of capital funding</b>						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	113	-	113	213	103	7
- to replace existing assets	-	-	-	22	-	1
	<b>113</b>	<b>-</b>	<b>113</b>	<b>235</b>	<b>103</b>	<b>8</b>

## ACTIVITY GROUP SEVEN - CORPORATE FUNCTIONS

1. Property
2. Corporate & Funds Management
3. Council-controlled Organisations

### Property

The property activity primarily contributes to the following community outcomes:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
✓		✓	✓	✓		✓	✓	✓

### Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will continue to provide property services to meet the current and foreseeable demand of the community including: <ul style="list-style-type: none"> <li>• Commercial</li> <li>• Corporate</li> <li>• Halls</li> <li>• Staff &amp; Pensioner housing</li> <li>• Campgrounds and</li> <li>• The Wairoa Community Centre</li> </ul>	The listed facilities will be provided and maintained to enable continued service provision	Council will have in place, at all times, suitable maintenance contract/s and / or arrangements to enable provision of the services	2016/17: Achieved: Maintenance is undertaken at all facilities. All facilities are available for use by the public. (2015/16: Achieved)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through Annual Plan process	2016/17: Achieved: No reports received indicating any concerns with associated costs. Long Term and Annual Plan consultation processes provide opportunity for community to raise willingness to pay issues. (2015/16: Achieved)
	The provision of the services shall be adequate for current and foreseeable demand	Survey key stakeholders / users to determine likely future demand for the services	2016/17: Achieved: Based on current demand levels for service provision. (2015/16: New measure not previously assessed)
Council will comply with current legislation and Council bylaws	Council shall meet all legislation requirements	Review current legislation for compliance	2016/17: Achieved: Legislative requirements are factored into management of the properties. (2015/16: New measure not previously assessed)
	Council's 'Public Safety Bylaw' shall be enforced	Council shall provide for monitoring of the bylaw  All known breaches of the bylaw shall be addressed as provided for in the bylaw	2016/17: Achieved: Council enforcement officers check for the adherence to the Bylaw and take appropriate action where required. (2015/16: Achieved)
	Facilities shall meet all relevant safety standards	Facilities shall meet all relevant safety standards	2016/17: Achieved: Buildings comply with standards and are certified, health and safety plans are in place as appropriate. (2015/16: Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will maintain the facilities to ensure long term sustainability	Asset database to be maintained	Detailed condition assessment of all assets	2016/17: Not achieved, asset data has been developed, interim database is used in Council's current IntraMaps system, set up of Assetfinda property database is awaiting release of software module from Assetfinda (2015/16: Not Achieved)
Council will undertake operational, maintenance and renewals activities in a cost-effective manner	All maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process  Works to be within budget +/- 5%	2016/17: Achieved: Planned maintenance program and breakages were addressed in time and within budget. (2015/16: Achieved)
	Operational and maintenance activities are undertaken in a safe and healthy manner	No health and safety non compliances are received or issued.  Annual Review of hazard register.	2016/17: Achieved: No Health and Safety related accidents have been reported for this year. Policies are being further developed to meet the new legislative requirements. (2015/16: New measure not previously assessed)
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better	80% satisfaction rating	2016/17: Achieved: User satisfaction from the Communitrak survey are: Community Centre: 94% Halls: 91% (2015/16: New measure not previously assessed)
	Analysis of CSR complaints to enable issues to be addressed	Number of complaints shall reduce	2016/17: Not Achieved: 61 CSR's received in regards to property during the year. (2015/16: Achieved 50 CSR's received)
Council will implement systems / processes to ensure continued service delivery in emergency events	Contingency plans shall be implemented for emergency events such as earthquake and flooding where services may be affected or facilities damaged	Annual meeting with civil defence team  Contingency plans shall be reviewed	2016/17: Not required. Contingency plans have been prepared. No instances occurred where the plans needed to be implemented. (2015/16: Not Required)

**FUNDING IMPACT STATEMENT - PROPERTY**

For the year ending 30 June 2017

	ACTUAL 2016/17 (\$ 000)	BUDGET 2016/17 (\$ 000)	LTP 2016/17 (\$ 000)	LTP 2015/16 (\$ 000)
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charges, rates penalties	175	132	256	89
Targeted rates (other than a targeted rate for water supply)	-	46	19	24
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	117	120	285	274
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
<b>Total Operating Funding</b>	<b>292</b>	<b>298</b>	<b>560</b>	<b>387</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	280	291	345	347
Finance costs	-	60	131	85
Internal Charges and overheads applied	(121)	(129)	26	24
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>159</b>	<b>222</b>	<b>502</b>	<b>456</b>
<b>Surplus (Deficit) of operating funding</b>	<b>133</b>	<b>76</b>	<b>58</b>	<b>(69)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	1,000
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	999	768	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>999</b>	<b>768</b>	<b>1,000</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	141	999	768	1,000
- to replace existing assets	73	90	53	103
Increase (Decrease) in reserves	(81)	(14)	5	(172)
Increase (Decrease) of investments	-	-	-	-
<b>Total application of capital funding</b>	<b>133</b>	<b>1,075</b>	<b>826</b>	<b>931</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(133)</b>	<b>(76)</b>	<b>(58)</b>	<b>69</b>
<b>Funding Balance</b>				
Group depreciation and amortisation	477	496	496	496

**PROPERTY**

Statement of Cost of Service for the year ended 30 June 2017

	<b>COSTS</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>REVENUE</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>NET COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>BUDGETED</b> <b>NET COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>LTP</b> <b>NET COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>ACTUAL</b> <b>NET COST</b> <b>2015/16</b> <b>(\$ 000)</b>
Corporate Property	144	144	-	11	12	28
Staff Housing	14	18	(4)	(16)	-	16
Camping Grounds	12	-	12	17	17	17
Commercial Property	2	4	(2)	(1)	(1)	(3)
Information Centre Property	25	-	25	16	19	33
Library Property	17	-	17	-	-	17
Community Centre	464	-	464	550	636	447
Community Halls	38	-	38	23	25	26
Pensioner Housing	65	96	(31)	(14)	(9)	(7)
Sundry Property	-	-	-	3	3	-
Forestry	-	-	-	10	10	-
	<b>781</b>	<b>262</b>	<b>519</b>	<b>599</b>	<b>712</b>	<b>574</b>
	<b>COSTS</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>REVENUE</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>NET COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>BUDGETED</b> <b>GROSS COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>LTP</b> <b>GROSS COST</b> <b>2016/17</b> <b>(\$ 000)</b>	<b>ACTUAL</b> <b>GROSS COST</b> <b>2015/16</b> <b>(\$ 000)</b>
<b>Projects</b>						
Corporate Property	13	-	13	-	-	-
Staff Housing	15	-	15	-	-	-
Camping Grounds	-	-	-	3	-	-
Commercial Property	-	-	-	-	-	3
Information Centre Property	5	-	5	-	-	-
Library Property	9	-	9	-	-	-
Community Centre	119	-	119	1,060	814	1,920
Community Halls	7	-	7	-	-	-
Pensioner Housing	46	-	46	27	7	11
	<b>214</b>	<b>-</b>	<b>214</b>	<b>1,090</b>	<b>821</b>	<b>1,934</b>
<b>Application of capital funding</b>						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	141	-	141	999	768	1,810
- to replace existing assets	73	-	73	91	53	124
	<b>214</b>	<b>-</b>	<b>214</b>	<b>1,090</b>	<b>821</b>	<b>1,934</b>

## Corporate & Funds Management

The corporate and funds management activity primarily contributes to the following community outcomes:

ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued communities	Strong district leadership and a sense of belonging.	A safe and secure community.	A lifetime of good health and well-being.	An environment that is appreciated, protected and sustained for future generations.
✓	✓	✓	✓	✓	✓	✓	✓	✓

**FUNDING IMPACT STATEMENT - INVESTMENTS**

For the year ending 30 June 2017

	ACTUAL 2016/17 (\$ 000)	BUDGET 2016/17 (\$ 000)	LTP 2016/17 (\$ 000)	LTP 2015/16 (\$ 000)
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charges, rates penalties	(314)	(322)	(130)	(177)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	19	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,371	1,013	864	951
<b>Total Operating Funding</b>	<b>1,076</b>	<b>691</b>	<b>734</b>	<b>774</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	69	703	734	774
Finance costs	524	-	-	-
Internal Charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>593</b>	<b>703</b>	<b>734</b>	<b>774</b>
<b>Surplus (Deficit) of operating funding</b>	<b>483</b>	<b>(12)</b>	<b>-</b>	<b>-</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (Decrease) in reserves	483	(12)	-	-
Increase (Decrease) of investments	-	-	-	-
<b>Total application of capital funding</b>	<b>483</b>	<b>(12)</b>	<b>-</b>	<b>-</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(483)</b>	<b>12</b>	<b>-</b>	<b>-</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Group depreciation and amortisation	-	-	-	-

## INVESTMENTS

Statement of Cost of Service for the year ended 30 June 2017

	COSTS	REVENUE	NET COST	BUDGETED	LTP	ACTUAL
	2016/17	2016/17	2016/17	NET COST	NET COST	NET COST
	(\$ 000)	(\$ 000)	(\$ 000)	2016/17	2016/17	2015/16
				(\$ 000)	(\$ 000)	(\$ 000)
Funds Management	593	1,141	(548)	(92)	87	(1,004)
Dividends	-	146	(146)	(150)	(150)	(50)
Corporate	-	103	(103)	(67)	(67)	(127)
	<u>593</u>	<u>1,390</u>	<u>(797)</u>	<u>(309)</u>	<u>(130)</u>	<u>(1,181)</u>
Less Internal Reallocation						-
	<u>593</u>	<u>1,390</u>	<u>(797)</u>	<u>(309)</u>	<u>(130)</u>	<u>(1,181)</u>
Less Internal Interest Charged/Received	<u>320</u>	<u>464</u>	<u>(144)</u>	<u>-</u>	<u>-</u>	<u>(371)</u>
	<u>273</u>	<u>926</u>	<u>(653)</u>	<u>(309)</u>	<u>(130)</u>	<u>(810)</u>



## Support Services

Support Services are the costs of operating Council's administrative and support functions and other costs not directly attributable to any activity. These costs are allocated, except those that are attributed to a special reserves, via the overhead allocation process to the significant activities so that the net rated cost of support services is nil.

### Archives

During the last reporting period, work commenced on the arrangement and listing of the council's property files and is now 75% completed. This series of records, housed in 298 boxes, date from the year 1931 to 2016 and includes a significant collection of historical architectural drawings. It is intended to remove from the files, for preservation reasons, the older and more fragile drawings; particularly those of public and commercial buildings. This process has commenced with the drawings of the now demolished Regent Theatre and Plunket Room; both constructed during the mid-1930s. Two other projects of note have been the appraisal and listing of scientific records, created by the Water Treatment Plant, and the arrangement and boxing of bridge files.

Approximately 60 recorded internal and external enquiries have been received by the archives throughout the year. These statistics do not include verbal telephone responses. Six public visitors have accessed the archives and it is hoped that this number will increase after the collection is relocated to a new, and more accessible, facility. Several significant research projects were also undertaken; two being a report written on the history of the council's Steinway piano and a short history of the first European contact, in the Wairoa district, to be included on the council's website.

Complying with our legislative requirements, the purpose of the archives and secondary storage facility is to store, manage and preserve Wairoa District Council records. As such, there is a general non-collecting policy, although exceptions can be made to this rule when specific items are deemed to be of local government interest and value. Consequently, during the year the archives was very pleased to receive a set of architectural drawings of the Gaiety Theatre, produced in 1931, a collection of district maps dating from the 1920s and a 1911 official photograph of the Wairoa Borough Council mayor and councillors.

Finally, the quantity of archival and temporary records has increased resulting in a shortage of available vacant shelving space. The legal disposal of temporary records has not significantly alleviated this problem. This issue will be rectified in time with the construction of a new repository, but remedial action is required with the acquisition of additional shelving. On a brighter note, the recent purchase of an A3 flatbed scanner and book scanner has given the archives the ability to undertake digitisation projects.

### WDC - IS & GIS

Our Information Systems teams have been upgrading multimedia installations at Council Chambers, the Memorial Hall and the Wairoa Airport Lounge. The Airport Lounge has been used very successfully as a conference centre.

A Wireless Point to Point Wide Area Network has been established from the Council Admin Building to:

- Wairoa Water Reservoirs
- North Clyde Toilets
- Wairoa Airport Lounge
- Frasertown Water Treatment Plant

The provision of WAN links to Council's satellite sites enables full and secure access to all of Council's central network systems and databases, thereby providing each site with full office functionality

A new Remote Wi-Fi system has been installed on the Whakamahia Toilet Block to provide free internet access within 100m of the building.

An Upgraded Wi-Fi Radio system has been installed along Marine Parade, and extended out to the River Parade / Bridge Street area of North Clyde from the Wi-Fi WAN Link at the North Clyde Toilets. Additional coverage has also been gained to include Alexander Park from the Camping Ground to the Wairoa Ski Club. The new upgraded system is due to be commissioned by the beginning of October and will offer greatly increased coverage and signal strengths. Costs savings were also obtained, and the Wi-Fi Coverage area increased by redeployment of the hardware previously purchased for use in the halted test area for the Wairoa Free Community Wi-Fi Project.

### Cloud Readiness Report:

Over the last 12 months a small Council project group has been looking at our future strategic path for Council's hardware and operating systems. Spark Digital were contracted to provide a "Cloud readiness report", which analysed our current IT structure and systems, and subsequently provided a set of options for moving forward. One end of the spectrum is to move completely to a "Cloud" environment, which involves the complete decommissioning of our physical hardware and moving all software and services to offsite data centres, i.e. "The Cloud". This option is expensive and has the highest level of complexity, and potential for major issues to arise during implementation. At the other end of the spectrum we have a "Hybrid Cloud" Option, which has relatively low impact, much lower potential for implementation issues, and is the less expensive of the recommended options.

We obviously, also have the default option of "Status quo" – do nothing, but this option is not trouble free, as we would also be faced with a number of our Primary MS Server software licences and associated hardware requiring upgrading. Our Servers are aging and are not performing at an optimal level, but by initiating a stepped migration approach to a full cloud environment, we can spread out, and even mitigate some of the costs and migration complexities.

**FUNDING IMPACT STATEMENT - SUPPORT SERVICES**

For the year ending 30 June 2017

	ACTUAL 2016/17 (\$ 000)	BUDGET 2016/17 (\$ 000)	LTP 2016/17 (\$ 000)	LTP 2015/16 (\$ 000)
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charges, rates penalties	-	8	-	-
Targeted rates (other than a targeted rate for water supply)	(73)	(83)	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	6	9	15	15
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
<b>Total Operating Funding</b>	<b>(67)</b>	<b>(66)</b>	<b>15</b>	<b>15</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	3,949	4,002	3,708	3,856
Finance costs	90	36	31	6
Internal Charges and overheads applied	(4,190)	(4,164)	(3,846)	(3,581)
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>(151)</b>	<b>(126)</b>	<b>(107)</b>	<b>281</b>
<b>Surplus (Deficit) of operating funding</b>	<b>84</b>	<b>60</b>	<b>122</b>	<b>(266)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	599	410	30
Gross proceeds from sale of assets	-	20	10	20
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>619</b>	<b>420</b>	<b>50</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	259	599	410	47
- to replace existing assets	65	188	51	131
Increase (Decrease) in reserves	(240)	(108)	81	(394)
Increase (Decrease) of investments	-	-	-	-
<b>Total application of capital funding</b>	<b>84</b>	<b>679</b>	<b>542</b>	<b>(216)</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(84)</b>	<b>(60)</b>	<b>(122)</b>	<b>266</b>
<b>Funding Balance</b>				
Group depreciation and amortisation	165	141	141	141

**SUPPORT SERVICES**

Statement of Cost of Service for the year ended 30 June 2017

	<b>COSTS</b>	<b>REVENUE</b>	<b>NET COST</b>	<b>BUDGETED</b>	<b>LTP</b>	<b>ACTUAL</b>
	<b>2016/17</b>	<b>2016/17</b>	<b>2016/17</b>	<b>NET COST</b>	<b>NET COST</b>	<b>NET COST</b>
	<b>(\$ 000)</b>	<b>(\$ 000)</b>	<b>(\$ 000)</b>	<b>2016/17</b>	<b>2016/17</b>	<b>2015/16</b>
				<b>(\$ 000)</b>	<b>(\$ 000)</b>	<b>(\$ 000)</b>
Chief Executive Officer	806	1	805	723	715	749
Administration Services	845	2	843	1,005	911	822
Financial Services	885	1	884	864	810	886
Information Services	657	1	656	657	668	597
Engineering Services	845	-	845	817	616	627
Regulatory Manager	165	-	165	175	143	155
Less Overhead Allocation	-	4,190	(4,190)	(4,235)	(3,846)	(3,833)
	<u>4,203</u>	<u>4,195</u>	<u>8</u>	<u>6</u>	<u>17</u>	<u>3</u>
				<b>BUDGETED</b>	<b>LTP</b>	<b>ACTUAL</b>
	<b>COSTS</b>	<b>REVENUE</b>	<b>NET COST</b>	<b>GROSS COST</b>	<b>GROSS COST</b>	<b>GROSS COST</b>
	<b>2016/17</b>	<b>2016/17</b>	<b>2016/17</b>	<b>2016/17</b>	<b>2016/17</b>	<b>2015/16</b>
	<b>(\$ 000)</b>	<b>(\$ 000)</b>	<b>(\$ 000)</b>	<b>(\$ 000)</b>	<b>(\$ 000)</b>	<b>(\$ 000)</b>
<b>Projects</b>						
Chief Executive Officer	72	-	72	38	-	2
Administration Services	35	-	35	622	410	38
Information Services	175	-	175	-	-	74
Corporate Services	-	-	-	87	26	-
Engineering Services	42	-	42	40	-	38
	<u>324</u>	<u>-</u>	<u>324</u>	<u>787</u>	<u>436</u>	<u>152</u>
<b>Application of capital funding</b>						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	259	-	259	599	410	60
- to replace existing assets	65	-	65	188	26	92
	<u>324</u>	<u>-</u>	<u>324</u>	<u>787</u>	<u>436</u>	<u>152</u>

## Council-Controlled Organisations

### Quality Roothing and Services (Wairoa) Ltd. (QRS)

QRS is a Council-controlled organisation that is 100% owned by the Wairoa District Council.

Further information on QRS is available from their website [www.qrs.co.nz](http://www.qrs.co.nz).

QRS is a specialist construction and maintenance provider of all types of civil construction, infrastructure and roading. The principal activities of the company are:

- roading maintenance and construction
- civil construction
- quarrying
- utility services
- reserves maintenance
- heavy transport
- other activities associated with any of the above.

There have been no changes in QRS's policies and activities throughout the year.

Council's objectives for QRS are:

- To ensure the company is profitable, and all financial targets are met.
- To ensure the company has a positive cash flow.
- To ensure the governance of the company is effective.

The following performance targets, as set out in QRS's Statement of Intent 2016-2017, are the measures by which the company's performance will be judged.

	2017 Plan	2017 Actual ACHIEVED
Net profit before tax as a percentage of opening shareholder funds	8-9%	(3.5)%
Total cost of public debt servicing not to exceed 20% of operating revenue	20%	0.9%
Ratio of shareholder funds to total assets – not less than	45%	57.9%
Local permanent workforce	>60	95

# FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE

For the year ended 30 June 2017

	Notes	COUNCIL 2016/17 ACTUAL (\$ 000)	COUNCIL 2016/17 ANNUAL PLAN (\$ 000)	COUNCIL 2016/17 LTP (\$ 000)	COUNCIL 2015/16 ACTUAL (\$ 000)	GROUP 2016/17 ACTUAL (\$ 000)	GROUP 2015/16 ACTUAL (\$ 000)
<b>REVENUES</b>							
Rates	2	11,657	11,691	12,078	11,407	11,657	11,407
Subsidies and Grants	2	7,697	9,656	10,711	8,260	7,697	8,260
Petrol Tax		84	67	67	67	84	67
Construction Revenue		-	-	-	-	5,323	3,112
Fees and Charges		2,516	3,188	3,182	1,695	2,487	1,673
Investment Income	2	842	946	797	1,079	704	1,034
Miscellaneous Income		2	-	-	5	2	5
		<u>22,798</u>	<u>25,548</u>	<u>26,835</u>	<u>22,513</u>	<u>27,954</u>	<u>25,558</u>
		<u>22,798</u>	<u>25,548</u>	<u>26,835</u>	<u>22,513</u>	<u>27,954</u>	<u>25,558</u>
<b>EXPENDITURE</b>							
Water Services		4,637	4,435	4,509	4,606	4,637	4,606
Solid Waste		1,198	1,144	1,182	1,111	1,198	1,111
Transport		11,008	10,490	11,169	10,451	11,008	10,451
Community Facilities		2,152	2,099	1,920	1,712	2,152	1,712
Planning & Regulatory		1,747	1,804	1,831	1,356	1,747	1,356
Leadership & Governance		2,431	2,604	2,347	2,149	2,431	2,149
Investments		272	373	401	400	272	400
Property		637	591	736	658	637	658
Corporate		5	3	15	12	5	12
Expenditure - QRS		-	-	-	-	5,495	2,762
		<u>24,087</u>	<u>23,543</u>	<u>24,110</u>	<u>22,455</u>	<u>29,582</u>	<u>25,217</u>
Net Surplus (Deficit) on Operations		(1,289)	2,005	2,725	58	(1,628)	341
Plus: increase (decrease) in biological asset	2	110	-	-	-	110	-
Fair Value Recognition of Loans and Asset	2	409	-	-	-	409	-
Property, Plant and Equipment - vested asset	2	49	-	-	-	49	-
Net Surplus (Deficit) before taxation		<u>(721)</u>	<u>2,005</u>	<u>2,725</u>	<u>58</u>	<u>(1,060)</u>	<u>341</u>
Taxation	9	-	-	-	-	(59)	120
Net Surplus (Deficit) after taxation		<u>(721)</u>	<u>2,005</u>	<u>2,725</u>	<u>58</u>	<u>(1,001)</u>	<u>221</u>
<b>OTHER COMPREHENSIVE INCOME</b>							
Increase (Decrease) in revaluation reserve	11	10,263	42,254	42,254	-	10,263	-
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<u>9,542</u>	<u>44,259</u>	<u>44,979</u>	<u>58</u>	<u>9,262</u>	<u>221</u>

The accompanying notes form part of the Financial Statements

STATEMENT OF FINANCIAL POSITION  
As at 30 June 2017

	Notes	COUNCIL 2016/17 ACTUAL (\$ 000)	COUNCIL 2016/17 ANNUAL PLAN (\$ 000)	COUNCIL 2016/17 LTP (\$ 000)	COUNCIL 2015/16 ACTUAL (\$ 000)	GROUP 2016/17 ACTUAL (\$ 000)	GROUP 2015/16 ACTUAL (\$ 000)
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	5	3,032	105	129	4,522	3,644	5,663
Inventories	7	58	4	38	65	694	1,405
Trade & other receivables from non-exchange transaction	6	3,352	2,080	6,011	3,052	4,827	4,266
Financial assets at fair value	8	7,060	14,950	10,771	3,977	7,060	3,977
Taxation Refundable	9	-	-	-	-	40	-
<b>Total Current Assets</b>		<b>13,502</b>	<b>17,139</b>	<b>16,949</b>	<b>11,616</b>	<b>16,265</b>	<b>15,311</b>
<b>LESS CURRENT LIABILITIES</b>							
Trade & other payables	10	4,467	4,586	3,846	3,905	4,910	4,831
Term Liabilities - Current Portion	16	12	-	-	10	1,033	765
Taxation Payable		-	-	-	-	-	26
<b>Total Current Liabilities</b>		<b>4,479</b>	<b>4,586</b>	<b>3,846</b>	<b>3,915</b>	<b>5,943</b>	<b>5,622</b>
<b>Working Capital</b>		<b>9,023</b>	<b>12,553</b>	<b>13,103</b>	<b>7,701</b>	<b>10,322</b>	<b>9,689</b>
<b>NON CURRENT ASSETS</b>							
Property, Plant & Equipment	11	259,446	299,790	295,866	249,042	263,569	252,703
Loans & other receivables	8	90	60	-	60	90	60
Investments in Subsidiary	15	1,250	1,250	1,250	1,250	-	-
Investment Property	14	-	277	277	-	-	-
Biological asset - forestry	13	260	150	70	150	260	150
Available for sale financial assets	8	23	23	23	23	23	23
Intangible Assets	12	143	147	143	121	399	332
Financial assets at fair value	8	7,833	-	-	10,243	7,833	10,243
Deferred Taxation	9	-	-	-	-	352	293
		<b>269,045</b>	<b>301,697</b>	<b>297,629</b>	<b>260,889</b>	<b>272,526</b>	<b>263,804</b>
<b>NON CURRENT LIABILITIES</b>							
Employee Entitlements	4	107	121	148	111	154	174
Landfill Aftercare	17	708	478	860	756	708	756
Quarry Aftercare	17	-	-	-	-	143	155
Borrowings	16	5,012	5,000	7,121	5,024	5,980	5,807
		<b>5,827</b>	<b>5,599</b>	<b>8,129</b>	<b>5,891</b>	<b>6,985</b>	<b>6,892</b>
<b>Net Assets</b>		<b>272,241</b>	<b>308,651</b>	<b>302,603</b>	<b>262,699</b>	<b>275,863</b>	<b>266,601</b>
<b>Represented by</b>							
Equity	18	272,241	308,651	302,603	262,699	275,863	266,601

The accompanying notes form part of the Financial Statements

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2017

	COUNCIL 2016/17 ACTUAL (\$ 000)	COUNCIL 2016/17 ANNUAL PLAN (\$ 000)	COUNCIL 2016/17 LTP (\$ 000)	COUNCIL 2015/16 ACTUAL (\$ 000)	GROUP 2016/17 ACTUAL (\$ 000)	GROUP 2015/16 ACTUAL (\$ 000)
Equity at 01 July 2016	262,699	264,392	257,624	262,641	266,601	266,380
Net Surplus/(Deficit) for period	(721)	2,005	2,725	58	(1,001)	221
Other Comprehensive Income	10,263	42,254	42,254	-	10,263	-
Total Comprehensive Income	9,542	44,259	44,979	58	9,262	221
Equity at 30 June 2017	272,241	308,651	302,603	262,699	275,863	266,601
<b>Components of Equity</b>						
<b>Ratepayers Equity at the beginning of the year</b>	136,039	129,091	132,336	135,203	138,950	137,951
Net surplus/(deficit) for period	(721)	2,005	2,725	58	(1,001)	221
Transfers from restricted reserves	5,019	6,092	5,263	5,291	5,019	5,291
Transfers to restricted reserves	(7,098)	(5,932)	(3,048)	(4,513)	(7,098)	(4,513)
<b>Ratepayers Equity at 30 June 2017</b>	133,239	131,256	137,276	136,039	135,870	138,950
<b>Special Funds at the beginning of the year</b>	22,400	20,392	20,392	23,178	22,400	23,178
Transfer from ratepayers equity	7,098	5,932	3,048	4,513	7,098	4,513
Transfer to ratepayers equity	(5,019)	(6,092)	(5,263)	(5,291)	(5,019)	(5,291)
<b>Special Funds at 30 June 2017</b>	24,479	20,232	18,177	22,400	24,479	22,400
<b>Revaluation reserve infrastructural at the beginning of the year</b>	104,260	114,909	104,896	104,260	105,251	105,251
Net transfer from revaluation reserve on disposal	-	-	-	-	-	-
Transfer to revaluation	10,263	42,254	42,254	-	10,263	-
<b>Revaluation reserve infrastructural at 30 June 2017</b>	114,523	157,163	147,150	104,260	115,514	105,251
<b>Total Equity at 30 June 2017</b>	272,241	308,651	302,603	262,699	275,863	266,601

The accompanying notes form part of the Financial Statements

**STATEMENT OF CASH FLOWS**  
For the year ended 30 June 2017

Note	COUNCIL 2016/17 ACTUAL (\$ 000)	COUNCIL 2016/17 ANNUAL PLAN (\$ 000)	COUNCIL 2016/17 LTP (\$ 000)	COUNCIL 2015/16 ACTUAL (\$ 000)	GROUP 2016/17 ACTUAL (\$ 000)	GROUP 2015/16 ACTUAL (\$ 000)
<b>OPERATING ACTIVITIES</b>						
Cash was provided from:						
Rates received	12,209	10,760	12,038	11,572	12,209	11,572
Other Revenue	9,789	16,181	14,772	13,114	14,080	16,737
Dividends received	147	-	-	50	-	-
Interest received	339	-	-	787	341	792
	<u>22,484</u>	<u>26,941</u>	<u>26,810</u>	<u>25,523</u>	<u>26,630</u>	<u>29,101</u>
Cash was applied to:						
Payments to Suppliers & Employees	18,166	19,387	18,735	16,676	21,655	21,511
Taxation	-	-	-	-	67	17
Interest Paid	294	493	567	307	413	412
	<u>18,460</u>	<u>19,880</u>	<u>19,302</u>	<u>16,983</u>	<u>22,135</u>	<u>21,940</u>
Net Cash Flow from Operations	19 <u>4,024</u>	<u>7,061</u>	<u>7,508</u>	<u>8,540</u>	<u>4,495</u>	<u>7,161</u>
<b>INVESTING ACTIVITIES</b>						
Cash was provided from:						
Sale of Property, Plant & Equipment	2	20	30	69	91	154
Repayment of Advances	30	-	-	30	30	30
Sale of Financial Assets	2,424	3,972	2,550	1,165	2,424	1,165
	<u>2,456</u>	<u>3,992</u>	<u>2,580</u>	<u>1,264</u>	<u>2,545</u>	<u>1,349</u>
Cash was applied to:						
Purchase of Intangibles	93	-	-	47	192	170
Purchase of Financial Assets	3,170	-	-	6,453	3,170	6,453
Purchase of Property, Plant & Equipment	4,697	11,115	11,671	8,002	6,137	6,323
	<u>7,960</u>	<u>11,115</u>	<u>11,671</u>	<u>14,502</u>	<u>9,499</u>	<u>12,946</u>
Net Cash Flows from Investing Activities	<u>(5,504)</u>	<u>(7,123)</u>	<u>(9,091)</u>	<u>(13,238)</u>	<u>(6,954)</u>	<u>(11,597)</u>
<b>FINANCING ACTIVITIES</b>						
Cash was provided from:						
Loans Raised	-	-	1,571	41	967	692
	<u>-</u>	<u>-</u>	<u>1,571</u>	<u>41</u>	<u>967</u>	<u>692</u>
Cash was applied to:						
Borrowings Repaid	10	-	-	7	527	539
	<u>10</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>527</u>	<u>539</u>
Net Cash Flows from Financing Activities	<u>(10)</u>	<u>-</u>	<u>1,571</u>	<u>34</u>	<u>440</u>	<u>153</u>
Net Increase/(Decrease)	<u>(1,490)</u>	<u>(62)</u>	<u>(12)</u>	<u>(4,664)</u>	<u>(2,019)</u>	<u>(4,283)</u>
Plus opening cash & cash equivalents	4,522	167	141	9,186	5,663	9,946
Cash & cash equivalents at end of year	<u>3,032</u>	<u>105</u>	<u>129</u>	<u>4,522</u>	<u>3,644</u>	<u>5,663</u>
Made up of:						
Cash	111	105	129	644	723	1,785
Short Term Deposits	2,921	-	-	3,878	2,921	3,878
Bank Overdraft	-	-	-	-	-	-
	<u>3,032</u>	<u>105</u>	<u>129</u>	<u>4,522</u>	<u>3,644</u>	<u>5,663</u>

The accompanying notes form part of the Financial Statements



# STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

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# 1. Reporting Entity Statement and Preparation of the Financial Statements

## Reporting Entity

Wairoa District Council (WDC) is a territorial local authority in New Zealand governed by the Local Government Act 2002. The Council group consists of Wairoa District Council and its 100% owned subsidiary, Quality Roading and Services (Wairoa) Ltd (QRS Ltd).

The primary objective of WDC is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly WDC has designated itself and the group as public benefit entities (PBE) for financial reporting purposes.

The financial statements of WDC are for the year ended 30 June 2017. The financial statements were authorised for issue by Council on 24 October 2017.

## Segmental Reporting

The group operates in one geographic segment (New Zealand) and in two industries, being that of local government and construction and maintenance activities (operated by the 100% owned subsidiary Quality Roading and Services (Wairoa) Ltd

## Basis of Preparation

The financial statements of the WDC have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with the New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements comply with Public Benefit Entity Standards.

These financial statements have been prepared in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime (Tier 2 PBE Standards) and disclosure concessions have been applied. The criteria under which WDC is eligible to report in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime are WDC does not have public accountability and is not large.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructure assets, investment property, biological assets and financial instruments.

The financial statements have been presented in New Zealand dollars. Foreign exchange transactions are translated into New Zealand dollars using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of financial performance.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

## Basis of Consolidation

The consolidated financial statements include the Council and its subsidiary QRS Ltd. All significant inter-entity transactions, balances and unrealised gains are eliminated on consolidation. Accounting policies of QRS Ltd have been changed to ensure consistency with the policies adopted by the group.

WDC's investment in its subsidiary is carried at cost less any impairment charges in WDC's own "parent entity" financial statements.

## Goods and Services Tax (GST)

All amounts in the financial statements are exclusive of GST, with the exception of receivables and payables that are stated at GST-inclusive amounts. When GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to the Inland Revenue Department (IRD), is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## Budget Figures

### Annual Plan

The Annual Plan budget figures are those approved by the Council at the beginning of the year in the Annual Plan. The budget figures have been prepared in accordance with NZ IFRS (PBE), and restated where necessary to comply with NZ PBE FRS-42, using accounting policies that are consistent with those adopted by WDC for the preparation of the financial statements.

### Long-Term Plan 2015-2025

The Long-Term Plan for 2015-2025 was adopted by Council on 5 August 2015. The Long Term Plan budget reported in these Financial Statements is year two of this Plan.

## Overhead Cost Allocation

WDC has derived the cost of service for each significant activity using cost allocation systems outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

## Critical Accounting Estimates and Assumptions

The preparation of these Financial Statements require management to make judgements, estimates and assumptions concerning the future that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are highlighted and discussed in the notes below.

## Critical Judgements in Applying WDC's Accounting Policies

Management has not been required to exercise any critical judgements in applying WDC's accounting policies for the period ended 30 June 2017.

## Restatement of Comparative Values

WDC has been carrying a deficit variance of \$3,602 in cash and Ratepayers Equity for a number of reporting periods. This variance has been corrected in the prior year so that the accounts reflect the balances as per the computerised financial reporting system operated by Council. The following statements and components have been increased by \$3,602 each:

- Statement of Financial Position: 2015/16 Council and Group - Cash on Hand, Ratepayers Equity
- Statement of Changes in Equity 2015/16 Council and Group - Equity at 1 July, Ratepayers Equity at the beginning of the year
- Statement of Cashflows: 2015/16 Council and Group - Opening Cash on Hand

## Changes in Accounting Policies

There have been no changes in accounting policies for the year under review.

## 2. Revenue

Revenue comprises rates, revenue from operating activities, investment revenue, subsidies, petrol tax and fees and charges and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

### Exchange transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange. Exchange Revenue received by Council can be summarised into the following areas:

#### Revenue from Water by Meter

Water billing revenue is recognised on an accrual basis. Unbilled usage as a result of unread meters at year end is accrued on an average usage basis.

#### Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

#### Sale of Goods

Sales of goods are recognised when a product is sold to the customer.

#### Construction Contracts

Revenue on construction contracts is recognised progressively over the period of each contract. The amount included in the statement of financial performance, and the value of the contract work in progress are established by assessment of the individual contracts taking into account the proportion of work completed, cost analysis and estimated final results.

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

### Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange revenue transaction, the Council receives value from another entity without directly giving approximately equal value in exchange.

Revenue received from a non-exchange transaction cannot be deferred unless there is both a performance obligation and a return obligation attached to it. For example where grant or subsidy funding is received without performance obligation then revenue is recognised when receivable. Where a performance obligation exists revenue is recognised upon satisfactory completion of the performance. Revenue from non-exchange transactions received by Council can be summarised as:

### Vested Assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as non-operating, or extraordinary revenue. Assets vested in WDC are recognised as revenue when control over the asset is obtained.

### Provision of services

Non-exchange revenue from the rendering of services consists of services in activities where Council subsidise the activity. Such revenue is recognised by reference to the stage of completion of the transaction at balance date based on the actual service provided as a percentage of the total service to be provided only when there are conditions attached that require the funds to be returned if performance does not occur. Where no conditions are attached revenue is recognised when receivable.

### Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when receivable.

Rates revenue	2017 (\$ 000)	2016 (\$ 000)
<b>Rates levied:</b>		
General Rates	3,203	2,968
Water	1,001	988
Sewerage	1,465	1,393
Waste Management	843	831
Stormwater / Drainage	310	379
Services	747	952
Roading	3,777	3,619
Recreation	866	787
	12,212	11,917
Penalties charged	251	228
	12,463	12,145
Less Remissions	(328)	(368)
	12,135	11,777
Less internal charges	(478)	(370)
<b>Rating revenue per Income Statement</b>	<b>11,657</b>	<b>11,407</b>

### Other Income Disclosures:

Extraordinary and other comprehensive income received by WDC:

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
Gain (Loss) on change in fair value of forestry assets	110	-	110	-
Net gain (Loss) on disposal of property, plant and equipment	2	5	2	5
Net gain (Loss) on Assets not previously recognised	348	-	348	-
Net gain (Loss) on Vested Assets	49	-	49	-
Net gain (Loss) on changes in fair value of loans	60	-	60	-
Net gain (Loss) on changes in fair value of Infrastructure Assets	10,263	-	10,263	-
Net gain (Loss) on changes in fair value of investment property	-	-	-	-
	10,832	5	10,832	5

### Government Grants and Subsidies

WDC receives government grants from New Zealand Transport Agency, which subsidises part of WDC's costs in maintaining the local road infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. Grants received that have not had eligible expenditure recorded are transferred into the next financial year as that grant is not required not be repaid to the issuing agency.

During any year additional subsidies are received for subsidising the costs of constructing assets for the benefit of the community or for passing to the community for supporting cultural and sporting activities, from governmental and other non-governmental agencies. Unexpended subsidies received during the year are transferred into the new financial year.

Revenue received from Government grants and subsidies includes \$3,608,569 (2016: \$6,407,577) relating to grants received where the associated expenditure has been capitalised. Expenditure relating to these projects will be recognised (primarily as depreciation) over the life of the capitalised assets. Cash inflows with respect to these capital grants and the associated cash outflows, are recognised as investing activities in the Statement of Cashflow.

Subsidies received and recognised as revenue in the net deficit for the year were:

Source of Funding	2016/17	2016/17	2016/17	2016/17	2015/16
	Trsf ex 15/16 (\$ 000)	Received (\$ 000)	Trsf to 17/18 (\$ 000)	Net Income (\$ 000)	Net Income (\$ 000)
Land Transport New Zealand - Transport Subsidies	-	6,317	-	6,317	6,474
Ministry of Health	-	1,279	-	1,279	1,325
Health Promotion Agency	10	20	-	30	-
Veteran Affairs	-	3	-	3	3
Creative New Zealand	7	11	4	14	9
SPARC's - Rural Travel Fund	12	10	2	20	10
YROA YNOT					
- Ministry of Social Development	6	-	6	-	10
- Ministry of Youth Development	8	-	7	1	14
- Department of Internal Affairs	6	-	5	1	9
Department of Internal Affairs	-	-	-	-	401
Others	58	-	58	-	24
	<u>107</u>	<u>7,640</u>	<u>82</u>	<u>7,665</u>	<u>8,279</u>

WDC has fulfilled all conditions attached to the Government assistance.

### Interest Revenue

Council recognises interest income on an accrual basis with movements in fair value profits and losses disclosed in the overall income statement as interest on investments. Fair value loss on revaluation of investments for the year ending 30 June 2017 was \$36,750 (2016: \$439,473 Gain).

Income received from investments for the year:

	2016/17	2015/16	2016/17	2015/16
	Council	Council	Group	Group
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Interest on Financial assets at fair value through Profit and Loss	711	776	713	780
Gain / (Loss) in market value and Sales of Bond Portfolio	(37)	242	(37)	242
Cash Dividends Received	140	50	-	-
Other Dividend Adjustments	7	-	7	-
Rental income on other investments	20	11	20	11
Other income	1	1	1	1
	<u>842</u>	<u>1,080</u>	<u>704</u>	<u>1,034</u>

## 3. Expenditure

### Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

## Insurance of Assets

The total insurable value of above ground buildings and plant and equipment of \$75.9m is covered by insurance contracts of \$84.5m. Those are insured under a group policy held in the name of the five Hawke's Bay Councils which has a limit of \$500m for any one event and in the annual aggregate for Natural Disaster Damage.

Motor Vehicles and Mobile Plant are insured for market value.

In general, upon a major disaster the government will provide a 60% subsidy for infrastructure recovery costs. Council must demonstrate that it is able to meet the remaining 40% through insurance and other financial means.

The Council is a member of the New Zealand Local Authority Protection Program Disaster Fund (LAPP Fund) established by the New Zealand Local Government Association Incorporated. The LAPP fund is a mutual pool created by local authorities to cater for the replacement of infrastructure following catastrophic damage by natural disaster. The LAPP Fund is intended to provide coverage for full replacement (i.e. 40%) of infrastructure assets including underground facilities and services for the provision of Water, Stormwater and Wastewater Services, with a fair value of \$45.2m.

Council has an asset value of \$53.3m in declared coverage under the LAPP Fund.

Council does not operate a formal self-insurance scheme or maintain a specific fund for that purpose. Various assets are however not covered by insurance.

Roads and associated assets are not covered by Council's insurance as in the event of a major disaster, support is anticipated to come from Central Government to reinstate the roading network. Other assets including land, playgrounds and sports fields are also not covered by Insurance or any risk sharing arrangements.

Funding of Uninsured Risks and amounts over and above any insurance recovery and Government support would be provided from a combination of reserve funds, debt and the reprioritisation of Council's planned capital and operating expenditure.

## Superannuation

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

## Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they occur.

## Items included in the Calculation of Net Deficit.

The following expenditure items are included in the calculation of the Net Deficit:

			2016/17 Council (\$ 000)	2015/16 Council (\$ 000)
Insurance premiums			312	312
Public ceremonies			12	10
Subscriptions, levies, grants and contributions			527	550
Other disclosures	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
Depreciation - Infrastructural assets	3,430	3,382	3,430	3,382
Depreciation - Operational assets	1,280	916	2,254	1,839
Amortisation charge - Intangible assets	71	83	125	113
Audit fees for financial statements audit	101	114	160	176
Interest paid - bank borrowings	304	293	423	398
Mayor and Councillor fees	214	195	214	195
Impairment of receivables (provision for doubtful debts) (Note 6)	3,928	3,065	3,935	3,069
Lease expenses	40	36	48	49
Loss on disposal of Property, Plant, and Equipment	351	637	356	638
Unrealised (gain) loss on investments	37	-	37	-

## 4. Staff and Elected Members Remuneration

### Chief Executive Officer's Remuneration

The Chief Executive Officer of the WDC is appointed under section 42 of the Local Government Act 2002. The annual salary package, including benefits, is as follows:

Annual Remuneration \$190,350

### Elected Members Remuneration

Elected members remuneration is set by the Remuneration Authority and information is released as required to meet any determination issued by the Authority.

		2016/17 (\$)	2015/16 (\$)
Mayor	C.Little	68,359	71,946
Deputy Mayor	D.Eaglesome	30,282	30,282
Councillor - From 1 July 2016 to 2 November 2016	B.Cairns	8,304	21,630
Councillor - From 18 October 2016	C.Lambert	14,309	-
Councillor	M.Johansen	23,690	23,690
Councillor	H.Flood	23,690	23,690
Councillor	M.Bird	21,630	21,630
Councillor	J.Harker *	23,690	23,690
		<u>213,954</u>	<u>216,558</u>

\* Councillor J Harker is also a senior manager of the Council subsidiary, Quality Roading and Services (Wairoa) Ltd (QRS).

Key management personnel compensation	2016/17 (\$)	2015/16 (\$)
Salaries and other short term benefits	968,647	766,744
Post employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-

Contributions to defined contribution plans are disclosed under other long term benefits, above.

Key Management personnel include the Chief Executive and five senior management personnel (2016: Chief Executive and four senior management personnel).

### Severance Payments

Two severance payments of \$54,902 and \$64,606 were paid in the 2016/17 financial year. There was one severance payment totalling \$27,893 made during the 2016 financial year.

### Employee Staffing Levels and Remuneration

	2016/17	2015/16
Number of full time employees	52	47
Full time equivalent number of all other employees	3.5	4.9
Employees receiving total remuneration < \$60,000	39	32
Employees receiving total remuneration in the band \$60,000 - \$80,000	7	12
Employees receiving total remuneration in the band \$80,000 - \$100,000	9	10
Employees receiving total remuneration in the band \$100,000 - \$200,000	4	5

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
<b>Employee benefit expenses</b>				
Salaries and Wages	3,981	3,737	9,853	9,030
Employer contributions to Superannuation	110	107	237	233
Increase (decrease) in employee benefit liabilities	50	(68)	96	(104)
Total employee benefit expenses	<u>4,141</u>	<u>3,776</u>	<u>10,186</u>	<u>9,159</u>

	2016/17 Council	2015/16 Council	2016/17 Group	2015/16 Group
<b>Employee benefit liabilities</b>				
Accrued pay	96	68	348	336
Annual leave	381	353	784	745
Long service leave	1	3	31	8
Retirement gratuities	103	106	141	90
Sick leave	4	5	13	42
<b>Total employee benefit liabilities</b>	<b>585</b>	<b>535</b>	<b>1,317</b>	<b>1,221</b>
Comprising:				
Current	478	424	1,163	1,047
Non-current	107	111	154	174
<b>Total employee benefit liabilities</b>	<b>585</b>	<b>535</b>	<b>1,317</b>	<b>1,221</b>

## 5. Cash and Cash Equivalents

Cash or cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less.

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
Cash at bank and in hand	111	644	723	1,785
Short term deposits	2,921	3,878	2,921	3,878
<b>Total cash and cash equivalents</b>	<b>3,032</b>	<b>4,522</b>	<b>3,644</b>	<b>5,663</b>

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

## 6. Trade and Other Receivables

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method less an allowance for any uncollectable amounts.

An allowance for uncollectable receivables is established when there is objective evidence that WDC will not be able to collect all amounts due according to the original terms of receivables. The summary of all receivables is:

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
Rates Debtors	3,673	3,338	3,673	3,338
Trade Receivables - Non exchange transactions	3,300	2,548	3,300	2,548
Trade Receivables - Exchange transactions	-	-	1,482	1,218
GST Receivable	307	231	307	231
<b>Gross Trade and Other Receivables</b>	<b>7,280</b>	<b>6,117</b>	<b>8,762</b>	<b>7,335</b>
Less provision for impairment of receivables	(3,928)	(3,065)	(3,935)	(3,069)
<b>Net Trade and Other Receivables</b>	<b>3,352</b>	<b>3,052</b>	<b>4,827</b>	<b>4,266</b>

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of trade and other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers.

Wairoa District Council (WDC) provides for impairment on rates receivable, trade receivables and other debtors. The carrying amount is reduced directly when an asset is determined to be unrecoverable. An allowance for impairment is used when there is a reasonable likelihood



that a debt may be impaired. A reversal to a write-down is made when an impaired debt is subsequently determined to be recoverable.

The age of rates receivables and impairment is as set out in the table below:

	2017 Council and Group			2016 Council and Group		
	Gross Rates Receivable	Impairment	Net	Gross Rates Receivable	Impairment	Net
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Not past due	363	87	276	328	80	248
up to 2 years	1,245	727	518	1,056	627	429
2 to 5 years	914	865	49	883	857	26
over 5 years	1,151	1,140	11	1,071	1,071	-
<b>Total Rate Debtors</b>	<b>3,673</b>	<b>2,819</b>	<b>854</b>	<b>3,338</b>	<b>2,635</b>	<b>703</b>

The impairment provision for rates has been calculated based upon the expected losses for WDC rate debtors. The calculation is based upon the percentage of rates debtors expected to be impaired. The impairment is collective, and reflects the actual impairment of rates debtors over the past three years.

WDC has power under the Local Government (Rating) Act 2002 to recover outstanding debts. WDC can commence legal proceedings within 4 months after due date for payment. If payment has not been received within 3 months of the Court judgement, then WDC can apply to the Registrar of the High Court to have judgement enforced by sale or lease of the rating unit for land that is not Māori freehold land.

WDC provides for impairment on trade receivables and other debtors. The impairment provision has been calculated based upon expected losses for WDC's pool of debtors. Expected losses have been determined based upon an analysis of WDC's losses in previous periods, and a review of specific debtors as detailed below:

	2017 Council			2017 Group		
	Gross (\$ 000)	Impairment (\$ 000)	Net (\$ 000)	Gross (\$ 000)	Impairment (\$ 000)	Net (\$ 000)
Not past due	1,967	-	1,967	2,219	-	2,219
Past due 30 - 60 days	54	-	54	1,235	-	1,235
Past due 60 - 90 days	29	-	29	70	-	70
Past due > 90 days	1,250	1,109	141	1,258	1,116	142
	<b>3,300</b>	<b>1,109</b>	<b>2,191</b>	<b>4,782</b>	<b>1,116</b>	<b>3,666</b>

	2016 Council			2016 Group		
	Gross (\$ 000)	Impairment (\$ 000)	Net (\$ 000)	Gross (\$ 000)	Impairment (\$ 000)	Net (\$ 000)
Not past due	1,289	-	1,289	2,114	-	2,114
Past due 30 - 60 days	388	-	388	575	-	575
Past due 60 - 90 days	198	-	198	288	-	288
Past due > 90 days	673	430	243	789	434	355
	<b>2,548</b>	<b>430</b>	<b>2,118</b>	<b>3,766</b>	<b>434</b>	<b>3,332</b>

WDC holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

Movement in the provision for impairment of receivables is as follows:

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
At 1 July	3,065	2,717	3,069	2,719
Additional provision	863	348	866	350
At 30 June	<b>3,928</b>	<b>3,065</b>	<b>3,935</b>	<b>3,069</b>

## 7. Inventories

Inventories are stated (measured) at the lower of cost (on a first in first out basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The carrying amount of Inventories held for distribution as at 30 June 2017 is:

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
Metal Stocks	-	-	430	710
Water reticulation spare parts	-	3	-	4
Water treatment chemicals	44	53	44	53
Other supplies	14	9	127	115
Work in progress	-	-	93	523
	<u>58</u>	<u>65</u>	<u>694</u>	<u>1,405</u>

The write-down of inventories held for distribution amounted to \$3,921 (2016: \$nil), while reversal of write downs amounted to \$nil (2016: \$nil.) The carrying amount of inventories pledged as security is \$nil (2016: \$nil) and for liabilities is \$nil (2016: \$nil.)

## 8. Financial Assets at Fair Value

WDC classifies its financial assets into the three categories as detailed under A, B and C below. The classification depends on the purpose for which the financial assets were acquired.

Management determines the classification of its financial assets at initial recognition and re-evaluates this classification at each reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss in which case the transaction costs are recognised in the statement of comprehensive revenue and expenditure.

Purchases and sales of financial assets are recognised on trade-date, the date on which WDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and WDC has transferred substantially the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on the quoted market prices at the balance sheet date. The quoted price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. WDC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

### A. Financial assets at fair value through profit and loss

This category has two sub categories: financial assets held for trading, and those designated at fair value through profit and loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Included in this category are short-term investments, which are valued at fair value.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
Stock and Debentures	10,095	11,012	10,095	11,012
Term deposits over 3 months	4,798	3,208	4,798	3,208
	<u>14,893</u>	<u>14,220</u>	<u>14,893</u>	<u>14,220</u>

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the statement of comprehensive revenue and expenditure.

Council has classified its investments as financial assets at fair value through profit and loss. The portfolio includes investments in local authority

and Government stock, registered bank bills and bonds, and corporate stocks and bonds. The reason for the classification is that the investments were acquired for the purpose of selling and trading in the near term, and they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a pattern of short-term profit-taking. In addition, there is a quoted market price in an active market where fair value can be reliably measured.

Financial assets at fair value through profit and loss are designated as such upon initial recognition, because they are managed and their performance is evaluated on a fair value basis, in accordance with WDC investment policy. Information is provided quarterly to Council on the performance of these financial assets.

The fair value of financial assets at fair value through profit and loss has been determined by reference to published price quotations in an active market. The maturity dates for financial assets through profit and loss are detailed in the following table:

Maturity	2016/17	2015/16	2016/17	2015/16
	Council (\$ 000)	Council (\$ 000)	Group (\$ 000)	Group (\$ 000)
One year or less	7,060	3,977	7,060	3,977
Weighted average interest rate	4.11%	3.82%	4.11%	3.82%
Between one and five years	5,845	7,487	5,845	7,487
Weighted average interest rate	5.11%	5.34%	5.11%	5.34%
Over five years	1,988	2,756	1,988	2,756
Weighted average interest rate	4.35%	4.35%	4.35%	4.35%
	14,893	14,220	14,893	14,220

The stocks and debentures are local authority stocks, and commercial bonds that are actively traded. The coupon rates vary from 3.78% to 6.42% with yields from 2.27% to 5.28%. Purchases and sales are accounted for at settlement date. These assets are exposed to cash flow interest rate risk.

## B. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Community loans are included at amortised cost.

Interest-bearing loans are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

During the year WDC re-recognised a mortgage granted to the Wairoa Museum Trust Board in 2001. This loan had previously been revalued to \$Nil in 2007, and the asset has been re-recognised in this financial year at the original value and conditions set out in the mortgage document.

	2016/17	2015/16	2016/17	2015/16
	Council (\$ 000)	Council (\$ 000)	Group (\$ 000)	Group (\$ 000)
Te Matarae o Te Wairoa Trust	30	60	30	60
Wairoa Museum Trust	60	-	60	-
	90	60	90	60

The maturity dates and effective rates of interest for loans receivables are:

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
Less than one year	90	30	90	30
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
Later than one year but less than two years	-	30	-	30
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
	90	60	90	60

Gains and losses when the asset is impaired, re-recognised or derecognised are recognised in the statement of comprehensive revenue and expenditure.

There were no impairment provisions for Loans and Other Receivables.

The carrying value of community loans approximates their fair value and is \$90,247 (2016: \$60,247).

### C. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available for sale or not designated in any of the other categories. Available-for-sale financial assets are re-measured at fair value with gain or loss recognised in other comprehensive revenue and expense and accumulated in the available-for-sale reserve in equity with the exception of impairment losses that are recognised in the statement of comprehensive revenue and expenditure. In the event of impairment, any cumulative losses previously recognised in equity, will be removed from equity and recognised in the statement of comprehensive revenue and expenditure, even though the asset has not been derecognised.

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
NZ Local Government Insurance Ltd	23	23	23	23

### Impairment of Financial Assets

At each balance date WDC assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of comprehensive revenue and expenditure.

#### *Loans and Other Receivables*

Impairment of a loan or receivable is established when there is objective evidence that WDC will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For trade and other receivables, the carrying amount of the asset is reduced through the use of a doubtful debt provision, and the amount of the loss is recognised in the statement of comprehensive revenue and expenditure. When the receivable is uncollectible, it is written off against the debtor account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, Government stock and community loans, impairment losses are recognised directly against the instruments carrying amount. Impairment is established when there is objective evidence that WDC will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

#### *Quoted and unquoted equity investments*

A significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists the cumulative loss is removed from equity and recognised in the statement of comprehensive revenue and expenditure. Impairment losses recognised in the statement of comprehensive revenue and expenditure are not reversed through the statement of comprehensive revenue and expenditure.

## 9. Income Tax

Income 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 substantially enacted by balance date.

Deferred income tax is provided on all temporary differences at the balance 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 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 the 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 carry-forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arose 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 the taxable profit or loss.

Current and deferred tax is charged or credited to the statement of comprehensive revenue and expenditure, except when it relates to items charged or credited directly to equity, in which case the tax is charged or credited directly to equity.

	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
Current tax expense	(34)	163
Adjustments to current tax in prior years	-	-
Reduction in tax rate	-	-
Deferred tax expense	(25)	(43)
Income tax expense	<u>(59)</u>	<u>120</u>
Total Group Income	(1,059)	340
Less Non assessable income	(849)	(87)
Assessable income	<u>(210)</u>	<u>427</u>
Tax @ 28%	(59)	120
Plus taxation effect of permanent differences	-	-
Imputation credit adjustment	-	-
Reduction in tax rate	-	-
Non deductible expenses	-	-
Less prior period taxation	<u>-</u>	<u>-</u>
Income tax expense at effective rate of 28%	<u>(59)</u>	<u>120</u>
	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
<b>The major components of taxation expense are:</b>		
Current taxation	(34)	163
Deferred taxation	(25)	(43)
Reduction in tax rate	-	-
	<u>(59)</u>	<u>120</u>
<b>Deferred Tax Asset</b>		
Opening Balance	293	256
Current year charge	59	43
Use of Prior Year Recognised Loss and Other Movement not Recognised	-	(6)
Closing Balance	<u>352</u>	<u>293</u>

Deferred Income Tax as at 30 June 2017 relates to the following

	Balance Sheet		Income Statement	
	Group		Group	
	2016/17	2015/16	2016/17	2015/16
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
<b>Deferred tax liabilities</b>				
Contract retentions	86	92	6	56
Future amortisation	14	5	(9)	1
Gross deferred tax liabilities	100	97	(3)	57
<b>Deferred tax assets</b>				
Doubtful Debts	3	1	1	-
<u>Provisions</u>				
Annual leave	98	89	8	7
Staff gratuities	10	20	(9)	(4)
Sick leave	4	6	(1)	4
Time in lieu	34	21	13	2
Long service leave	8	7	1	(2)
Aftercare	40	43	(3)	2
ACC Premiums	8	6	1	(6)
Recognised tax losses	25	-	25	-
Maintenance accruals	69	-	69	(1)
Construction accruals	13	32	(19)	(13)
Future depreciation	140	165	(24)	(3)
Deferred tax assets	452	390	62	(14)
<b>Net deferred tax assets</b>	352	293		
<b>Deferred tax income (expense)</b>			59	43

## 10. Trade and Other Payables

### Trade and Other Payables

Trade and Other Payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value approximates their fair value.

### Employee Benefits

#### *Short-term benefits*

Employee benefits which WDC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months and sick leave.

WDC recognises a liability for sick leave based on entitlements accrued at balance date, which WDC expects employees to use in future periods. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that WDC anticipates it will be used by staff to cover for future absences.

#### *Long-Term Employee Entitlements*

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based upon years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlement information;
- The present value of the estimated future cash flows.

The discount rate is based upon the weighted average of interest rates for Government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based upon the expected long-term increase in remuneration for employees.

### Superannuation

Defined Contribution Pension Plan obligations are recognised as an expense in the statement of comprehensive revenue and expenditure as incurred.

### Provisions

WDC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditure will be required to settle the obligation, and a reliable estimate can be made of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

### Prepaid Income

Any exchange or non-exchange trade receivable where an overpayment of the account has been recorded is reclassified as a trade payable. The carrying amount is the actual amount of overpayment and is considered to be the fair value.

Trade and other payables as at 30 June 2017 are:

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
Trade Payables	3,161	2,832	2,695	3,104
Employee Entitlements	500	550	1,231	1,231
GST Payable	-	-	225	36
Prepayments - Rates	352	259	352	259
Prepayments - Other debtors	311	101	311	101
	<u>4,324</u>	<u>3,742</u>	<u>4,814</u>	<u>4,731</u>
Less non-current portion of employee entitlements	<u>(107)</u>	<u>(111)</u>	<u>(154)</u>	<u>(174)</u>
	<u><u>4,217</u></u>	<u><u>3,631</u></u>	<u><u>4,660</u></u>	<u><u>4,557</u></u>
<b>Trust funds and deposits</b>				
Deposits	246	270	246	270
Trust funds	4	4	4	4
	<u>250</u>	<u>274</u>	<u>250</u>	<u>274</u>
<b>Trade and Other Payables</b>	<u><u>4,467</u></u>	<u><u>3,905</u></u>	<u><u>4,910</u></u>	<u><u>4,831</u></u>

The trust funds are restricted cash with their purpose limited to use by the following groups:-

Safer Community Committee	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
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## 11. Property, Plant and Equipment

Property, plant and equipment consists of:

Operational assets – these include land, buildings, library books, furniture, office equipment and motor vehicles

Restricted assets – restricted assets are parks and reserves owned by WDC that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets - infrastructure assets are the roads, bridges and fixed utility systems owned by WDC. Each asset class includes all items that are required for the network to function; for example, sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

### Additions

Additions of items of property, plant and equipment are recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

### Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the statement of comprehensive revenue and expenditure. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that the future economic benefits or service potential associated with the item will flow to WDC and the cost of the item can be measured reliably.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment for WDC other than land, at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives.



Our subsidiary company QRS Ltd. uses the diminishing value basis for depreciating plant, equipment and motor vehicles, office equipment and furniture, and computer hardware.

The useful lives and associated depreciation rates of major assets have been estimated as follows:

#### Property, Plant and Equipment

Estimated Life	Years
Quarries	30–40
Buildings	30–40
Other improvements	10–50
Plant, Equipment and Vehicles	4–10
Library Collection	2–10
Office Equipment, Furniture and Fittings	5–10
Computer Equipment	4–5

SEWERAGE	Life years	STORMWATER	Life years
Structures	50	Reticulation piping	50-100
Oxidation ponds	40	Culverts	50-120
Pipes	80-120	Manholes/sumps	50-100
Manholes	80	Open Drains	Not depreciated
Pumps	10-35		
Plant	10-35		
Resource consents	25		
WATER SUPPLY	Life years	ROADS	Life years
Structures	50	Top surface (seal)	14
Pumps	15-35	Basecourse	Not depreciated
Reticulation piping	60-120	Formation	Not depreciated
Meters	20	Bridges	20-80
Hydrants	40	Footpaths	15-40
Resource consents	20-25	Kerbs	50
Reservoirs	80-100	Streetlights (poles)	50

Application of the estimated useful economic lives of assets is subject to change depending on the individual circumstances of the asset, particularly when assets are revalued and the valuers provide an annual depreciation figure.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

#### Policy on Replacement of Assets Compliance with Local Government Act 2002

The following policy was consulted on in 1999 and reconfirmed on 30th August, 2006 with regards to Depreciation.

The Local Government Act 2002 requires all territorial local authorities to fund the loss of service potential (i.e. depreciation). WDC has reviewed its assets and advises that the following assets will be depreciated but not funded for replacement.

1. Community halls
2. Housing
3. Ruakituri and Tuai fire appliances (Assets transferred to Fire and Emergency New Zealand 1 July 2017)
4. Camping ground
5. Roothing (New Zealand Transport Agency (NZTA) subsidised portion of roading)
6. Community Centre
7. Loan-funded assets including the Māhia and Opoutama wastewater systems.

The above assets will be maintained on an ongoing basis at a level that meets the needs of the community. Where appropriate Council will cover each asset with insurance cover for fire, earthquake and natural catastrophe.

The effects of this decision are that:

1. The current assets will be available for many years to come.
2. Once an asset reaches the point where it is considered unsafe to use then that asset will be removed. Any decision to provide a replacement service will be considered as a new service at that time and will be the subject of consultation.
3. Should any asset under this policy be the subject of an insurance claim then, prior to reinstatement, Council will decide whether reinstatement of the asset should proceed or whether the service should be discontinued at the time of loss.

4. By not funding loss of service potential (depreciation) there is a reduction in rates payable by the present ratepayers.

**2016/17 Depreciation not funded:**

	BUDGET \$	ACTUAL \$
1. Community halls	5,690	6,819
2. Housing	4,421	4,608
3. Ruakituri and Tuai fire appliances	17,752	12,976
4. Camping ground	8,658	7,590
5. Roothing (NZTA subsidised portion of roading)	1,695,458	1,667,441
6. Community Centre	400,820	376,872
7. Loan-funded assets including the Māhia wastewater system and the Oputama sewerage system.	455,409	160,153
8. Other Assets	47,520	22,378
	\$2,635,728	\$2,258,837

**Revaluation**

Those asset classes that are revalued are valued on a three yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If there is a material difference then a revaluation is performed.

Increases in assets carrying amounts, due to revaluation, are recorded in other comprehensive income and credited to the assets revaluation reserves in equity. Decreases in asset carrying amounts decrease revaluation reserves in equity only to the extent that the class of asset has sufficient reserves to absorb the reduction. All other decreases are charged to the income statement. If a revaluation increases reverses a decrease previously recognised in the statement of comprehensive revenue and expenditure, the increase is recognised first in the statement of comprehensive revenue and expenditure to reverse any previous reduction.

*Operational land and buildings*

Operational land and buildings were valued at fair value effective from 30 June 2005. WDC has elected to use the fair value of operational land and buildings as at 30 June 2005 as deemed cost. Operational land and buildings are no longer revalued.

*Restricted land and buildings*

Restricted land and buildings were valued at fair value effective from 30 June 2005. WDC has elected to use the fair value of restricted land and buildings as at 30 June 2005 as deemed cost. Restricted land and buildings are no longer revalued.

*Infrastructure asset classes: roads, water reticulation, sewerage reticulation and stormwater systems:*

Infrastructure assets are carried at fair value on a depreciated replacement cost (DRC) basis as assessed by an independent valuer. At balance date WDC assesses the carrying values of its infrastructure assets to ensure that they do not differ materially from the assets' fair value. If there is a material difference, then the off-cycle asset classes are revalued. Any additions since valuation are carried at depreciated cost.

*Land under roads*

Land under roads was valued on the basis of fair value of adjacent land as at 30 June 2005. WDC has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost.

**Impairment of property, plant and equipment and intangible assets**

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash flows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of comprehensive revenue and expenditure.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of comprehensive revenue and expenditure.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the statement of financial performance.

### **Critical Accounting Estimates and Assumptions**

#### *Infrastructure Assets*

There are a number of assumptions and estimates used when performing DRC valuations of infrastructure assets. These include:

- The physical deterioration and condition of an asset, for example the council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset then WDC could be over-or-under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expenditure.

To minimise this risk WDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of WDC's asset management planning activities, which give WDC further assurance over its useful life estimates.

Experienced independent valuers perform Council's infrastructural asset revaluations.

Property, Plant and Equipment as at 30 June 2017 - Council

Description	Cost/Revaluation	Accumulated	Carrying	Revaluation	Current	Current	Current	Current	Current	Current	Depreciation	Carrying	Cost/	Accumulated
	30 June 2016	Depreciation	Amount	(\$ 000)	Year	Year	Year	Year	Year	Year	and Impairment	Amount	Revaluation	Depreciation
	(\$ 000)	and Impairment	30 June 2016	(\$ 000)	Disposals	Disposals	Disposals	Disposals	Disposals	Disposals	Charges	30 June 2017	(\$ 000)	and Impairment
	(\$ 000)	Charges	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	30 June 2017	(\$ 000)	(\$ 000)	Charges
		30 June 2016												
		(\$ 000)												
Land	4,158	2	4,156	-	1	376	15	1	4,545	3		4,548		
Buildings	12,558	2,273	10,285	-	24	365	108	393	10,348	2,659		13,007		
	16,716	2,275	14,441	-	25	741	123	394	14,893	2,662		17,555		
Other Improvements	3,344	1,846	1,498	-	3	81	-	-63	1,413	2,009		3,422		
Vehicles	1,050	759	291	-	34	167	(28)	103	383	800		1,183		
Furniture and Office Equipment	2,758	1,645	1,113	-	18	265	276	564	1,090	2,191		3,281		
Fixtures and Fittings	68	53	15	-	-	-	-	7	8	60		68		
Library Collections	486	378	107	-	-	36	-	49	95	427		522		
	7,706	4,681	3,024	-	55	549	248	885	2,989	5,487		8,476		
Roading	168,152	3,872	164,280	11,357	232	41	1,233	-	1,797	174,881		174,881		
Land under Roads	5,344	-	5,344	-	-	-	-	-	5,344	5,344		5,344		
Bridges	19,693	1,144	18,549	61	149	400	-	585	18,284	18,284		18,284		
Water Supply-Treatment Plant & Facilities	6,679	338	6,342	(263)	-	34	-	182	5,931	5,931		5,931		
Water Supply-Other Assets	13,828	575	13,253	163	-	35	-	289	13,163	13,163		13,163		
Sewerage - Treatment Plant & Facilities	9,802	594	9,208	(1,939)	-	5	-	225	7,048	7,048		7,048		
Sewerage - Other Assets	7,562	304	7,258	571	-	240	-	156	7,913	7,913		7,913		
Stormwater	5,493	340	5,153	265	-	111	-	171	5,357	5,357		5,357		
Parking	390	50	340	48	-	-	-	25	363	363		363		
	236,943	7,217	229,727	10,263	381	50	2,058	3,430	238,284	238,284		238,284		
Capital Work in Progress	1,850	-	1,850	-	-	1,647	(217)	-	3,280	3,280		3,280		
TOTAL	263,215	14,173	249,042	10,263	461	109	4,995	154	259,446	267,595		267,595		8,149

The Council considers the carrying amount of assets is an indication of their fair value.

During the 2015/16 year Other Improvements were adjusted for an increase in the Landfill Aftercare Asset, however the Closing Cost and Accumulated Depreciation where understated by \$439,389 due to this adjustment. This has been corrected by increasing the Opening Cost and Accumulated Depreciation for Other Improvements in this report. The 2016 Table on page 125 has not been amended and reflects the position as published in the 2015/16 Financial Statements.

Property, Plant and Equipment as at 30 June 2017 - Group

Description	Carrying Amount at 30/06/2017 Represented By											
	Cost/Revaluation 30 June 2016 (\$ 000)	Accumulated Depreciation and Impairment Charges 30 June 2016 (\$ 000)	Carrying Amount 30 June 2016 (\$ 000)	Revaluation	Current Year Disposals (\$ 000)	Current Year Accumulated Disposals (\$ 000)	Current Year Additions Constructed Assets (\$ 000)	Current Year Additions Transferred Assets (\$ 000)	Depreciation and Impairment Charges 30 June 2017 (\$ 000)	Carrying Amount 30 June 2017 (\$ 000)	Cost/ Revaluation (\$ 000)	Accumulated Depreciation and Impairment Charges (\$ 000)
Land	4,457	11	4,446	-	1	-	478	15	7	4,931	4,949	18
Buildings	13,077	2,577	10,500	-	24	7	371	108	409	10,553	13,532	2,979
	17,534	2,588	14,946	-	25	7	849	123	416	15,484	18,481	2,997
Other Improvements	3,344	1,846	1,498	-	3	-	81	-	163	1,413	3,422	2,009
Vehicles	13,917	9,998	3,919	-	354	343	1,397	(28)	944	4,389	14,960	10,571
Furniture and Office Equipment	3,690	2,180	1,510	-	26	20	368	276	675	1,472	4,307	2,835
Fixtures and Fittings	68	53	15	-	-	-	-	-	7	8	68	60
Library Collections	486	378	108	-	-	-	36	-	49	95	522	427
	21,505	14,455	7,050	-	383	363	1,882	248	1,838	7,377	23,279	15,902
Roading	167,283	3,872	163,411	11,357	232	41	1,244	-	1,797	174,024	174,024	-
Land under Roads	5,344	-	5,344	-	-	-	-	-	-	5,344	5,344	-
Bridges	19,693	1,144	18,549	61	149	9	400	-	585	18,284	18,284	-
Water Supply - Treatment Plant & Facilities	6,679	338	6,341	(263)	-	-	34	-	182	5,931	5,931	-
Water Supply - Other Assets	13,828	575	13,253	163	-	-	35	-	289	13,163	13,163	-
Sewerage - Treatment Plant & Facilities	9,802	594	9,208	(1,939)	-	-	5	-	225	7,048	7,048	-
Sewerage - Other Assets	7,562	304	7,258	571	-	-	240	-	156	7,913	7,913	-
Stormwater	5,493	340	5,153	265	-	-	111	-	171	5,358	5,358	-
Parking	390	50	340	48	-	-	-	-	25	363	363	-
	236,074	7,217	228,857	10,263	381	50	2,069	-	3,430	237,428	237,428	-
Capital Work in Progress	1,850	-	1,850	-	-	-	1,647	(217)	-	3,280	3,280	-
TOTAL	276,963	24,260	252,703	10,263	789	420	6,447	154	5,684	263,569	282,468	18,899

The Council considers the carrying amount of assets is an indication of their fair value.

Property, Plant and Equipment as at 30 June 2016 - Council

Description	Carrying Amount at 30/06/2016 Represented By										
	Cost/Revaluation 30 June 2015 (\$ 000)	Accumulated Depreciation and Impairment Charges 30 June 2015 (\$ 000)	Carrying Amount 30 June 2015 (\$ 000)	Revaluation (\$ 000)	Current Year Disposals (\$ 000)	Current Year Accumulated Depreciation Disposals (\$ 000)	Current Year Additions Assets Constructed (\$ 000)	Current Year Additions Assets Transferred (\$ 000)	Depreciation and Impairment Charges 30 June 2016 (\$ 000)	Carrying Amount 30 June 2016 (\$ 000)	Cost/ Revaluation (\$ 000)
Land	4,117	1	4,116	-	-	41	-	1	4,156	4,158	2
Buildings	10,521	1,919	8,603	-	27	2,064	-	362	10,286	12,558	2,273
	14,638	1,920	12,718	-	27	2,105	-	363	14,442	16,716	2,275
Other Improvements	2,546	1,261	1,284	-	0	360	-	145	1,498	2,905	1,407
Vehicles	1,032	817	215	-	164	181	-	79	291	1,050	759
Furniture and Office Equipment	2,649	1,534	1,116	-	165	274	-	275	1,113	2,758	1,645
Fixtures and Fittings	68	44	24	-	-	-	-	9	15	68	53
Library Collections	449	333	115	-	-	37	-	45	107	486	378
	6,743	3,989	2,754	-	329	852	-	553	3,025	7,266	4,241
Roading	166,622	2,111	164,511	-	362	1,891	-	1,773	164,280	168,152	3,872
Land under Roads	5,344	-	5,344	-	-	-	-	-	5,344	5,344	-
Bridges	18,829	573	18,256	-	180	1,044	-	577	18,549	19,693	1,144
Water Supply - Treatment Plant & Facilities	6,477	162	6,315	-	9	212	-	176	6,341	6,679	338
Water Supply - Other Assets	13,744	287	13,457	-	9	93	-	288	13,254	13,828	575
Sewerage - Treatment Plant & Facilities	9,624	362	9,262	-	20	199	-	233	9,208	9,802	594
Sewerage - Other Assets	7,377	165	7,212	-	20	205	-	139	7,258	7,562	304
Stormwater	5,408	170	5,238	-	9	94	-	170	5,153	5,493	340
Parking	390	25	365	-	-	-	-	25	340	390	50
	233,814	3,855	229,959	-	609	3,738	-	3,382	229,726	236,943	7,217
Capital Work in Progress	612	-	612	-	-	1,850	(612)	-	1,850	1,850	-
TOTAL	255,806	9,763	246,043	-	965	8,545	(612)	4,297	249,042	262,774	13,733

The Council considers the carrying amount of assets is an indication of their fair value.

Property, Plant and Equipment as at 30 June 2016 - Group

Description	Cost/Revaluation 30 June 2015		Accumulated Depreciation and Impairment Charges 30 June 2015		Carrying Amount 30 June 2015	Revaluation (\$ 000)	Current Year Disposals (\$ 000)	Current Year Accumulated Disposals (\$ 000)	Current Year Additions Constructed Assets (\$ 000)	Current Year Additions Transferred Assets (\$ 000)	Depreciation and Impairment Charges 30 June 2016 (\$ 000)	Carrying Amount 30 June 2016 (\$ 000)	Cost/ Revaluation (\$ 000)	Accumulated Depreciation and Impairment Charges (\$ 000)
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)										
Land	4,395	9	4,386	-	-	-	-	62	-	-	1	4,447	4,457	11
Buildings	11,040	2,207	8,833	-	27	8	2,064	-	377	-	377	10,500	13,077	2,577
	15,436	2,216	13,219	-	27	8	2,126	-	379	-	379	14,947	17,534	2,587
Other Improvements	2,546	1,261	1,284	-	0	-	360	-	145	-	145	1,498	3,344	1,846
Vehicles	13,603	9,615	3,989	-	574	509	887	-	892	-	892	3,918	13,917	9,998
Furniture and Office Equipment	3,413	1,976	1,437	-	165	164	442	-	369	-	369	1,509	3,690	2,180
Fixtures and Fittings	68	44	24	-	-	-	-	-	9	-	9	15	68	53
Library Collections	449	333	115	-	-	-	37	-	45	-	45	107	486	378
	20,078	13,229	6,849	-	739	673	2,165	-	1,899	-	1,899	7,048	21,504	14,455
Roading	165,848	2,111	163,737	-	362	12	1,796	-	1,773	-	1,773	163,411	167,283	3,872
Land under Roads	5,344	-	5,344	-	-	-	-	-	-	-	-	5,344	5,344	-
Bridges	18,829	573	18,256	-	180	6	1,044	-	577	-	577	18,549	19,693	1,144
Water Supply -Treatment Plant & Facilities	6,477	162	6,315	-	9	0	212	-	176	-	176	6,341	6,679	338
Water Supply-Other Assets	13,744	287	13,457	-	9	0	93	-	288	-	288	13,254	13,828	575
Sewerage - Treatment Plant & Facilities	9,624	362	9,262	-	20	1	199	-	233	-	233	9,208	9,802	594
Sewerage -Other Assets	7,364	152	7,212	-	20	0	205	-	139	-	139	7,258	7,549	291
Stormwater	5,408	170	5,238	-	9	0	94	-	170	-	170	5,153	5,493	340
Parking	390	25	365	-	-	-	-	-	25	-	25	340	390	50
	232,881	3,696	229,185	-	609	19	3,643	-	3,382	-	3,382	228,858	235,915	7,058
Capital Work in Progress	612	-	612	-	-	-	1,850	(612)	-	-	-	1,850	1,850	-
TOTAL	269,006	19,141	249,865	-	1,375	700	9,783	(612)	5,660	-	5,660	252,703	276,803	24,100

The Council considers the carrying amount of assets is an indication of their fair value.

## Note 11 Cont.

Roading, bridges, and parking infrastructural assets are valued using the optimised depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the optimised depreciated replacement cost method. These include:

Estimating any obsolescence or surplus capacity of the asset.

Estimating the replacement cost of the asset. The replacement cost is derived by multiplying assets quantities by appropriate construction cost unit rates and including allowances for other costs.

Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions (e.g., weather patterns and traffic growth). If useful lives do not reflect the actual consumption of the benefits of the asset, then Wairoa District Council could be over, or underestimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expenditure. To minimise this risk, infrastructural asset useful lives have been determined with reference to the International Infrastructure Management Manual and adjusted where local knowledge and experience suggests this is appropriate.

The most recent valuation for roading, bridges and parking was performed by Tui Craven and reviewed by Thayalan Sivachelvan, both of Opus International Consultants Ltd. The valuation had an effective date of 30 June 2017.

Water Networks, Wastewater Treatment Plants, and Wastewater Pump Stations are valued using the optimised depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the optimised depreciated replacement cost method. These include:

Estimating the replacement cost of the asset. The replacement cost is derived using the cost data from Council's maintenance contractor (where available) or from similar local authorities in the lower North Island.

Estimates of the remaining useful life over which the asset will be depreciated. Useful lives were estimated by comparing the 2014 valuation useful lives with NZ Infrastructure Asset Valuation and Depreciation Guidelines 2006 and with useful lives from other similar local authorities in the lower North Island.

The most recent valuation for Water Networks, Wastewater Treatment Plants, and Wastewater Pump Stations was performed by Duncan Kerr and reviewed by John Vessey and Brian Jones, all of Opus International Consultants Ltd. The valuation had an effective date of 30 June 2017.

The carrying value of assets are the assessed fair value of the assets as per the conclusions of the revaluation reports.

## 12. Intangible Assets

### *Software acquisition and development*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by WDC are recognised as an intangible asset. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

### *Trademarks*

A trademark is an exclusive right to use a phrase or term that has been approved on application by the New Zealand Intellectual Property Office. WDC owns three phrases, "Space Coast Aotearoa", "Space Coast New Zealand" and "Earth Base One". Acquired trademarks are capitalised on the basis of the costs incurred to acquire the specific trademark, which is considered to reflect the fair market value of the assets.

### *Amortisation*

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use, and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive revenue and expenditure.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	3 years	33%
Trademarks	Unlimited	Nil



	2016/17 Council Software (\$ 000)	2015/16 Council Software (\$ 000)	2016/17 Group Software (\$ 000)	2015/16 Group Software (\$ 000)
Opening Balance				
Cost	717	681	1,286	1,135
Accumulated amortisation and impairment	(607)	(524)	(965)	(860)
Opening carrying value	<u>110</u>	<u>157</u>	<u>321</u>	<u>275</u>
Additions	92	36	191	159
Amortisation charge	(71)	(83)	(125)	(113)
Closing carrying amount	<u>131</u>	<u>110</u>	<u>387</u>	<u>321</u>
	2016/17 Council Trademarks (\$ 000)	2015/16 Council Trademarks (\$ 000)	2016/17 Group Trademarks (\$ 000)	2015/16 Group Trademarks (\$ 000)
Opening Balance				
Cost	12	-	12	-
Accumulated amortisation and impairment	-	-	-	-
Opening carrying value	<u>12</u>	<u>-</u>	<u>12</u>	<u>-</u>
Additions	-	12	-	12
Amortisation charge	-	-	-	-
Closing carrying amount	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>

### 13. Biological Assets – Forestry

Forestry assets are independently valued triennially at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and taking into consideration environmental, operational and market restrictions.

Gains or losses arising on the initial recognition of biological assets at fair value less estimated sale costs and from a change in fair value less estimated point of sale costs are recognised in the statement of comprehensive revenue and expenditure. The costs to maintain forestry assets are included in the statement of comprehensive revenue and expenditure.

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
Balance at 1 July	150	150	150	150
Increases due to purchase	-	-	-	-
Gains (losses) arising from changes in fair value	110	-	110	-
Balance at 30 June	<u>260</u>	<u>150</u>	<u>260</u>	<u>150</u>

WDC owns 29.3 hectares (2016: 29.3 hectares) of forest, mostly Pinus radiata, which are at varying stages of maturity ranging from 3 to 25 years.

Independent Valuers Telfer Young Ltd (Hawkes Bay), have valued forestry assets as at 30<sup>th</sup> June 2017. This reflects the fair value as at 30<sup>th</sup> June 2017.

## Financial risk management strategies

WDC is exposed to financial risks arising from changes in timber prices. WDC is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, and therefore has not taken any measures to manage the risks of a decline in timber prices. WDC reviews its outlook for timber prices regularly in considering the need for active financial risk management.

## 14. Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Investment property is measured initially at its cost including transaction costs.

After initial recognition, WDC measures all investment property at fair value as determined annually by an independent valuer. Gains or losses arising from changes in fair values of investment properties are included in the statement of comprehensive revenue and expenditure.

Investment properties are derecognised when they have been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

Any gains or losses on derecognition of an investment property are recognised in the statement of comprehensive revenue and expenditure in the year of derecognition.

There have been no movements in investment property this year.

## 15. Investments in Subsidiary

WDC has a 100% interest in QRS Ltd, and its reporting date is 30 June. The investment in subsidiary is carried at cost less any impairment charges in WDC's own "parent entity" financial statements.

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
Quality Roding and Services (Wairoa) Ltd	1,250	1,250	-	-

QRS Ltd is an unlisted company and, accordingly, there are no published price quotations to determine the fair value of this investment.

## 16. Borrowings

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless WDC has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
<b>Current Portion</b>				
Secured Loans	12	10	1,033	765
Debentures	-	-	-	-
<b>Total Current Portion</b>	<u>12</u>	<u>10</u>	<u>1,033</u>	<u>765</u>
<b>Non Current Portion</b>				
Secured Loans	5,012	5,024	5,980	5,807
<b>Total Borrowings</b>	<u>5,024</u>	<u>5,034</u>	<u>7,013</u>	<u>6,572</u>

### Maturity Analysis and effective interest rates

The following is a maturity analysis of WDC's borrowings. There are no early repayment options.

	2016/17 Secured Loans Council (\$ 000)	2015/16 Secured Loans Council (\$ 000)	2016/17 Secured Loans Group (\$ 000)	2015/16 Secured Loans Group (\$ 000)
Less than one year	12	10	1,033	765
<i>weighted average effective interest rate</i>	16.43%	16.43%	6.45%	7.15%
Later than one year but less than two years	5,012	12	5,980	795
<i>weighted average effective interest rate</i>	6.07%	16.43%	6.25%	7.15%
Later than two years but less than five years	-	5,012	-	5,012
<i>weighted average effective interest rate</i>	0.00%	6.05%	0.00%	6.12%
Later than five years	-	-	-	-
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
	<u>5,024</u>	<u>5,034</u>	<u>7,013</u>	<u>6,572</u>

### Fair Value of borrowings

	Carrying Amounts		Fair Values	
	2016/17 (\$ 000)	2015/16 (\$ 000)	2016/17 (\$ 000)	2015/16 (\$ 000)
Secured Loans - Wairoa District Council	5,024	5,034	5,024	5,034
Secured Loans - Group	7,013	6,572	7,013	6,572

The fair values are based on cash flows discounted using a rate based on the borrowing rate of 6.05% Council (2016: 6.05%) and 6.28% Group (2016: 7.15%) The carrying amounts of borrowings repayable within one year approximate their fair value. WDC does not have any floating rate debt.

### Security

WDC's loans are secured over either separate or general rates of the district. Our subsidiary company Quality Rooding and Services (Wairoa) Limited has term loans secured over various plant items financed through the loan facility.

### Internal Borrowing

WDC manages its borrowings in accordance with its funding and financial policies which includes a Liability Management Policy. These policies have been adopted as part of the WDC's Long-Term Plan.

The Council holds Internal Borrowings for the following groups of Activities:

Activity Group	Balance 2015/16 (\$ 000)	Borrowed in Year 2016/17 (\$ 000)	Repaid in Year 2016/17 (\$ 000)	Balance 2016/17 (\$ 000)
Water Supply	1,780	-	-	1,780
Stormwater and Drainage	1,222	111	-	1,333
Wastewater	1,416	-	-	1,416
Waste Management	722	-	-	722
Community Facilities	1,770	162	-	1,932
Leadership and Governance	-	113	-	113
Planning and Regulatory	159	10	41	128
Property	189	5	2	192
Support Services	50	79	-	129
	<u>7,308</u>	<u>480</u>	<u>43</u>	<u>7,745</u>

The Council uses an assumed Internal Interest Rate of 6% in relation to Internal borrowing amounts. Interest charges for the year are:

Activity Group	Interest Charged
	2016/17 (\$ 000)
Water Supply	107
Stormwater and Drainage	80
Wastewater	85
Waste Management	43
Community Facilities	116
Leadership and Governance	7
Planning and Regulatory	8
Property	11
Support Services	8
	465

## 17. Landfill and Quarry Aftercare Provision

The Council has provided for aftercare of the Wairoa and Mahia landfills where such a liability exists. Council has a liability under the Resource consent issued by the Hawke's Bay Regional Council until 2031. This provides for ongoing maintenance and monitoring of the Wairoa landfill until 2031.

The cash outflows for landfill post-closure are expected to occur within the next 29 years. There are inherent uncertainties due to the long-term nature of the liability. The costs have been estimated using existing technology with a discount rate of 3.00%. (2015/16: 5.27%)

### Critical Accounting Estimates and Assumptions

#### Landfill Aftercare

This note discloses an analysis of the exposure of WDC in relation to the estimates and uncertainties surrounding the landfill aftercare provision. WDC has assumed that the aftercare provision for Wairoa Landfill is operative until 2045, based upon the resource consent issued by the Hawke's Bay Regional Council which will need to be extended in 2031. WDC has a responsibility under the resource consent to provide for ongoing maintenance and monitoring of the landfill site.

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
Balance at 1 July	756	478	756	478
Provided (released) during the year - Wairoa	(39)	286	(39)	286
Provided (released) during the year - Mahia	(9)	(8)	(9)	(8)
Balance at 30 June	708	756	708	756

#### Quarry aftercare provision

Quality Roding and Services (Wairoa) Ltd have provided for the reinstatement of Quarries where such liability exists. The costs have been estimated using existing technology at current prices.

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
Balance at 1 July	-	-	155	145
Provided during the year	-	-	3	10
Expenditure during the year	-	-	(15)	-
Balance at 30 June	-	-	143	155

## 18. Equity

Equity is the community's interest in WDC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of the reserves are:

- Retained earnings
- Restricted reserves
- Property plant and equipment reserves
- Fair value through equity reserves

### Restricted & Council Created Reserves (Council Only)

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by WDC.

Restricted reserves are those subject to specific conditions accepted as binding by WDC and which may not be revised by WDC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to or from these reserves are at the discretion of the Council.

WDC's objectives, policies, and processes for managing capital are described as:

- Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.
- The Local Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, liabilities, investments and general financial dealings.
- The object of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by Council. Intergenerational equity requires today's ratepayers to meet the current cost of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.
- The Act requires Council to make adequate and effective provision in its Long-term Plan (LTP) and in its Annual Plan to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in Council's LTP.

WDC has the following Council created reserves:

- A Disaster Recovery Reserve is held to fund Council's share of any costs relating to a natural disaster or an unforeseen event.
- Reserves held for future asset purchases include proceeds from the sale of Council-owned infrastructure and land and buildings which are held in the District Development Reserve and may be used towards the cost of purchasing or constructing new assets. A number of depreciation reserves are held to fund the renewal of infrastructure and other assets.
- Reserves held to meet future operational costs include administration reserves – funds carried over from one financial year to the next to match related expenditure, and retirement and restructuring reserves – to fund future retirement, redundancy, long service gratuities and costs associated with Council reorganisations.
- Reserves are held for the repayment of debt as it matures.

	2015/16 Balance (\$ 000)	Transfer to (\$ 000)	Transfer From (\$ 000)	2016/17 Balance (\$ 000)
<b>Reserves held for Emergency Purposes</b>				
Disaster Recovery Reserve	713	23	-	736
	<u>713</u>	<u>23</u>	<u>-</u>	<u>736</u>
<b>Reserves held for future Asset Purchases</b>				
District Development Fund	252	98	99	251
Asset and Vehicle Depreciation Reserve	1,104	260	368	996
Information Systems Renewal Reserve	299	167	141	325
Water Production Depreciation Reserve	1,383	203	55	1,531
Water Reticulation Depreciation Reserve - Wairoa	1,389	1,568	997	1,960
Water Reticulation Depreciation Reserve - Peri Urban	140	-	-	140
Water Reticulation Depreciation Reserve - Tuai	61	-	4	57
Water Reticulation Depreciation Reserve - Frasertown	52	-	3	49
Water Reticulation Depreciation Reserve - Mahanga	19	-	3	16
Sewerage System Depreciation Reserve - Wairoa	4,533	222	488	4,267
Sewerage System Depreciation Reserve - Tuai	364	-	1	363
Stormwater Reticulation Depreciation Reserve - Wairoa	1,795	171	-	1,966
Stormwater Reticulation Depreciation Reserve - Mahia	13	-	-	13
Parking Area Depreciation Reserve	482	41	-	523
Bridges Depreciation Reserve	3,941	2,035	1,191	4,785
Landfill/RTS Depreciation Reserve	299	93	-	392
Airport Runway Depreciation Reserve	107	9	108	8
Roading Depreciation Reserve	-	513	513	-
Footpaths Depreciation Reserve	883	118	111	890
Library Book Stocks Depreciation Reserve	192	55	36	211
Pensioner Housing Depreciation Reserve	147	20	46	121
Parks and Reserves Depreciation Reserve	146	122	230	38
	<u>17,601</u>	<u>5,695</u>	<u>4,394</u>	<u>18,902</u>
<b>Reserves held for future Operational Costs</b>				
General Purpose Fund	1,752	208	571	1,389
Wairoa Urban Fund	255	8	-	263
Retirement and Restructuring Reserve	65	91	11	145
Tuai Village Reserve	212	7	-	219
Water Production Reserve	406	13	-	419
Water Reticulation Reserve - Wairoa	54	2	-	56
Water Reticulation Reserve - Wairoa Peri Urban	314	10	-	324
Water Reticulation Reserve - Frasertown	40	2	-	42
Water Reticulation Reserve - Mahanga	-	-	-	-
	<u>3,098</u>	<u>341</u>	<u>582</u>	<u>2,857</u>
<b>Reserves held for repayment of maturing debt</b>				
Loan Repayment Reserve - External	311	740	-	1,051
Loan Repayment Reserve - Internal	677	299	43	933
	<u>988</u>	<u>1,039</u>	<u>43</u>	<u>1,984</u>
<b>Total special funds reserves</b>	<u>22,400</u>	<u>7,098</u>	<u>5,019</u>	<u>24,479</u>

### Revaluation Reserves

The revaluation reserves reflect the net revaluations, that is the changes above initial valuation, for Council assets and property investments.

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
<b>Revaluation Reserve Infrastructural</b>				
As at 1 July	104,260	104,260	105,251	105,251
Transfers to:				
Revaluations	10,263	-	10,263	-
Transfer from:				
Net transfer from asset revaluation reserve on disposal	-	-	-	-
	<u>114,523</u>	<u>104,260</u>	<u>115,514</u>	<u>105,251</u>

### Retained Earnings

Retained earnings are accumulated surpluses and deficits from operations not transferred to special or restricted reserves over the life of the council.

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
<b>Retained Earnings</b>				
As at 1 July	136,038	135,203	138,950	137,951
Transfers to:				
Restricted Reserves	(7,098)	(4,513)	(7,098)	(4,513)
Transfer From:				
Restricted Reserves	5,019	5,291	5,019	5,291
Net transfer from asset revaluation reserve on disposal	-	-	-	-
Surplus (Deficit) for year	(720)	58	(1,001)	221
	<u>133,239</u>	<u>136,039</u>	<u>135,870</u>	<u>138,950</u>

### Total Equity

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
<b>Equity is made up of:</b>				
Special Fund reserves	24,479	22,400	24,479	22,400
Sinking Fund reserves	-	-	-	-
Revaluation Reserves	114,523	104,260	115,514	105,251
Accumulated Funds	133,239	136,039	135,870	138,950
	<u>272,241</u>	<u>262,699</u>	<u>275,863</u>	<u>266,601</u>

## 19. Reconciliation of Operating Surplus with Net Cash Flow from Operating Activities

	2016/17 COUNCIL (\$ 000)	2015/16 COUNCIL (\$ 000)	2016/17 GROUP (\$ 000)	2015/16 GROUP (\$ 000)
<b>Surplus / Deficit</b>	(721)	58	(1,001)	221
<b>Add non cash items:</b>				
Depreciation	4,782	4,380	5,755	5,303
Loss on disposal of assets	351	637	278	589
Amortisation	-	-	54	30
Decrease (Increase) in deferred taxation	-	-	(58)	(37)
Increase (Decrease) in employee benefit provision	(4)	(10)	46	(50)
Increase in Bad Debts provision	751	302	751	302
Revaluation of investment property and forestry	(110)	-	(110)	-
Fair Value recognition of Loan and Assets	(409)	-	(409)	-
Vested Asset	(49)	-	(49)	-
Unrealised loss (Gain) on investments	(37)	(242)	(37)	(242)
Increase in Landfill aftercare provision	(48)	278	(48)	278
Quarry Aftercare Provision	-	-	(12)	9
	<u>4,506</u>	<u>5,403</u>	<u>5,160</u>	<u>6,403</u>
<b>Add (less) movements in other working capital items:</b>				
(Increase) Decrease in rates receivable	(292)	(107)	(292)	(107)
(Increase) Decrease in trade & other receivables	(690)	3,135	(961)	1,181
Increase (Decrease) in trade & other payables	529	(294)	(20)	(445)
Increase (Decrease) in loans and other receivables	(30)	(30)	(30)	(30)
(Decrease) in GST Receivable / Increase in GST Payable	(6)	458	(6)	458
Increase (Decrease) in taxation payable	-	-	(67)	140
(Increase) / Decrease Inventories	7	(25)	711	(439)
	<u>4,024</u>	<u>8,540</u>	<u>4,495</u>	<u>7,161</u>
<b>Net cash inflow / (outflow) from operating activities</b>	<u>4,024</u>	<u>8,540</u>	<u>4,495</u>	<u>7,161</u>

## 20. Transactions with related parties

Council's purchase of services and sales income from Quality Roding and Services (Wairoa) Ltd were as follows:

- Purchase of services \$9,356,003 (2016: \$10,293,169)
- Sales: \$34,126 (2016: \$24,387)
- Dividend \$140,000 (2016: \$50,000)

Amount owed by Quality Roding and Services (Wairoa) Ltd to Council at year end: \$1,000 (2016: \$1,937) which was receivable on normal trading terms.

Amount owed by Council to Quality Roding and Services (Wairoa) Ltd at year end: \$1,538,365 (2016: \$792,411) which is payable on normal trading terms except for \$321,740 (2016: \$329,186) contract retentions payable at closure of defects liability period.

Related party transactions of \$nil were forgiven or written off during the period.

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with WDC (such as payment of rates, dog registration etc.)

### QRS Directors and CEO

Sales transacted during the year payable on normal trading terms were as follows:

	2016/17 Business Transacted (\$)	2016/17 Balance Owing (\$)	2015/16 Business Transacted (\$)	2015/16 Balance Owing (\$)
QRS Directors and Executive Officers	12,458	1,157	7,878	753



## 21. Financial Instrument Risk

WDC has a series of policies to manage the risks associated with financial instruments. WDC is risk averse and seeks to minimise exposure from its treasury activities. WDC has approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into. Current assessed Market Risks are:

### Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. WDC is exposed to securities price risk on its investments, which are classified as financial assets held at fair value through profit or loss. The price risk arises due to market movements in listed securities. The price risk is managed by diversification of WDC's investment portfolio in accordance with the limits set out in WDC's Investment policy.

### Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. WDC is not exposed to currency risk, as it does not enter into foreign exchange transactions.

### Interest Rate Risk

The interest rates on WDC's investments are disclosed in note 6 and on WDC's borrowings in note 10.

### Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings issued at fixed rates expose WDC to fair value interest rate risk. WDC's Liability Management policy outlines the level of borrowing that is secured using fixed rate instruments.

### Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. While all current borrowings and investments are currently issued on a fixed rate of interest basis for the life of the stock, any stock issued at variable interest rates expose WDC to cash flow interest rate risk.

### Credit Risk

Credit risk is the risk that a third party will default on its obligations to WDC, causing WDC to incur a loss. WDC has no significant concentration of credit risk, as it has a large number of credit customers, mainly ratepayers, and WDC has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

WDC restricts its investments to Government or state-owned enterprises, registered banks, local authorities and approved corporate investments. Investments are only made with institutions with a high credit rating, and exposure is limited by spreading investments, and limiting the amount of each investment. Accordingly WDC does not require any collateral or security to support these financial instruments.

Financial instruments which potentially subject Council to credit risk principally consist of bank balances, accounts receivable and investments.

WDC has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
<b>FINANCIAL ASSETS</b>				
<b>Financial assets at fair value through profit and loss - upon initial recognition</b>				
Shares and debentures	14,893	14,220	14,893	14,220
<b>Loans and Receivables</b>				
Cash and Cash Equivalents	3,032	4,522	3,644	5,663
Trade and other receivables	3,045	2,821	4,520	4,035
Other Financial Assets	-	-	-	-
Te Matarae o Te Wairoa Trust	30	60	30	60
Wairoa Museum Trust	60	-	60	-
	<u>6,167</u>	<u>7,403</u>	<u>8,254</u>	<u>9,758</u>
<b>Available for Sale Financial Assets</b>				
NZ Local Government Insurance Corporation Limited	23	23	23	23
	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>
Total Financial Assets	<u>21,083</u>	<u>21,646</u>	<u>23,170</u>	<u>24,001</u>

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
<b>FINANCIAL LIABILITIES</b>				
<b>Financial Liabilities at Amortised cost</b>				
Trade and other Payables	4,925	4,110	5,511	5,313
Borrowings				
Secured Loans	5,024	5,034	7,012	6,572
Total Financial Liabilities at amortised cost	<u>9,949</u>	<u>9,144</u>	<u>12,523</u>	<u>11,885</u>

## 22. Events subsequent to balance date

Subsequent to balance date Chief Executive Officer Mr. Fergus Power resigned his post. Mr. John Freeman has been appointed as the Interim Chief Executive Officer during the recruitment period for a new Chief Executive Officer.

There have been no events subsequent to balance date that would have a material effect on the 30 June 2017 Annual Report.

## 23. Contingencies

### Contingent Assets

A contingent asset is a future expected cashflow arising out of council operations that has an inherent factor of uncertainty.

WDC entered into a 30 year targeted capital rating repayment plan for the connections of private individual's properties to a centralised wastewater network owned by the Council in the Māhia and Opoūtama catchment areas. In terms of repayment of that cost, ratepayers were eligible to select an upfront payment, or to nominate between 3 and 30 years to repay the cost, plus interest through rates. The ordinary recovery of capital under a capital rating scheme is an instalment charged as a targeted rate, set with each year's rating resolution. In addition an early repayment policy was adopted in 2016/17 for ratepayers to clear the remaining cost, exclusive of any future interest charges.

The costs for the work commissioned by WDC on behalf of the ratepayers for these schemes were recognised as operating costs in the 2014/15 financial year. The calculated value represents the amount owed and repayable under the scheme is considered to be the fair value of future expected cashflow:

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
Balance at 1 July	2,937	3,182	2,937	3,182
Less Charged Through Rates This Financial Year	(435)	(456)	(435)	(456)
Add Back Interest Charged in Rates	156	211	156	211
Less Option One & Early Repayment Policy Payments	(451)	-	(451)	-
Balance at 30 June	<u>2,207</u>	<u>2,937</u>	<u>2,207</u>	<u>2,937</u>

### Contingent Liabilities

A contingent liability is a debt that maybe incurred in the future, but for which there is no current actual liability owing.

	2017 Council (\$ 000)	2016 Council (\$ 000)	2017 Group (\$ 000)	2016 Group (\$ 000)
Performance bonds with ANZ Banking Group (NZ) Ltd	-	-	456	407

### Form of Performance Bonds – Guarantees

\$456,305 (2016 : \$407,000)

## 24. Statement of Commitments as at 30 June 2017

### Future Contracted Commitments

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
Commitments approved and contracted	13,353	3,463	13,353	3,463
<b>Contracted Payments Aging Analysis</b>				
Up to one year	10,821	3,463	10,821	3,463
one to five years	2,532	-	2,532	-
over five years	-	-	-	-
	<u>13,353</u>	<u>3,463</u>	<u>13,353</u>	<u>3,463</u>

### Non-cancellable operating lease commitments

WDC leases 5 photocopier machines in the ordinary course of its business. The majority of these have a non-cancellable term of 60 months. The future aggregate minimum lease payments to be made under non-cancellable operating leases are as follows:

	2016/17 Council (\$ 000)	2015/16 Council (\$ 000)	2016/17 Group (\$ 000)	2015/16 Group (\$ 000)
Office equipment				
Up to one year	33	33	33	33
one to five years	30	62	30	62
over five years	-	-	-	-

The lease(s) has(have) the following characteristics:

- The lease does not transfer substantially all the risks and rewards incidental to ownership.
- The lease does not transfer ownership to WDC at the end of the lease term.
- The leased asset is not of a specialised nature that only the lessee can use without modifications.
- The lessee cannot cancel the lease unilaterally unless the lessor is in material breach of contract, and gains and losses in the value of the equipment remain the risk of the lessor

## 25. Statement of Involvement in CCTO and Other Companies or Organisations

Wairoa District Council has control over the following entities:

- Quality Roding and Services (Wairoa) Ltd

The cost to the above enterprise for the financial interests, finance or financial assistance of the Council is as follows:

	2016/17 (\$ 000)	2015/16 (\$ 000)
Dividends:	147	50

## 26. Variances from the Annual Plan

Explanations for major variances from WDC's estimated figures in the 2015/16 Annual Plan are as follows

	<b>2016/17 Annual Plan (\$ 000)</b>
<b>Income Statement</b>	
2017 plan net surplus	2,005
Higher (lower) subsidy revenue (regional projects, emergency works)	(1,959)
Higher (lower) income from investments	(104)
Higher (lower) income from fees and charges (water production, waste management)	(672)
Higher (lower) income from rates	(34)
Increase in costs due to additional roading work, operating deficits from production of water and sewerage (including transfer of Capital Costs ex Mahia and Opoutama Wastewater Schemes).	(544)
Capital gain on asset sales	2
Gain/(Loss) on revaluation of woodlots	-
Gain on revaluation of Wairoa Landfill Aftercare provision	-
Other	17
<b>2017 actual net surplus</b>	<b>(1,289)</b>
<b>Capital expenditure</b>	
2017 plan	13,203
Projects underspent during year	(8,329)
Actual expenditure 2017	4,874

## 27. Funding Impact Statement – Council Only

	ACTUAL 2016/17 (\$ 000)	BUDGET 2016/17 (\$ 000)	LTP 2016/17 (\$ 000)	ACTUAL 2015/16 (\$ 000)	BUDGET 2015/16 (\$ 000)
<b>Sources of Operating Funding</b>					
General rates, uniform annual general charges, rates penalties	3,389	3,879	3,621	3,759	3,392
Targeted rates (other than a targeted rate for water supply)	8,269	7,812	8,458	7,648	8,115
Subsidies and grants for operating purposes	4,626	4,416	4,984	4,651	5,156
Fees charges and targeted rates for water supply	2,806	3,188	3,362	3,002	3,222
Interest and Dividends from Investments	823	946	1,125	1,068	1,125
Local authorities fuel tax, fines, infringement fees, and other receipts	84	67	72	443	192
<b>Total Operating Funding</b>	<b>19,997</b>	<b>20,308</b>	<b>21,622</b>	<b>20,571</b>	<b>21,202</b>
<b>Applications of Operating Funding</b>					
Payments to staff and suppliers	19,450	18,525	19,417	19,036	19,344
Finance costs	615	493	567	746	473
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding</b>	<b>20,065</b>	<b>19,018</b>	<b>19,984</b>	<b>19,782</b>	<b>19,817</b>
<b>Surplus (Deficit) of operating funding</b>	<b>(68)</b>	<b>1,290</b>	<b>1,638</b>	<b>789</b>	<b>1,385</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	3,070	5,240	5,727	3,609	5,728
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	-	3,222	1,571	34	550
Gross proceeds from sale of assets	2	20	30	69	70
Lump sum contributions	453	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>3,525</b>	<b>8,482</b>	<b>7,328</b>	<b>3,712</b>	<b>6,348</b>
<b>Application of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,460	3,690	2,172	3,449	2,116
- to replace existing assets	3,413	9,513	9,587	4,776	8,521
Increase (Decrease) in reserves	(1,416)	(3,431)	(2,793)	(3,724)	(2,904)
Increase (Decrease) of investments	-	-	-	-	-
<b>Total application of capital funding</b>	<b>3,457</b>	<b>9,772</b>	<b>8,966</b>	<b>4,501</b>	<b>7,733</b>
<b>Surplus (Deficit) of capital funding</b>	<b>68</b>	<b>(1,290)</b>	<b>(1,638)</b>	<b>(789)</b>	<b>(1,385)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Group depreciation and amortisation	4,744	4,732	4,903	4,340	4,844

**Reconciliation of Total Comprehensive Income**

	<b>ACTUAL 2016/17 (\$ 000)</b>	<b>BUDGET 2016/17 (\$ 000)</b>	<b>LTP 2016/17 (\$ 000)</b>	<b>ACTUAL 2015/16 (\$ 000)</b>
Surplus / (Deficit) of operating funding from funding impact statement	(68)	1,289	1,637	789
Add subsidies and grants for capital expenditure	3,070	5,240	5,727	3,609
Add development and financial contributions	-	-	-	-
Less depreciation and amortisation expense	(4,744)	(4,732)	(4,903)	(4,340)
Add capital funding through Income Statement	453	207	264	-
<b>Net Surplus before taxation in Income Statement</b>	<b>(1,289)</b>	<b>2,005</b>	<b>2,725</b>	<b>58</b>

**28. Adoption of Annual Report**

Council adopted the Annual Report on the 24th October 2017.

The statutory deadline to adopt the Annual Report for the year ended 30 June 2017 was 31st October 2017

# Financial Prudence Benchmarks

## Annual report disclosure statement for year ending 30 June 2017

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the **regulations**). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

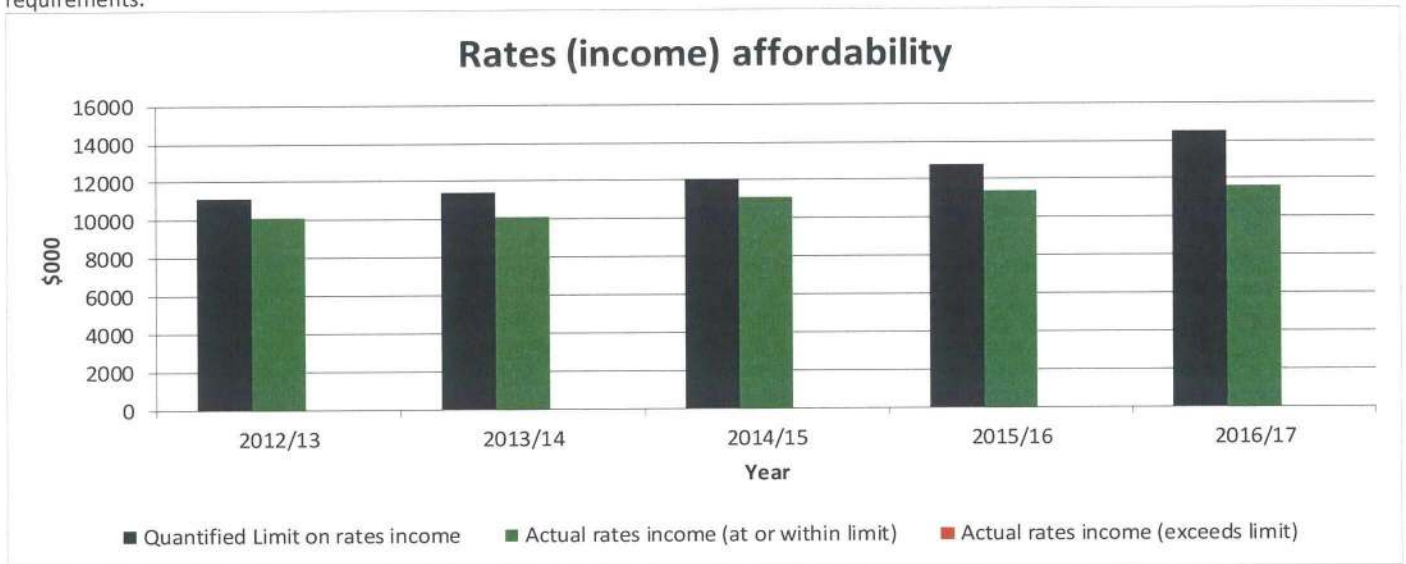
### Rates affordability benchmark

The council meets the rates affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

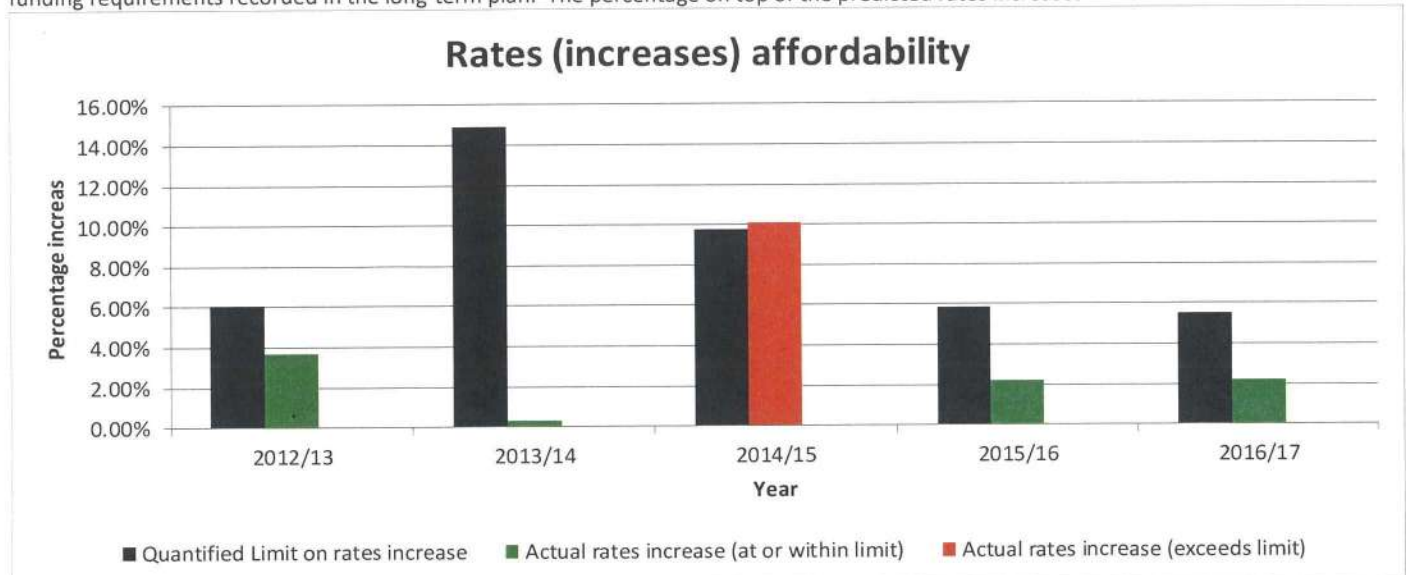
### Rates (Income) affordability

The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's long-term plan. The quantified limit is that total rates revenue will comprise no more than 60% of council's total funding requirements.



### Rates (Increases) affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. Council has decided the limit on rate increases will be based on the projected expenditure and funding requirements recorded in the long-term plan. The percentage on top of the predicted rates increases will be 3.5%.

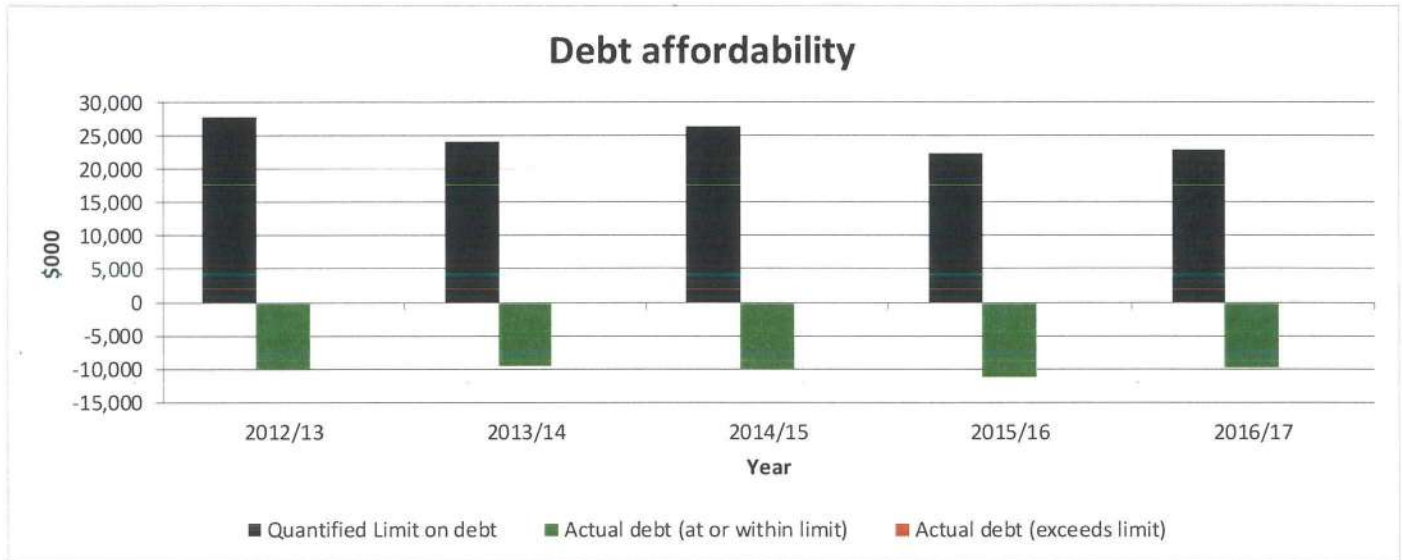


### Debt affordability benchmark

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing:

Net debt less than 100% of total revenue.

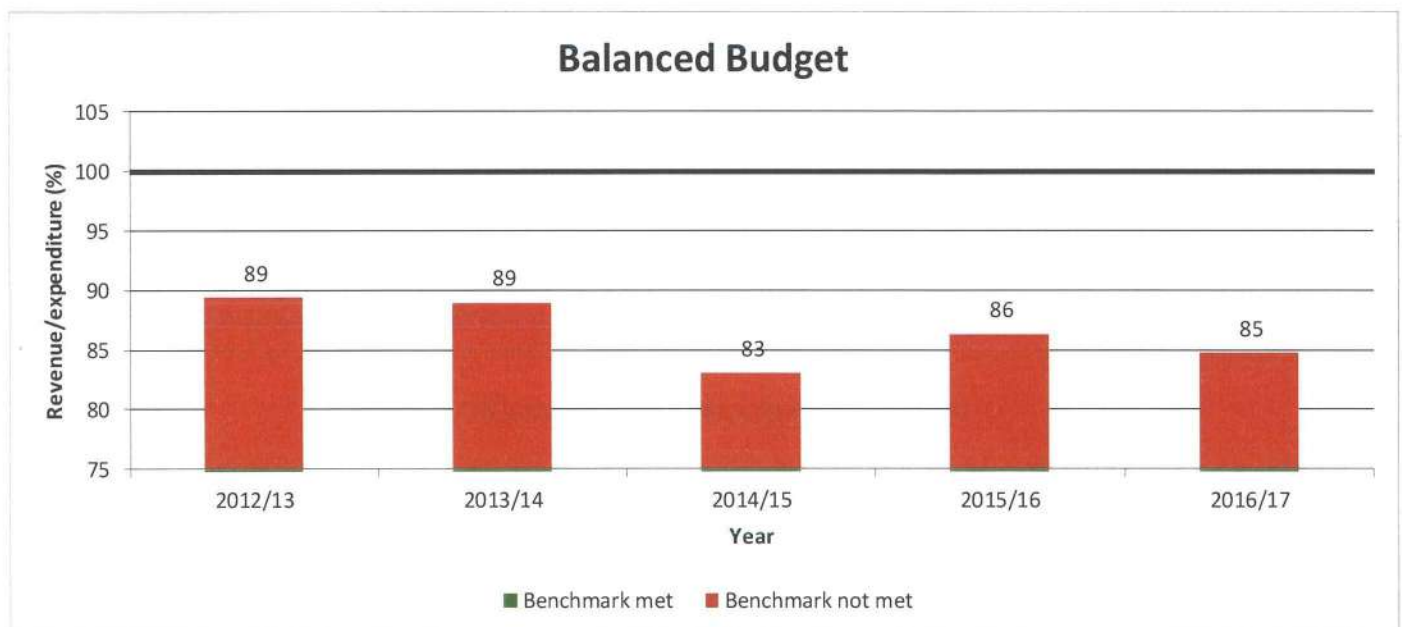
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net debt is less than 100% of total revenue.



### Balanced budget benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

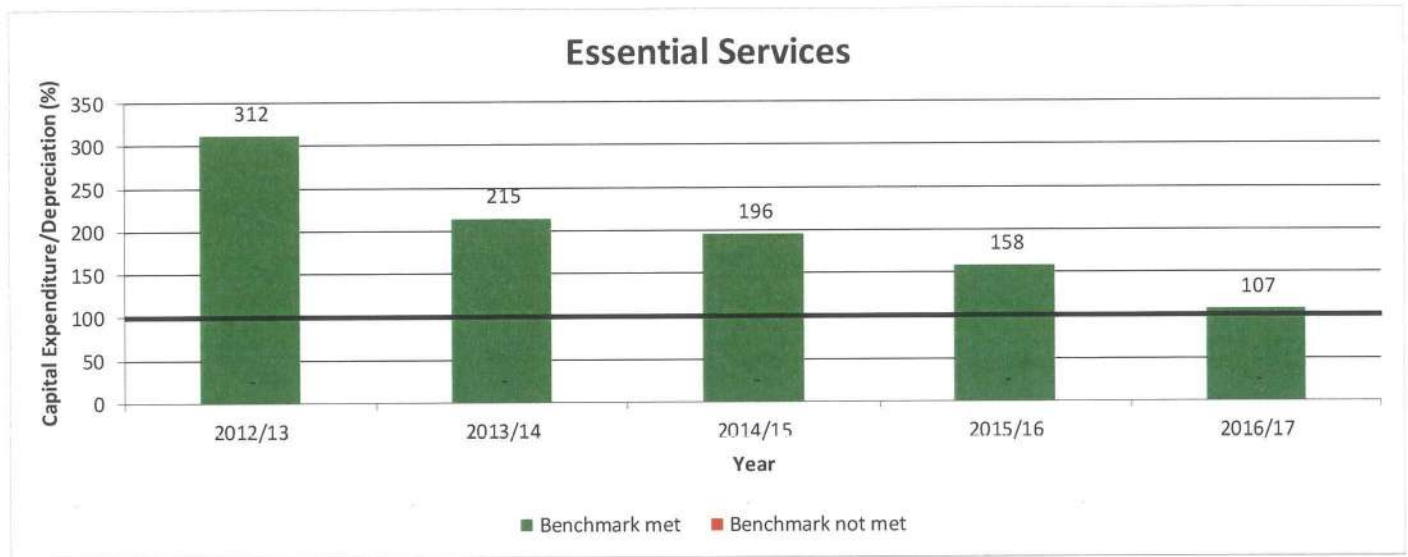
The council meets this benchmark if its revenue equals or is greater than its operating expenses.





### Essential services benchmark

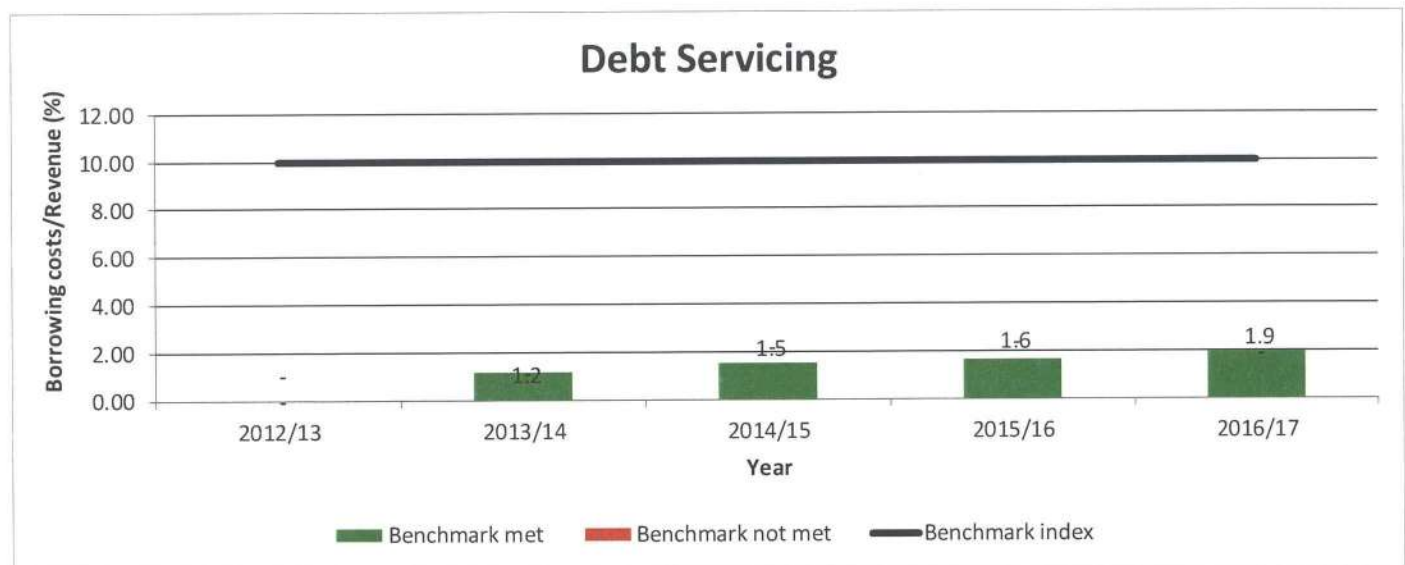
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



The essential services benchmarks for 2013/14 have been adjusted from the figures disclosed within the Annual Report 2014 to reflect the accepted interpretation of the benchmark. (The prior interpretation included only Capital spend funded from Reserves, not total Capital spending).

### Debt servicing benchmark

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if it's borrowing costs equal or are less than 10% of its revenue.

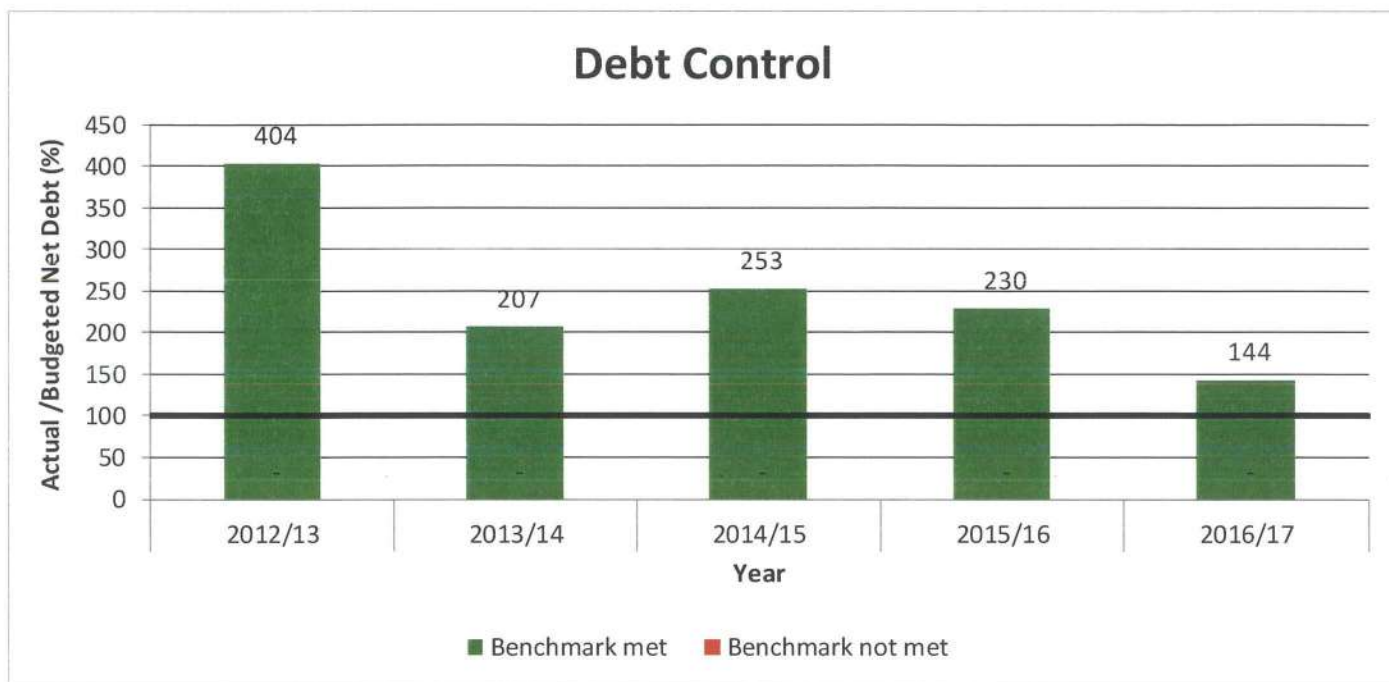


Note: No borrowing costs have been incurred during the 2012/13 financial year, as Council did not hold any debt during this period.

### Debt control benchmark

The following graph displays the council’s actual net debt as a proportion of planned net debt. In this statement, **net debt** means financial liabilities less financial assets (excluding trade and other receivables).

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Note: In years 2012/13 to 2016/17 the council planned to have net assets – that is, its financial assets (excluding trade and other receivables) were planned to exceed its financial liabilities. Mathematically, the results shown in the graph above are correct. The graph shows “benchmark met” whenever the council is better off (either less indebted or with greater net assets) than planned. Conversely it shows “benchmark not met” whenever the council is either more indebted or has less net assets than planned.

### Operations control benchmark

The following graph displays the council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations. The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



# OFFICIAL INFORMATION

Wairoa District Council, PO Box 54, Coronation Square, Wairoa 4160  
Phone (06) 838 7309 Fax (06) 838 8874  
Email: info@wairoadc.govt.nz

## DOCUMENTS HELD BY COUNCIL

Council holds a variety of documents spread between its departments. All requests for official information in the first instance should be addressed to:

Corporate Services Manager  
Wairoa District Council  
PO Box 54  
Wairoa 4160

## POLICY MANUALS/DOCUMENTS

The following documents contain law, policies, principles, rules or guidelines under which Council makes recommendations and decisions:

District Plan  
Wairoa District Operative District Plan.

Local Government Act 2002 and Amendments  
This Act sets out the powers and functions of regional Councils and territorial local authorities.

Local Government Official Information and Meetings Act 1987  
This Act sets out the regulations relating to Official Information and Meeting Procedures for Local Bodies.

Long-term Plan 2015-2025

Infrastructure Strategy 2015-2045

Asset Management Plans (Introduction to Asset Management Plans; Land Transport Asset Management Plan; Water Supply Asset Management Plan; Wastewater Asset Management Plan; Stormwater Asset Management Plan; Water and Sanitary Services Assessment; Waste Management Asset Management Plan; Airport Asset Management Plan; Cemeteries Asset Management Plan; Parks and Reserves Asset Management Plan; and Property Asset Management Plan)

Wairoa District Policies

Civil Defence Plan  
The Civil Defence Plan is a management plan for civil defence emergencies within the community. It is designed to minimise the effect of a major disaster on the population and to restore normal services back to the community as soon as possible.

Rural Fire Plan  
The Rural Fire Plan is a management plan for rural fire emergencies within the community. It is designed to provide the necessary procedures and co-ordination to effectively respond and deal with fires in the rural area of the district.

Standing Orders (NZS 9202 - 2001)  
Rules of conduct and standards for debate at meetings of Council.

Wairoa District Council Consolidated Bylaw

## COUNCIL DIRECTORY AS AT 30 JUNE 2017

### EXECUTIVE STAFF

Chief Executive Officer	F. Power
Corporate Services Manager	J. Baty
Engineering Manager	J. Cox
Chief Operating Officer	H. Montgomery
Chief Financial Officer	G. Borg
Economic Development and Engagement Manager	K. Tipuna

### POSTAL ADDRESS

PO Box 54  
Wairoa 4160

### LOCATION

Coronation Square  
97-103 Queen Street  
Wairoa 4108

### TELEPHONE

(06) 838 7309

### FACSIMILE

(06) 838 8874

### EMAIL

[info@wairoadc.govt.nz](mailto:info@wairoadc.govt.nz)

### WEBSITE

[www.wairoadc.govt.nz](http://www.wairoadc.govt.nz)

### AUDITORS

Ernst & Young  
PO Box 490, Wellington 6140  
On behalf of the Auditor-General

### BANKERS

Westpac Banking Corporation  
Marine Parade, Wairoa 4108

### SOLICITORS

I. R. McDonald	Robinson Lawson	Simpson Grierson	Rennie Cox
Barristers & Solicitors	Barristers & Solicitors	Commercial Law	Commercial Law
Locke Street, Wairoa 4108	PO Box 45, Napier 4140	PO Box 2402, Wellington 6140	PO Box 6647, Auckland 1141

### INSURANCE BROKERS

Jardine Lloyd Thompson Ltd  
PO Box 11-145, Wellington 6142

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF WAIROA DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

The Auditor-General is the auditor of Wairoa District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Stuart Mutch, using the staff and resources of Ernst & Young, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 31 October 2017. This is the date on which we give our report.

#### **Opinion on the audited information**

In our opinion:

- the financial statements on pages 101 to 142:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2017;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime;
- the funding impact statement on pages 141 to 142, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statement of service provision made up of Activity Group One through to Activity Group Seven of the District Council on pages 20 to 99:
  - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2017, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 20 to 99, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and
- the funding impact statement for each group of activities on pages 20 to 99, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

#### **Report on the disclosure requirements**

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 143 to 148, which

represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

### **Basis for opinion on the audited information**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "*Responsibilities of the auditor for the audited information*" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

### **Responsibilities of the Council for the audited information**

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

### **Responsibilities of the auditor for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

- We determine the appropriateness of the reported intended levels of service in the statement of service provision made up of Activity Group One through to Activity Group Seven, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Other Information**

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 3 to 19; 100; and 147 to 148, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Independence**

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out the audit of Quality Roding and Services (Wairoa) Ltd and an engagement to complete debenture trust reporting, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



Stuart Mutch  
Ernst & Young  
On behalf of the Auditor-General  
Wellington, New Zealand