


Wairoa District Council

ANNUAL REPORT



 *Te Wairoa Hōpūpū Hōnengenenge
Matangirau*

Adopted 28 October 2014



Wairoa District Council 2014 ©

2013-2014 ANNUAL REPORT

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JOINT STATEMENT FROM THE MAYOR AND THE CHIEF EXECUTIVE OFFICER

Kia ora tātou and welcome to the Wairoa District Council's 2013/2014 Annual Report. The past year can be characterised by two main themes for the Wairoa District Council: the achievement of goals, and looking to the future. The year's most significant milestone came in March, when we appointed Fergus Power as Chief Executive Officer of the Wairoa District Council. Mr Power has a wealth of knowledge and experience, which we are sure, will serve our district well as we head into the future. We would also like to pay tribute to the service of outgoing CEO Peter Freeman for the dedication and hard work he has put into the district and community. Peter Freeman leaves a legacy that the new Chief Executive and Council will continue to build on.

A draft proposal for the reorganisation of local government in Hawke's Bay was released earlier this year and the Wairoa District Council and the Māori Standing Committee of Council in both its submissions sought to challenge the Local Government Commission to develop a model for a proposed Hawke's Bay unitary authority that protects the social and cultural fabric of Wairoa both now and for the future. It is Council's considered opinion that the interests of the Wairoa community are far better served with a modified model to the proposal and we have endeavoured to signal this in our submissions.

As advised by the Local Government Commission throughout this process to reorganise local government in Hawke's Bay, it has been business as usual at the Wairoa District Council and we have been in the spotlight over the last year. This report will focus on the innovations and improvements that have been implemented over the last year and we are pleased to say that the Wairoa District Council continues to be on track to achieve its milestones.

Transformation and investment into the community are key themes in the 2014/2015 Annual Plan released in June and this is certainly the direction that the Wairoa District Council will be taking into the future. The Annual Plan represents a need to arrest population decline and to build our economic capabilities. The Council and staff have produced an Annual Plan that will reflect the desire of the whole community to re-energise the district and we are excited by the opportunity to be architects of Wairoa's future. A lot of time and energy has been put into producing the Annual Plan, and we would like to thank all those who contributed to and participated in the process with the end result being a plan that will guide Council operations over the coming year.

Council commends the work of our staff who are at the forefront of providing the necessary services to our community. To further improve these services a functional review was undertaken to better understand what we really need to do to improve services to our community. The Chief Executive will work alongside staff to implement the recommendations of the functional review with the ultimate goal being to provide the best possible services needed to take our community forward.

Below are some facts and figures that form the key points of this report:

Financials

Overall Council completed the year with an Operating surplus of \$2,385,654 (2013: surplus of \$5,751,053).

A 0.36% increase in rates revenue (\$34,170) and a decrease in operating costs (\$283,484) were offset by decreases in fees and charges (\$16,494), Investment Income (\$913,012) and Subsidies received (\$2,830,667).

Working capital of \$13,805,884 was \$5,668,087 up on 2013 (\$8,137,797) whilst cash flow from Operations of \$8,926,030 was \$2,609,639 down on 2013 (\$11,535,669) due primarily to movements on services provided and subsidies.

Capital Expenditure fell to \$9,936,248 (\$2013: \$13,176,327) and there was a net increase in financial assets of \$1,850,470.

During the year Council obtained a loan of \$5,000,000.

All the above led to an increase in cash balances of \$2,386,082.

Performance Management

Of the 151 identified service levels and targets, 109 were achieved, a score of 72% compared with 76% last year.

Quality Rooding and Services (Wairoa) Limited

Quality Rooding and Services (Wairoa) Limited Annual Report shows an operating surplus before tax of \$496,849 The after tax profit was \$356,673 which represents a 6.3% return on equity of \$5.63 million. A dividend of \$165,000 has been declared but only the amount received during the financial year of \$158,478 has been reflected within the 2014 Accounts.

Roading

0.92km new roads added to inventory
5.4km rehabilitated roads
32.5km resurfaced roads
15.2km unsealed road metal buildup

Stormwater

158m open drains piped

Mahia Beach Community Sewage Scheme

9km of Community Reticulation
One Pump Station
1.7km length Rising Main (between Pump Station and Treatment Ponds)
Three Treatment Ponds (31,500m³ combined volume)
Irrigation System

Opoutama Community Wastewater Scheme

Purchased and re-commissioned Wastewater Treatment Plant
3km of Community Reticulation
3 small Pump Stations

We reflect on 2013/2014 with a great sense of pride and achievement. We now look to the future, and to the Wairoa District Council's role in shaping the direction and future for the Wairoa community. On behalf of Council and the management team we wish to acknowledge the contribution of staff, consultants and contractors for the achievements outlined in this Annual Report. We are honoured to be associated with the Wairoa District Council as it extends its rich heritage of service to the Wairoa community.

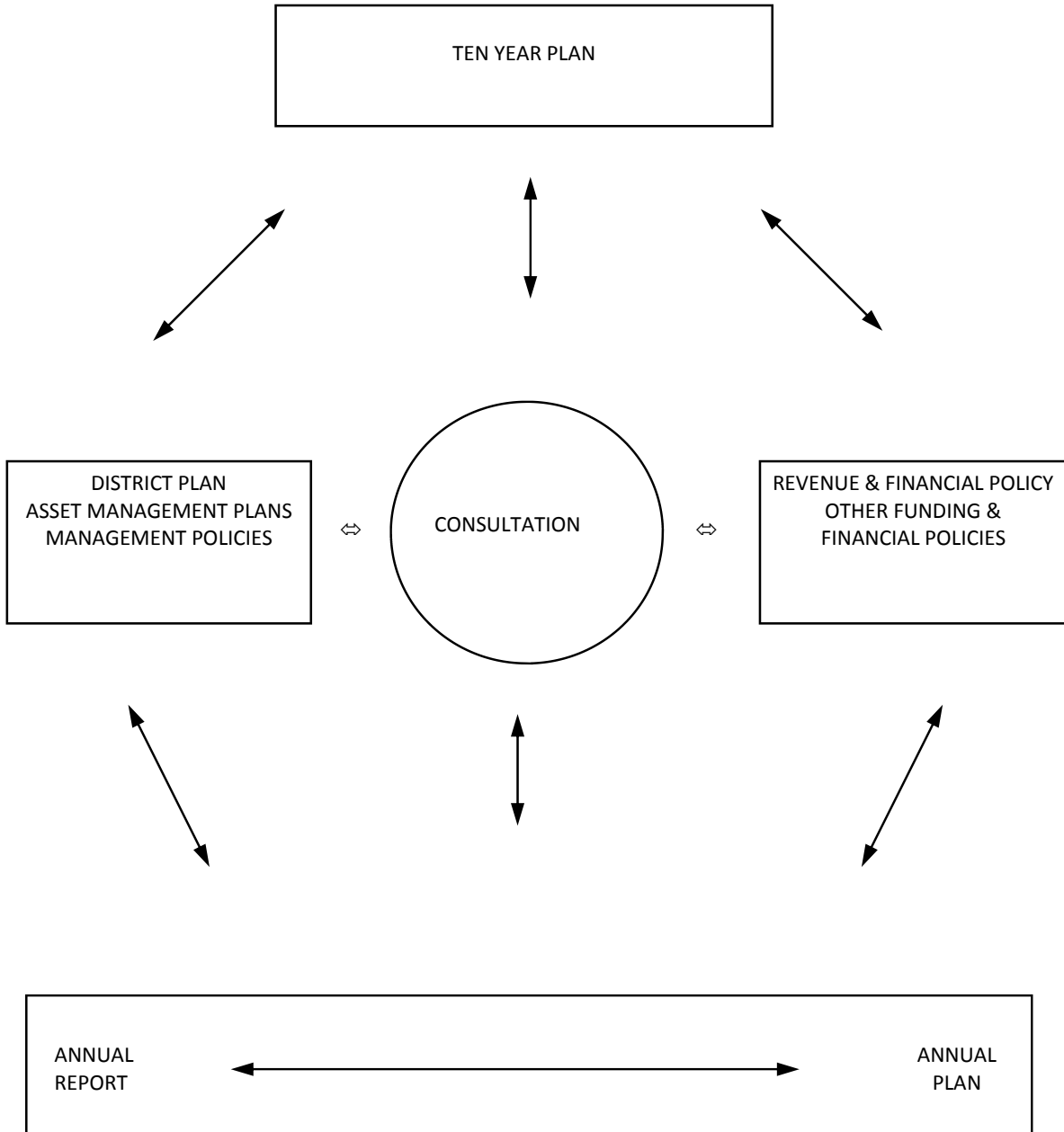


C Little
MAYOR



F Power
CHIEF EXECUTIVE OFFICER

RELATIONSHIP BETWEEN COUNCIL'S POLICIES AND PLANS



WAIROA DISTRICT COUNCIL 30 JUNE 2014

Mayor

Craig Little JP

Councillors

Denise Eaglesome-Karekare (Deputy Mayor)

Chris Joblin

Benita Cairns

Mike Bird

Min Johansen

Hine Flood

COUNCIL PORTFOLIOS

FINANCE
Cr Benita Cairns
Cr Chris Joblin
Finance Manager

SOCIAL/COMMUNITY
Cr Denise Eaglesome-Karekare
Cr Hine Flood
Corporate Services Manager

ENGINEERING
Cr Mike Bird
Cr Min Johansen
Engineering Manager

COMMITTEES

MĀORI STANDING COMMITTEE

Chairperson: Graeme Symes
Members: Ester Foster
Kiwa Hammond
Gaye Hawkins
Sam Jury
Paul Kelly
Neuton Lambert
Hereturikoka Nissen
Peter Whaanga
Cr Benita Cairns (Council Representative)
Cr Mike Bird (Council Representative)

**WATER PRODUCTION SUB
COMMITTEE**
Engineering Manager
Finance Manager
2 AFFCO Representatives

**CREATIVE NZ
LOCAL FUNDING
Sub-Committee
(full delegation)**

**CITIZENS AWARD
ASSESSMENT COMMITTEE
Sub-Committee (full delegation)**

MANAGEMENT STRUCTURE

Chief Executive Officer

Fergus Power

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

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 reporting.
- 3 In the opinion of the Council and management of Wairoa District Council, the Annual Financial Statements for the year ended 30 June 2014 fairly reflect the financial position and operations of Wairoa District Council.



Mayor

C Little

28th October 2014



Chief Executive

F Power

28th October 2014

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 are as follows:

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

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 2012-2022 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
- investments.

In addition Council has grouped its activities into seven "Key Activity Areas" and the following table 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.

Community Outcomes		
<p>ECONOMIC WELL-BEING</p> <ul style="list-style-type: none"> • A strong, prosperous and thriving economy. • A safe and integrated transport system. 	<p>SOCIAL AND CULTURAL WELL-BEING</p> <ul style="list-style-type: none"> • 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. 	<p>ENVIRONMENTAL WELL-BEING</p> <ul style="list-style-type: none"> • A safe and secure community. • A lifetime of good health and well-being. • An environment that is appreciated, protected and sustained for future generations.



Council's Strategic Response		
UNITY DEVELOPMENT & PARTICIPATION	SAFE LIVING ENVIRONMENT	
<p>Community Representation Māori Liaison Economic Development Parks & Reserves Airport Library Community Support Property Land Transport (NZTA subsidised)</p>	<p>Resource Planning Environmental Health Bylaw Compliance: <ul style="list-style-type: none"> • Dog Control • Livestock Control • General Bylaw Enforcement Cemeteries Building Control Liquor Control Water Supply Stormwater Wastewater</p>	<p>Waste Management Emergency Management Land Transport (district funded)</p>

Key Activity Areas

ACTIVITIES GROUP	ACTIVITY	ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
		A strong, thriving and prosperous 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.
1. Water Services	Water Supply	✓				✓		✓	✓	✓
	Stormwater	✓	✓		✓	✓		✓	✓	✓
	Wastewater	✓		✓		✓		✓	✓	✓
2. Waste Management	Waste Management	✓	✓	✓	✓	✓		✓	✓	✓
3. Transport	Land Transport	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Airport	✓	✓	✓	✓			✓	✓	✓
4. Community Facilities	Cemeteries			✓		✓				✓
	Library			✓	✓	✓			✓	
	Parks & Reserves			✓		✓		✓	✓	✓
	Community Support			✓	✓	✓				

ACTIVITIES GROUP	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.
5. Planning & Regulatory	Resource Planning								✓	✓
	Environmental Health							✓	✓	
	Building Control	✓			✓			✓	✓	
	Liquor Control							✓	✓	✓
	Bylaw Compliance – Dog Control							✓	✓	✓
	Bylaw Compliance – Livestock Control							✓		
	Bylaw Compliance – General Bylaws Enforcement							✓	✓	✓
	Emergency Management							✓	✓	✓
6. Leadership & Governance	Community Representation	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Māori Liaison			✓			✓			
	Economic Development	✓								
7. Corporate Functions	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 at least once every three years.

Survey results relating to outcomes (rounded to whole numbers):

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

	2010	2011	2012	2013	2014
Yes	31%	32%	22%	27%	28%
The same	54%	53%	64%	62%	52%
Worse	12%	13%	6%	8%	13%
Unable to comment	4%	2%	8%	4%	7%

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

	2010	2011	2012	2013	2014
Yes, definitely	33%	39%	40%	49%	52%
Yes, mostly	58%	50%	57%	49%	47%
Not really	6%	9%	2%	1%	1%
No, definitely not	1%	1%	1%	1%	
Unsure	2%				

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)

	2010	2011	2012	2013	2014
Very satisfied	11%	14%	13%	9%	10%
Satisfied	53%	55%	42%	44%	50%
Neither satisfied or dissatisfied	21%	14%	33%	32%	20%
Dissatisfied	9%	7%	7%	9%	9%
Very dissatisfied	3%	5%	2%	1%	2%
Don't know	4%	6%	3%	5%	9%

Quality of Life (All outcomes)

	2010	2011	2012	2013	2014
Very good	38%	37%	38%	44%	51%
Good	44%	41%	46%	47%	41%
Fair	13%	16%	12%	5%	6%
Poor	4%	5%	4%	3%	2%
Don't know	1%	1%		1%	

Community Spirit (Supportive, caring and valued communities)

	2010	2011	2012	2013	2014
Very good	32%	35%	26%	35%	42%
Good	45%	44%	53%	51%	48%
Neither good nor bad	17%	13%	14%	12%	7%
Not very good	5%	6%	5%	2%	2%
Poor	1%	1%	1%		1%

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

	2010	2011	2012	2013	2014
Very satisfied	23%	21%	21%	17%	22%
Satisfied	54%	56%	54%	53%	52%
Neither satisfied nor dissatisfied	11%	13%	15%	18%	10%
Dissatisfied	9%	7%	5%	8%	7%
Very dissatisfied	1%		3%	2%	6%
Don't know	2%	2%	1%	2%	3%

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

	2010	2011	2012	2013	2014
More than enough	32%	29%	34%	28%	27%
Enough	42%	45%	39%	43%	43%
Not enough	9%	10%	12%	15%	13%
Nowhere near enough	3%	5%	5%	5%	5%
Don't know	14%	12%	10%	10%	12%

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

PARTICIPATION IN DECISION MAKING

I raro i te mauri o te Tiriti o Waitangi me ata korero te kaunihera takiwa ki te tangata whenua nona nei te whenua, te aahi kaa me te mana ki runga i nga waahi i whakatipua e o ratou, o ia rohe i rote i te kaunihera takiwa o te Wairoa kia tutuki ai te he o te Tiriti o Waitangi.

Within the spirit of the Treaty of Waitangi the Wairoa District Council must consult with Māori who are descendants of the original inhabitants, who own land, who currently reside in the area, and who exercise traditional authority over the areas made sacred by their ancestors. Through this consultation process the aspirations of each area within Wairoa district will be realised in accordance with the Treaty of Waitangi.

The Council acknowledges that specific whānau, hapu, iwi have ahikaa (unbroken occupation) and exercise mana whenua (maintenance and sustainable management of land) over lands within the Council's boundaries. Council consult whānau, hapu, iwi for the purposes 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 whānau, hapu, iwi exercising mana whenua. The Council also acknowledges that specific whānau, hapu, iwi have historical and spiritual ties to land within the Council's boundaries and as such should be consulted by Council for the purpose of the Resource Management Act 1991 in particular in respect to resource consent applications, District Plan changes and Notice of Requirements.

The Council maintains processes that provide opportunities for Māori to contribute to decisions. The Wairoa District Council Māori Standing Committee (the group who advise and support Council on things pertaining to Māori) advise on how best to manage the consultation process and to facilitate the relationship between the Council and whānau, hapu, iwi exercising mana whenua.

The Wairoa District Council Māori Policy outlines the relationship between the Council and the tangata whenua and is the foundation document for how this process will proceed. Council will continue to consider, and where appropriate, implement ways to foster the development of Māori capacity to contribute to its decision-making processes.

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:

- A strong, prosperous and thriving economy.
- Supportive, caring and valued communities.
- A safe and secure community.
- A lifetime of good health and well-being.
- An environment that is appreciated, protected and sustained for future generations.

Council's goal is to comply with the New Zealand Drinking Water Standards (NZDWS).

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
Council will continue to own and deliver potable water supplies to: <ul style="list-style-type: none"> • Wairoa • Frasertown • Tuai • Mahanga. 	Work done by the contractor is completed within times specified by the contract.	Achieved - all works including capital works completed within timeframes.
	The taste, smell and look of the water (as defined in the Health Act) are monitored.	Achieved - by way of various process treatments and control.
	The taste, smell and look of the water (received by the customer) are monitored.	Achieved – no reports or CSR's received.
	Customers will have water service available to them except during planned maintenance or through an emergency.	Not achieved – five CSR complaints received indicating a lack of water service due to council supply.
	Customers' water pressure will be maintained.	Achieved - monitored and recorded 24/7 on telemetry Scada System.
	Shutdowns will be advertised in the Wairoa Star.	Achieved.
	Communities' willingness to pay for the service will be monitored.	Achieved - no reports received indicating any concerns with associated costs.
Council will manage the water supply and reticulation to an acceptable standard.	Maintenance, operational, renewal and capital investments are undertaken cost effectively.	Not achieved - net operating costs of \$1,120,573 is greater than budget of \$883,256. Due to changes in the accounting treatment of Internal use of Interest received. (Not achieved in 2012/13). Renewal and capital expenditure of \$398,409 is below a budget of \$624,750. although the proposed Poly Aluminium Chloride installation has been deferred into 2014/15.

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
	Compliance with current legislative requirements for the operation of the water activity.	Achieved – Wairoa and Frasertown supplies both meet compliance of the NZDWS. Not achieved - Tuai & Mahanga currently do not comply for bacteria and protozoa compliance with the NZDWS, due to no onsite treatment. Tuai – The water treatment plant is to be commissioned during 2014/15 which will bring the supply up to compliance with NZDWS. A new water safety plan is currently under review by the Ministry of Health which has been produced in compliance with the NZDWS (Section 10 – small water supplies). As Mahanga currently has no water treatment facility, Council have engaged OPUS to write a water safety plan in compliance with NZDWS (section 10 – small water supplies).
The water services activity will be managed in a safe manner.	Operational and maintenance activities are undertaken in a safe and healthy manner.	Achieved - no reported accidents or near misses.
Customers will receive a prompt and efficient service.	Not less than 80% of those connected to a Council supply rate the service as 'fairly good' or 'better' in the annual public satisfaction survey.	Achieved - as indicated by the annual community survey result of 92% very satisfied/fairly satisfied.
	A reducing amount of CSRs over time.	Not achieved - 256 CSRs for water reticulation were received in 2013/14. compared to 244 CSRs in 2012/13. Indications are that there is a greater awareness around use of water resources and faults that previously went unreported are now reported. No CSRs issued for water treatment.

COMMUNITY SURVEY - PERFORMANCE RATING									
Water Supply (Users)	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Very Satisfied/fairly satisfied	89%	90%	90%	91%	84%	88%	92%	95%	92%
Not very satisfied	11%	8%	7%	6%	15%	9%	7%	5%	8%
Don't know/NA		2%	3%	3%	2%	3%	1%		

FUNDING IMPACT STATEMENT - WATER SUPPLY

For the year ending 30th June 2014

	ACTUAL 2013/14	BUDGET 2013/14	LTP 2013/14	LTP 2012/13
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	751,124	728,366	919,449	719,057
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	1,407,104	1,148,884	1,207,140	1,178,341
Local authorities fuel tax, fines, infringement fees, and other receipts	203,938	192,664	192,664	250,117
Total Operating Funding	2,362,166	2,069,914	2,319,253	2,147,515
Applications of Operating Funding				
Payments to staff and suppliers	1,613,376	1,354,380	1,444,380	1,405,756
Finance costs	106,799	-	-	-
Internal Charges and overheads applied	352,872	245,387	249,837	266,722
Other operating funding applications	-	-	-	-
Total applications of operating funding	2,073,047	1,599,767	1,694,217	1,672,478
Surplus (Deficit) of operating funding	289,119	470,147	625,036	475,037
Sources of capital funding				
Subsidies and grants for capital expenditure	197,116	-	-	197,000
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	197,116	-	-	197,000
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	364,000
- to improve the level of service	147,122	284,750	-	-
- to replace existing assets	251,287	340,000	451,964	668,000
Increase (Decrease) in reserves	87,826	(154,603)	173,072	(359,963)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	486,235	470,147	625,036	672,037
Surplus (Deficit) of capital funding	(289,119)	(470,147)	(625,036)	(475,037)
Funding Balance				
Group depreciation and amortisation	651,746	625,037	625,037	625,037

Stormwater

The stormwater activity primarily contributes to the following community outcomes:

- A strong, thriving and prosperous economy.
- A safe and secure community.
- A lifetime of good health and well-being.
- An environment that is appreciated, protected and sustained for future generations.
- Supportive, caring and valued communities.
- A safe and integrated transport system.
- Safe and accessible recreation facilities.

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
Council will continue to own and deliver a stormwater system to: <ul style="list-style-type: none"> • Wairoa • Mahia • Tuai. Outside of the areas defined above the stormwater assets will be captured in the roading activity.	Work done by the contractor is completed within times specified by the contract.	Not achieved - 1 out of 21 stormwater CSRs not actioned within time.
	How well the service is delivered to the community shall be monitored through the CSR system.	Achieved – All stormwater issues monitored and processed by the CSR system.
	Communities' willingness to pay for the service will be monitored.	Achieved - LTP and Annual Plan submission process in place.
Council will manage the stormwater systems to an acceptable standard.	Maintenance, operational, renewal and capital investments are undertaken cost effectively.	Not achieved - net operating costs of \$401,711 is greater than budget of \$298,448 due to increased depreciation and borrowing costs. (Not achieved in 2012/13). Renewal and capital expenditure of \$30,552 is below a budget of \$192,215 due to lower volume of piping of open drains than anticipated.
The stormwater activity will be managed in a safe manner.	Operational and maintenance activities are undertaken in a safe and healthy manner.	Achieved - no reported H&S incidences or non-compliances.
Customers will receive a prompt and efficient service.	Not less than 80% of those connected to a Council supply rate the service as 'fairly good' or 'better' in the annual public satisfaction survey.	Not achieved - 56% satisfaction. Down from 79% in 2012/13 and below the 80% threshold. Survey responses indicate that dissatisfaction results from perceived increases in flooding after rain.
	A reducing amount of CSRs over time.	Achieved - 29 CSRs in 2011/12, 25 in 2012/13 and 21 in 2013/14.

COMMUNITY SURVEY - PERFORMANCE RATING							
Stormwater (those connected)	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Very Satisfied/fairly satisfied	42%	57%	63%	72%	72%	79%	56%
Not very satisfied	42%	35%	37%	26%	26%	20%	34%
Don't know/NA	16%	8%		2%	1%	1%	10%

FUNDING IMPACT STATEMENT - STORMWATER

For the year ending 30th June 2014

	ACTUAL 2013/14	BUDGET 2013/14	LTP 2013/14	LTP 2012/13
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	306,337	298,504	309,363	283,248
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	1,130	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	74,074	53,719	53,719	73,508
Total Operating Funding	381,541	352,223	363,082	356,756
Applications of Operating Funding				
Payments to staff and suppliers	24,660	87,724	93,964	90,287
Finance costs	61,613	13,136	13,136	4,000
Internal Charges and overheads applied	63,752	71,148	75,823	82,310
Other operating funding applications	-	-	-	-
Total applications of operating funding	150,025	172,008	182,923	176,597
Surplus (Deficit) of operating funding	231,516	180,215	180,159	180,159
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	114,290	114,290	50,000
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	114,290	114,290	50,000
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	114,290	-
- to improve the level of service	27,292	114,290	-	-
- to replace existing assets	3,261	77,925	77,925	350,000
Increase (Decrease) in reserves	200,963	102,290	102,234	(119,841)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	231,516	294,505	294,449	230,159
Surplus (Deficit) of capital funding	(231,516)	(180,215)	(180,159)	(180,159)
Funding Balance	-	-	-	-
Group depreciation and amortisation	252,817	180,159	180,159	180,159

Wastewater

The wastewater activity primarily contributes to the following community outcomes:

- A strong, thriving and prosperous economy.
- A safe and secure community.
- A lifetime of good health and well-being.
- An environment that is appreciated, protected and sustained for future generations.
- Supportive, caring and valued communities.
- Safe and accessible recreation facilities.
- A community that values and promotes its culture and heritage.

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
Council will continue to own and deliver a safe sewer system to: <ul style="list-style-type: none"> • Wairoa • Tuai • Mahia. 	Work done by the contractor is completed within times specified by the contract.	Not achieved - 11 out of 45 sewer-related CSRs were not completed on time in 2013/14.
	Wastewater will be removed from customer properties and treated at a central treatment plant.	Not achieved – Rare instances of sewerage overflowing from manholes have occurred due to high inflows during heavy rain. Investigations designed to identify problem areas within the sewerage system are ongoing with funding provided within the 2014/15 Annual Plan.
	The treatment plant will be kept clean and tidy at all times.	Achieved - no reported or recorded incidences of rubbish, litter, spill etc.
	The smell of the treatment plant will be managed.	Achieved - no reported or recorded incidences of offensive odours from Wairoa or Tuai waste water treatment plants (WWTP).
	Communities' willingness to pay for the service will be monitored.	Achieved - LTP and Annual Plan submission process in place.
Council will manage the sewer systems to an acceptable standard.	Maintenance, operational, renewal and capital investments are undertaken cost effectively.	Achieved - net operating costs of \$1,658,408 is less than budget of \$1,982,708 due to the reduced cost of interest, depreciation and maintenance in relation to the Mahia and Opoutama Wastewater Schemes. (Achieved in 2012/13). Renewal and capital expenditure of \$2,535,949 is below a budget of \$3,195,460 although the Mahia and Opoutama Community Wastewater Schemes are not yet fully complete.
	Collate condition information.	Achieved – Condition information and infiltration studies are ongoing.
The sewer activity will be managed in a safe manner.	Operational and maintenance activities are undertaken in a safe and healthy manner.	Achieved - no reported or recorded incidences of H&S non-compliance.
	Compliance with current legislative requirements for the operation of the wastewater activity.	Not achieved – there have been multiple failures to remain within the consent provisions..
Customers will receive a prompt and efficient service.	Not less than 80% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey.	Achieved - 89% satisfaction recorded (see table below).
	A reducing amount of CSRs over time.	Not achieved - 45 CSRs for sewerage were received in 2013/14 compared to 34 in 2012/13 and 28 in 2011/12.

COMMUNITY SURVEY - PERFORMANCE RATING									
Sewerage (Users)	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Very Satisfied/fairly satisfied	82%	92%	87%	93%	83%	88%	86%	86%	89%
Not very satisfied	11%	7%	7%	4%	12%	10%	9%	13%	7%
Don't know/NA	7%	1%	6%	3%	5%	2%	4%		4%

FUNDING IMPACT STATEMENT - WASTEWATER

For the year ending 30th June 2014

	ACTUAL 2013/14	BUDGET 2013/14	LTP 2013/14	LTP 2012/13
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	852,368	827,732	1,778,146	781,337
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	7,883	4,912	5,069	4,912
Local authorities fuel tax, fines, infringement fees, and other receipts	50,179	278,026	278,026	241,434
Total Operating Funding	910,430	1,110,670	2,061,241	1,027,683
Applications of Operating Funding				
Payments to staff and suppliers	553,809	796,612	769,698	477,682
Finance costs	351,512	371,963	621,941	627,480
Internal Charges and overheads applied	218,205	275,518	301,384	202,302
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,123,526	1,444,093	1,693,023	1,307,464
Surplus (Deficit) of operating funding	(213,096)	(333,423)	368,218	(279,781)
Sources of capital funding				
Subsidies and grants for capital expenditure	1,387,000	3,000,000	-	6,856,522
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	5,000,000	-	-	8,550,000
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	6,387,000	3,000,000	-	15,406,522
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	12,612,000
- to improve the level of service	3,851,954	3,000,000	-	-
- to replace existing assets	67,995	195,460	145,459	171,500
Increase (Decrease) in reserves	2,253,955	(528,883)	222,759	2,343,241
Increase (Decrease) of investments		-	-	
Total application of capital funding	6,173,904	2,666,577	368,218	15,126,741
Surplus (Deficit) of capital funding	213,096	333,423	(368,218)	279,781
Funding Balance	-	-	-	-
Group depreciation and amortisation	542,767	821,552	821,552	368,219

FUNDING IMPACT STATEMENT - WATER SERVICES

For the year ending 30th June 2014

	ACTUAL 2013/14	BUDGET 2013/14	LTP 2013/14	LTP 2012/13
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	1,909,829	1,854,602	3,006,960	1,783,642
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	1,416,117	1,153,796	1,212,209	1,183,253
Interest and Dividends from Investments	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	328,191	524,409	524,409	565,059
Total Operating Funding	3,654,137	3,532,807	4,743,578	3,531,954
Applications of Operating Funding				
Payments to staff and suppliers	2,191,845	2,238,716	2,308,042	1,973,725
Finance costs	519,924	385,099	635,077	631,480
Internal Charges and overheads applied	634,829	592,053	627,044	551,334
Other operating funding applications	-	-	-	-
Total applications of operating funding	3,346,598	3,215,868	3,570,163	3,156,539
Surplus (Deficit) of operating funding	307,539	316,939	1,173,415	375,415
Sources of capital funding				
Subsidies and grants for capital expenditure	1,584,116	3,000,000	-	7,053,522
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	5,000,000	114,290	114,290	8,600,000
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	6,584,116	3,114,290	114,290	15,653,522
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	114,290	12,976,000
- to improve the level of service	4,026,368	3,399,040	-	-
- to replace existing assets	322,543	613,385	675,350	1,189,500
Increase (Decrease) in reserves	2,542,744	(581,196)	498,065	1,863,437
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	6,891,655	3,431,229	1,287,705	16,028,937
Surplus (Deficit) of capital funding	(307,539)	(316,939)	(1,173,415)	(375,415)
Funding Balance	-	-	-	-
Group depreciation and amortisation	1,447,330	1,626,748	1,626,748	1,173,415

WATER SERVICES

Statement of Cost of Service for the year ended 30 June 2014

	COSTS 2013/14	REVENUE 2013/14	NET COST 2013/14	BUDGET 2013/14	LTP * 2013/14	ACTUAL 2012/13
Water Reticulation	1,878,107	160,673	1,717,434	883,257	919,450	1,538,221
Water Production	846,686	1,443,547	(596,861)	(1)	-	(293,754)
Stormwater	402,841	1,130	401,711	298,448	309,363	388,765
Wastewater	1,666,292	7,884	1,658,408	1,982,708	2,231,480	963,254
	<u>4,793,926</u>	<u>1,613,234</u>	<u>3,180,692</u>	<u>3,164,412</u>	<u>3,460,293</u>	<u>2,596,486</u>
Less internal allocation	730,564	730,564	-			-
	<u>4,063,362</u>	<u>882,670</u>	<u>3,180,692</u>	<u>3,164,412</u>	<u>3,460,293</u>	<u>2,596,486</u>
Interest Received		328,191	(328,191)	-	-	(408,541)
	<u>4,063,362</u>	<u>1,210,861</u>	<u>2,852,501</u>	<u>3,164,412</u>	<u>3,460,293</u>	<u>2,187,945</u>
Projects						
Water Reticulation	237,620	-	237,620	207,000	111,173	648,157
Water Production	160,789	-	160,789	417,750	340,792	324,551
Stormwater	30,553	-	30,553	192,215	192,215	123,845
Wastewater - Mahia/Opoutama	3,919,949	1,387,000	2,532,949	3,000,000	-	4,854,386
Wastewater - Other	-	-	-	195,460	145,460	-
	<u>4,348,911</u>	<u>1,387,000</u>	<u>2,961,911</u>	<u>4,012,425</u>	<u>789,640</u>	<u>5,950,939</u>
Application of capital funding						
- to meet additional demand	-			-	114,290	-
- to improve the level of service	4,026,368			3,399,040	-	4,977,816
- to replace existing assets	322,543			613,385	675,350	973,123
	<u>4,348,911</u>		<u>-</u>	<u>4,012,425</u>	<u>789,640</u>	<u>5,950,939</u>

* The 2013/14 LTP has been restated to reflect Non Funded Depreciation. This has had no financial impact on the overall LTP.

Activity Group Two WASTE MANAGEMENT

1. Waste Management

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

- A strong, thriving and prosperous economy.
- A safe and secure community.
- A lifetime of good health and well-being.
- An environment that is appreciated, protected and sustained for future generations.
- Supportive, caring and inclusive communities.
- A safe and integrated transport system.
- Safe and accessible recreation facilities.
- A community that values and promotes its culture and heritage.

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
<p>Council will continue to own and deliver the waste management activity by providing a landfill for the disposal of domestic and commercial refuse.</p> <p>Below is a description of the works provided:</p> <p>Recyclables will be collected weekly from the kerbside at:</p> <ul style="list-style-type: none"> • Wairoa • Frasertown. <p>Recyclables will be collected fortnightly at specified drop-off points at:</p> <ul style="list-style-type: none"> • Mahia • Nuhaka • Mohaka. <p>Council will provide for the disposal of hazardous waste through Council-provided facilities or outsourced solutions.</p> <p>Note: Waste management in the Waikaremoana area is a community-run service facilitated by Council and the Lake Waikaremoana Hapū Restoration Trust. This delivers recycling services and waste disposal services for the Waikaremoana area. A similar model is being looked at for Raupunga.</p> <p>Generators of commercial and industrial refuse are expected to arrange for disposal of their refuse.</p>	Forward works programmes are developed on time.	Not achieved – planned landfill diversion infrastructure had been deferred into 2015.
	Operations, maintenance, renewal and capital investments are undertaken cost effectively.	Achieved - net operating costs of \$705,570 is less than budget of \$798,534. (Achieved in 2012/13). Renewal and capital expenditure of \$21,421 is above a budget of \$20,000.
	Community's willingness to pay for the service will be monitored.	Achieved - LTP and Annual Plan submission process in place
	Gain knowledge of community's desired level of service.	Achieved - customer survey and annual public surveys undertaken with 67% satisfaction achieved 2013/14. Also LTP and Annual Plan consultation process in place.

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
<p>Council will maintain the landfill to an acceptable standard through:</p> <ul style="list-style-type: none"> reducing the amount of waste going into the landfill (excluding diversion for reuse and recycling) maintaining the landfill and recycling area to a clean and tidy standard ensuring the landfill does not detract from the aesthetic of the neighbourhood. ensuring Council has consents for Resource Management Act requirements. 	<p>Council will aim at reducing the amount of waste going into the landfill over the next 5 years with a goal to zero waste.</p>	<p>Achieved – 1,728T for 2013/14 compared to 2,630T in 2012/13.</p>
	<p>Landfill and recycling area will be well maintained, clean and tidy at all times.</p>	<p>Achieved - no CSR complaints about untidiness or litter at landfill and no issues raised through monthly contract management.</p>
	<p>Council will monitor opening and closing times to ensure people are satisfied.</p> <p>9:00am – 3:00pm : Thursday 11:00am – 5:00pm : Monday – Sunday</p>	<p>Achieved - CSRs, Communitrak survey reviews, and LTP and Annual Plan consultation processes in place.</p>
<p>Council will implement measures to reduce the spread of litter district wide.</p>	<p>Council will take action whenever litter is reported in public places.</p>	<p>Achieved - compliance with Litter Act by reactive litter removal attended to when reported.</p>
	<p>Council will maintain the current number of litterbins in streets and public places and will not allow them to overflow. These places are:</p> <ul style="list-style-type: none"> Wairoa township Mahia Beach reserves. 	<p>Not achieved - current number of bins still in place and regularly maintained. Council has entered into a new contract for town litter bins and regular checks have increased.</p>
	<p>Screen planting in accordance with resource consent will be established on boundary with Hillcrest Road residents. Planting will be undertaken progressively from 2012-14 and reviewed after 2014.</p>	<p>Achieved - perimeter plantings replaced with a high level of success.</p>
	<p>Council will monitor the litter situation by reviewing the CSRs yearly.</p>	<p>Achieved - CSRs for litter reviewed and compared annually with 33 CSRs received for 2013/14 compared to 35 CSRs received for 2012/13.</p>
	<p>Maintenance, operational, renewal and capital investments are undertaken cost effectively.</p>	<p>Achieved - net operating costs of \$705,570 is less than budget of \$798,534. (Achieved in 2012/13). Renewal and capital expenditure of \$21,421 is above a budget of \$20,000.</p>
<p>The waste management activity will be managed in a safe manner.</p>	<p>Operational and maintenance activities are undertaken in a safe and healthy manner.</p>	<p>Not achieved – 1 H & S observed incident of unsafe work practice at landfill site.</p>
<p>Customers will receive a prompt and efficient service.</p>	<p>Not less than 80% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey.</p>	<p>Not achieved - 67% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey.</p>
	<p>A reducing amount of CSRs over time.</p>	<p>Not achieved - 38 litter/waste-related CSRs received for 2013/14 compared to 35 for 2012/13.</p>

COMMUNITY SURVEY - PERFORMANCE RATING

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Waste Management									
Very Satisfied/fairly satisfied	47%	47%	49%	66%	64%	69%	74%	74%	67%
Not very satisfied	43%	49%	48%	31%	30%	24%	18%	22%	28%
Don't know/NA	10%	4%	3%	3%	7%	7%	8%	4%	5%

FUNDING IMPACT STATEMENT - WASTE MANAGEMENT

For the year ending 30th June 2014

	ACTUAL 2013/14	BUDGET 2013/14	LTP 2013/14	LTP 2012/13
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	798,533	-	-
Targeted rates (other than a targeted rate for water supply)	832,873	-	836,704	798,766
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	355,508	356,800	356,131	356,800
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	1,188,381	1,155,333	1,192,835	1,155,566
Applications of Operating Funding				
Payments to staff and suppliers	758,095	881,663	907,769	884,346
Finance costs	43,305	56,106	56,106	56,520
Internal Charges and overheads applied	165,659	144,272	153,671	141,408
Other operating funding applications	-	-	-	-
Total applications of operating funding	967,059	1,082,041	1,117,546	1,082,274
Surplus (Deficit) of operating funding	221,322	73,292	75,289	73,292
Sources of capital funding				
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	-	-	-	-
Total sources of capital funding	-	-	-	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	21,421	20,000	-	-
- to replace existing assets	-	-	-	50,000
Increase (Decrease) in reserves	199,901	53,292	75,289	23,292
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	221,322	73,292	75,289	73,292
Surplus (Deficit) of capital funding	(221,322)	(73,292)	(75,289)	(73,292)
Funding Balance	-	-	-	-
Group depreciation and amortisation	94,019	73,292	75,290	73,292

WASTE MANAGEMENT*Statement of Cost of Service for the year ended 30 June 2014*

	COSTS 2013/14	REVENUE 2013/14	NET COST 2013/14	BUDGET 2013/14	LTP * 2013/14	ACTUAL 2012/13
Waste Management	1,061,078	355,508	705,570	798,534	836,705	647,405
	<u>1,061,078</u>	<u>355,508</u>	<u>705,570</u>	<u>798,534</u>	<u>836,705</u>	<u>647,405</u>

Projects

Waste Management	21,421		21,421	20,000	-	14,981
Waste Management - loan payment	-		-	-	-	-
	<u>21,421</u>		<u>21,421</u>	<u>20,000</u>	<u>-</u>	<u>14,981</u>

Application of capital funding

- to meet additional demand	-		-	-	-	-
- to improve the level of service	21,421		-	20,000	-	-
- to replace existing assets	-		-	-	-	14,981
	<u>21,421</u>		<u>-</u>	<u>20,000</u>	<u>-</u>	<u>14,981</u>

* The 2013/14 LTP has been restated to reflect Non Funded Depreciation. This has had no financial impact on the overall LTP.

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:

- A strong, thriving and prosperous economy.
- A safe and secure community.
- A lifetime of good health and well-being.
- An environment that is appreciated, protected and sustained for future generations.
- Supportive, caring and valued communities.
- A safe and integrated transport system.
- Safe and accessible recreation facilities.
- A community that values and promotes its culture and heritage.

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
The 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.	Not achieved - stock truck unable to gain traction to access steep incline on Titirangi Rd around RP 6.7
	Road closures for planned events (e.g. rallies, bridge repairs etc.) are notified through public notices and residents of affected roads informed.	Achieved – no planned events required road closures during 2013/14.
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.	Not achieved - survey result of 71% very satisfied or fairly satisfied.
	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 relationship and responsiveness to customers. 90% of all CSRs and complaints are dealt with within the prescribed timeframes.	Not achieved - 87% achieved with 36 out of 280 roading-related CSRs (including streetlights, footpaths and parking etc.) not completed by the due date.
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 achieved - 8 footpath related CSRs for 2013/14 compared to 7 in 2012/13.
The district-funded land transport activity will contribute to overall road safety by adequately catering for pedestrians and cyclists in the urban area.	Walking & Cycling Strategy programme to be implemented. (Note that general road safety and vehicular safety in particular is dealt with in the NZTA-funded activities).	Achieved – Sir Thomas Carroll walkway/cycleway constructed along northern river bank.
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. (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).	Not achieved - 96 streetlight-related CSRs for 2013/14 compared to 71 in 2012/13.

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
The 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.	Achieved - no reported or recorded blocked parking for 2013/14.
	Not more than the number of parking complaints and CSRs received than the previous year.	Achieved – no reported or recorded parking related CSR's for 2013/14 compared to 3 in 2012/13.
The service is provided at a reasonable cost (value for money).	The costs of these services are consulted on annually.	Achieved - refer to Annual Plan 2013/14.
	Professional service and physical works providers are competitively procured.	Achieved - various procurement arrangements in 2013/14 with numerous consultants engaged and 9 public physical works tenders advertised.
	Local management opportunities to be considered prior to engagement of an external supplier to reduce overhead costs and increase in-house efficiency. All annual physical works targets in the Asset Management Plan completed to standard, on time and within +3% to -5% of budget.	Not Achieved - local suppliers engaged in 4 out of 9 roading contracts with annual physical works completed to standard, on time and within +3% to -5% of budget.
The land transport network is designed to be safe. and The Council works with the NZ Police and NZ Transport Agency to promote the safe use of the land transport network by motorists and others.	A reducing number of accidents in each consequence category (fatal, injury, minor).	Achieved – nil fatal and two serious injury crashes in 2013 compared to 4 fatal and 9 serious injury crashes in 2012 on local roads. (as measured over the calendar year January to December)
	No accidents attributed to 'engineering' aspects of the road network (e.g. loose chips from reseals).	Achieved - no reported incidents or accidents attributed to engineering or site works Traffic Management Plan deficiencies for 2013/14.
The Council endeavour 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 promote local knowledge and technical expertise within the community.	Achieved - Procurement Strategy document updated Nov 2012 resulting in various procurement arrangements in 2013/14 with local suppliers engaged in 4 out of 9 publically tendered roading contracts.

COMMUNITY SURVEY - PERFORMANCE RATING									
Roads	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Very Satisfied/fairly satisfied	58%	73%	68%	81%	69%	69%	71%	75%	71%
Not very satisfied	41%	27%	32%	17%	30%	29%	28%	25%	27%
Don't know/NA	1%			2%	1%	2%	2%		2%

Airport

The airport activity primarily contributes to the following community outcomes:

- A strong, thriving and prosperous economy.
- A safe and secure community.
- A lifetime of good health and well-being.
- An environment that is appreciated, protected and sustained for future generations.
- A safe and integrated transport system.
- Safe and accessible recreation facilities.
- A community that values and promotes its culture and heritage.

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
Council will continue to own and deliver the airport services to the Wairoa district community.	How the service is delivered to the community shall be monitored.	Achieved - airport and runway is checked daily, more often during winter months.
	Community's willingness to pay for the service will be monitored.	Achieved - LTP and Annual Plan submission process in place and monthly landing schedules received and invoiced out.
Council will manage the airport activity to an acceptable standard.	Maintenance, operations, renewal and capital investments are undertaken cost effectively.	Achieved - net operating costs of \$3,979 is less than budget of \$15,606. (Not achieved in 2012/13). There was no renewal or capital expenditure in 2012/13.
The airport services activity will be managed in a safe manner.	Operational and maintenance activities are undertaken in a safe and healthy manner.	Achieved - no reported or recorded incidences of H&S non-compliance.
Customers will receive a prompt and efficient service.	Not less than 80% of the respondents rate the service as 'fairly good' or 'better' in the annual public satisfaction survey.	Not achieved - the airport was not included in the 2013/14 Communitrak survey.
	A reducing amount of CSRs over time.	Achieved – nil CSR's for the airport were received in 2013/14 compared to nil in 2012/13.

FUNDING IMPACT STATEMENT - TRANSPORT

For the year ending 30th June 2014

	ACTUAL 2013/14	BUDGET 2013/14	LTP 2013/14	LTP 2012/13
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	65,887	58,250	58,571	61,422
Targeted rates (other than a targeted rate for water supply)	3,372,037	3,325,695	3,422,373	3,376,691
Subsidies and grants for operating purposes	4,590,679	3,321,813	3,626,526	3,483,812
Fees charges and targeted rates for water supply	759,675	863,595	891,065	863,435
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	8,788,278	7,569,353	7,998,535	7,785,360
Applications of Operating Funding				
Payments to staff and suppliers	7,751,756	5,440,433	5,910,347	5,714,777
Finance costs	-	7,803	7,803	7,872
Internal Charges and overheads applied	1,021,076	1,112,545	1,071,810	1,054,140
Other operating funding applications	-	-	-	-
Total applications of operating funding	8,772,832	6,560,781	6,989,960	6,776,789
Surplus (Deficit) of operating funding	15,446	1,008,572	1,008,575	1,008,571
Sources of capital funding				
Subsidies and grants for capital expenditure	4,160,107	4,750,169	1,998,929	2,191,102
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	98,400
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	4,160,107	4,750,169	1,998,929	2,289,502
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	153,336	116,500
- to improve the level of service	1,106,892	186,500	-	-
- to replace existing assets	3,960,361	6,036,239	3,156,703	3,407,892
Increase (Decrease) in reserves	(891,700)	(463,998)	(302,535)	(226,319)
Increase (Decrease) of investments		-	-	
Total application of capital funding	4,175,553	5,758,741	3,007,504	3,298,073
Surplus (Deficit) of capital funding	(15,446)	(1,008,572)	(1,008,575)	(1,008,571)
Funding Balance	-	-	-	-
Group depreciation and amortisation	3,027,270	2,573,635	2,573,635	2,573,635

TRANSPORT

Statement of Cost of Service for the year ended 30 June 2014

	COSTS 2013/14	REVENUE 2013/14	NET COST 2013/14	BUDGET 2013/14	LTP * 2013/14	ACTUAL 2012/13
Roading (NZTA assisted)	10,694,989	4,604,614	6,090,375	4,508,337	4,593,232	6,521,088
Roading (District funded)	378,918	2,026	376,892	371,740	397,240	495,398
Infrastructural Works Unit	627,831	695,586	(67,755)	10,884	(3,036)	(8,507)
Parking	46,256	-	46,256	42,440	42,663	38,157
Airport	52,108	48,129	3,979	15,606	15,906	31,094
	<u>11,800,102</u>	<u>5,350,355</u>	<u>6,449,747</u>	<u>4,949,007</u>	<u>5,046,005</u>	<u>7,077,230</u>
Projects						
Roading (NZTA assisted)	5,016,707	4,160,107	856,600	5,915,685	3,054,648	6,826,706
Roading (District funded)	45,813	-	45,813	272,000	220,119	68,871
Infrastructural Works Unit	448	-	448	27,554	27,554	2,077
Parking	4,285	-	4,285	7,500	7,718	-
	<u>5,067,253</u>	<u>4,160,107</u>	<u>907,146</u>	<u>6,222,739</u>	<u>3,310,039</u>	<u>6,897,654</u>
Application of capital funding						
- to meet additional demand	-			-	153,336	-
- to improve the level of service	1,106,892			186,500	-	1,307,780
- to replace existing assets	3,960,361			6,036,239	3,156,703	5,589,874
	<u>5,067,253</u>		<u>-</u>	<u>6,222,739</u>	<u>3,310,039</u>	<u>6,897,654</u>

* The 2013/14 LTP has been restated to reflect Non Funded Depreciation. This has had no financial impact on the overall LTP.

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:

- An environment that is appreciated, protected and sustained for future generations.
- Supportive, caring and valued communities.
- Safe and accessible recreation facilities.
- A community that values and promotes its unique culture and heritage.

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
Council will continue to own and deliver a cemetery service to the community of Wairoa.	How the service is delivered to the community shall be monitored through the CSR system.	Achieved - service delivery reported through CSRs monitoring as detailed by reducing number of CSRs (see table below).
	Community's willingness to pay for the service will be monitored.	Achieved - LTP and Annual Plan submission process in place.
Council will manage the cemetery service to an acceptable standard.	Maintenance, operational, renewal and capital investments are undertaken cost effectively.	Achieved - net operating costs of \$88,393 is less than budget of \$125,169. (Achieved in 2012/13). Renewal and capital expenditure of \$1,998 is below a budget of \$125,800 although proposed work at the Mahia Cemetery has not yet commenced.
The cemeteries activity will be managed in a safe manner.	Operational and maintenance activities are undertaken in a safe and healthy manner.	Achieved - no reported or recorded incidences of H&S non-compliance.
Customers will receive a prompt and efficient service.	Level of customer satisfaction through survey indicates a 'fairly good, very good or better' minimum 80% approval rating.	Not achieved - 79% satisfaction recorded as below.
	A reducing amount of CSRs over time.	Not achieved – 2 CSR's for the cemeteries was received in 2013/14 compared to 1 in 2012/13.

COMMUNITY SURVEY - PERFORMANCE RATING									
Cemetery	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Very Satisfied/fairly satisfied	65%	72%	69%	80%	80%	75%	78%	79%	79%
Not very satisfied	6%	7%	6%	4%	2%	5%	4%	5%	3%
Don't know/NA	29%	21%	25%	16%	18%	20%	18%	16%	18%

Parks & Reserves

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

- A safe and secure community.
- A lifetime of good health and well-being.
- An environment that is appreciated, protected and sustained for future generations.
- Safe and accessible recreation facilities.
- A community that values and promotes its culture and heritage.

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
Council will continue to own and deliver parks and reserves services to the district.	How the service is delivered to the community shall be monitored through the CSR system.	Not achieved - service delivery reported through CSRs monitoring as detailed by increased number of CSR's. (15 in 2013/14 – 7 in 2012/13)
	Community's willingness to pay for the service will be monitored.	Achieved - LTP and Annual Plan submission process in place.
Council will manage the parks and reserves to an acceptable standard.	Maintenance, operational, renewal and capital investments are undertaken cost effectively.	Not achieved - net operating costs of \$736,981 is greater than budget of \$712,288. (Achieved in 2012/13). Renewal and capital expenditure of \$213,203 is above a budget of \$65,960 due to completion of works on the skatepark and Opoutama Reserve not budgeted in this year.
The parks and reserves activity will be managed in a safe manner.	Operational and maintenance activities are undertaken in a safe and healthy manner.	Not achieved – Vandalism of playground resulted in health and safety issues.
Customers will receive a prompt and efficient service.	Level of customer satisfaction through survey indicates a 'fairly good, very good or better' minimum 80% approval rating.	Not achieved - 70% satisfaction recorded as below.
	A reducing amount of CSRs over time.	Not achieved - 15 CSRs for parks and reserves received in 2013/14 compared to 7 in 2012/13.

COMMUNITY SURVEY - PERFORMANCE RATING									
Parks and Reserves (Users)	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Very Satisfied/fairly satisfied	87%	83%	80%	83%	84%	88%	90%	87%	70%
Not very satisfied	11%	13%	15%	12%	11%	8%	7%	11%	24%
Don't know/NA	2%	4%	5%	5%	5%	4%	3%	2%	6%

Library

The library activity primarily contributes to the following community outcomes:

- A community that values and promotes its culture and heritage.
- Safe and accessible recreational facilities.
- Supportive, caring and valued communities.
- A lifetime of good health and well-being.

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
Demand and Capacity Council will continue to provide library services for the district through the Wairoa Centennial Library.	A maintained or increased number of library members.	Not achieved – Total 2013/14 – 3,317 Total 2012/13 – 3,500 (Achieved in 2012/13.)
	A maintained or increased number of library visits.	Not achieved – Total 2013/14 – 58,569 Total 2012/13 – 70,054 (Achieved in 2012/13.)
	A maintained or increased number of items issued.	Not achieved – Total 2013/14 – Physical items: 74,586, e-loans: 733 Total 2012/13 – Physical items: 82,231, e-loans: 634 (Not achieved in 2012/13.)
Accessibility Excluding statutory and public holidays, the Wairoa Centennial Library will be open during the times displayed.	The library is accessible to users during the displayed opening hours.	Achieved. (Achieved in 2012/13.)
Quality and Reliability The services provided will include: <ul style="list-style-type: none"> • children’s and young adult’s programmes • a database reference system • educational holiday programmes • internet access • a regional and national inter-loaning system • photocopying facilities • new and replacement books. The number of books and reference materials will not be less than the national standard of 35 items per person in the district. The respective types of books will comply with the national standard: <ul style="list-style-type: none"> • adult non-fiction 35-45% • adult fiction 30-40% • children and young adults 25-30%. 	Opportunities to participate in the annual Eastern & Central Region Summer Reading Programme are provided via newspaper and the Council website.	Achieved. Summer and Winter Reading Programmes were advertised via <ul style="list-style-type: none"> • Library website • Library Facebook page • ‘At the Library’ advertisement in Wairoa Star • News article in Wairoa Star • Display in Library • Flyers to schools (Achieved in 2012/13.)
Costs and Funding Council will manage library activities in a financially viable manner.	All preventative maintenance, renewals and other programmed works are completed on time and within budget.	Not achieved - net operating costs of \$358,353 is greater than budget of \$326,901. (Not achieved in 2012/13.) Renewal and capital expenditure of \$40,377 was incurred, primarily on book purchases.
Customer Service and Satisfaction Council will respond to all enquiries, requests, complaints, and identified issues in a timely manner.	Level of customer satisfaction through survey indicates a ‘fairly good, very good or better’ minimum 80% approval rating.	Achieved - 93%. (Achieved 98% in 2012/13.)

COMMUNITY SURVEY - PERFORMANCE RATING									
Library (Users)	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Very Satisfied/fairly satisfied	94%	91%	96%	96%	95%	93%	96%	98%	93%
Not very satisfied	3%	6%	2%	2%	2%	1%	2%	1%	3%
Don't know/NA	3%	3%	2%	2%	3%	7%	2%	1%	4%

Community Support

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

- Supportive, caring and valued communities.
- Safe and accessible recreational facilities.
- A community that values and promotes its culture and heritage.

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
Demand 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.	Not achieved (Wairoa Community Centre) -79% very/fairly satisfied. (Achieved 82% in 2012/13.) Not achieved (Wairoa Museum) - 81% very/fairly satisfied. (Achieved 83% in 2012/13.)
Quality 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%.	Achieved - 92% very/fairly satisfied. (Achieved 94% in 2012/13)
Costs and Funding 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. Residents are satisfied with value for money through rates on supporting community facilities and organisations with an approval rating of not less than 80%.	Achieved - all grants paid in accordance with contracts/agreements. (Achieved in 2012/13.) Achieved - All agreements reviewed. (Achieved in 2012/13.) Not achieved - 42%. (Not achieved in 2012/13 with 50%.)

COMMUNITY SURVEY - PERFORMANCE RATING				COMMUNITY SURVEY - PERFORMANCE RATING			
Community Facilities Support	2011/12	2012/13	2013/14	Community Facilities Satisfaction	2011/12	2012/13	2013/14
Very Satisfied/fairly satisfied	40%	50%	42%	Very Satisfied/fairly satisfied	95%	94%	92%
Neither satisfied/dissatisfied	38%	36%	28%	Neither satisfied/dissatisfied			
Dissatisfied/very dissatisfied	17%	7%	17%	Dissatisfied/very dissatisfied	5%	6%	8%
Don't know	5%	7%	13%	Don't know			

FUNDING IMPACT STATEMENT - COMMUNITY FACILITIES

For the year ending 30th June 2014

	ACTUAL 2013/14	BUDGET 2013/14	LTP 2013/14	LTP 2012/13
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	1,155,279	942,658	940,997	907,890
Targeted rates (other than a targeted rate for water supply)	774,923	677,107	728,390	723,634
Subsidies and grants for operating purposes	114,490	61,909	63,803	61,825
Fees charges and targeted rates for water supply	56,126	60,517	61,373	59,470
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	2,100,818	1,742,191	1,794,563	1,752,819
Applications of Operating Funding				
Payments to staff and suppliers	1,499,624	1,476,214	1,481,751	1,454,146
Finance costs	7,677	18,050	18,036	
Internal Charges and overheads applied	202,697	187,302	184,771	188,668
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,709,998	1,681,566	1,684,558	1,642,814
Surplus (Deficit) of operating funding	390,820	60,625	110,005	110,005
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	125,800	25,800	200,000
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	125,800	25,800	200,000
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	108,360	318,000
- to improve the level of service	181,859	200,440	-	-
- to replace existing assets	73,719	35,320	10,320	12,000
Increase (Decrease) in reserves	135,242	(49,335)	17,125	(19,995)
Increase (Decrease) of investments		-	-	
Total application of capital funding	390,820	186,425	135,805	310,005
Surplus (Deficit) of capital funding	(390,820)	(60,625)	(110,005)	(110,005)
Funding Balance	-	-	-	-
Group depreciation and amortisation	147,132	95,625	95,625	95,625

COMMUNITY FACILITIES*Statement of Cost of Service for the year ended 30 June 2014*

	COSTS 2013/14	REVENUE 2013/14	NET COST 2013/14	BUDGET 2013/14	LTP * 2013/14	ACTUAL 2012/13
Cemeteries	108,181	19,789	88,392	125,169	116,938	80,237
Parks & Reserves	754,756	17,775	736,981	712,288	728,390	655,421
Library - Operating	371,358	13,005	358,353	326,901	326,693	342,490
Community Support	622,835	120,047	502,788	490,408	478,421	465,420
Taskforce Green Scheme	-	-	-	-	-	(116)
	<u>1,857,130</u>	<u>170,616</u>	<u>1,686,514</u>	<u>1,654,766</u>	<u>1,650,442</u>	<u>1,543,452</u>
Projects						
Cemeteries	1,998		1,998	125,800	25,800	12,000
Parks & Reserves	213,203		213,203	65,960	82,560	19,125
Library - Operating	40,377		40,377	44,000	10,320	44,740
	<u>255,578</u>		<u>255,578</u>	<u>235,760</u>	<u>118,680</u>	<u>75,865</u>
Application of capital funding						
- to meet additional demand	-			-	108,360	-
- to improve the level of service	181,859			200,440	-	35,269
- to replace existing assets	73,719			35,320	10,320	40,596
	<u>255,578</u>		<u>-</u>	<u>235,760</u>	<u>118,680</u>	<u>75,865</u>

* The 2013/14 LTP has been restated to reflect Non Funded Depreciation. This has had no financial impact on the overall LTP.

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:

- 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	PERFORMANCE ACHIEVED															
<p>Legislative Obligations:</p> <ul style="list-style-type: none"> • 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>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> <ul style="list-style-type: none"> • 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>Council is committed to processing all applications within the statutory timeframes as set under the Resource Management Act.</p>	<p>Achieved. 100% 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>Achieved - no situations where inadequate conditions were imposed have been reported.</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>Achieved - no instances where legal proceedings have succeeded against Council have been reported.</p>															
	<p>The number of actual or potential claims that have had to be notified to the Council's insurers.</p>	<p>Achieved - there have been no actual or potential claims notified to the Council's insurers.</p>															
<p>Costs and Funding:</p> <ul style="list-style-type: none"> • The services will be provided at a cost that will be publicly consulted on annually – via either the LTP or Annual Plan preparation process. • 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. <table border="1" style="margin-left: 40px;"> <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%		<p>The cost related to this activity does not exceed the approved budget.</p>	<p>Achieved - net operating costs of \$129,637 is less than budget of \$275,057. (Achieved in 2012/13.)</p> <p>Achieved - user fees and charges are raised for consent applications and monitoring.</p>
	General Rate	User Fees and Charges															
Policy Development	100%																
Consent Applications		100%															
Consent Monitoring		100%															
Environmental Monitoring	100%																

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
<p>Customer Service: All complaints and requests for service will be responded to within the following timeframes:</p> <ul style="list-style-type: none"> • verbal complaints – 3 working days • written complaints and requests for information – 10 working days. <p>All applications for consent will be responded to within the following timeframes:</p> <ul style="list-style-type: none"> • if not required to be notified – within 20 working days • if required to be notified – notified, and notice served within 10 working days. 	<p>100% of applications for consent dealt with within specified timeframes.</p>	<p>Achieved - all applications for consent were dealt with within specified timeframes.</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>	<p>100% of applications for consent dealt with within specified timeframes.</p>	<p>Achieved - all applications for consent were dealt with within specified timeframes.</p>

Environmental Health

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

- A safe and secure community.
- A lifetime of good health and well-being.

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
<p>Legislative Obligations: (a) The Council will inspect all premises that are required to be registered under the Health Act 1956, the Food Act 1981, and the Food Hygiene Regulations 1974, for compliance every year, e.g.:</p> <ul style="list-style-type: none"> • food premises • hairdressers • funeral directors • camping grounds. <p>And it will take steps to ensure that all food workers are aware of their obligations.</p> <p>(b) It will also:</p> <ul style="list-style-type: none"> • monitor the community's water, wastewater, stormwater and sanitary services to ensure that they are being satisfactorily managed, and are performing satisfactorily, from the health point of view • maintain a general overview of the public health of the district and respond to public health complaints. 	100% of all registered premises inspected during the year.	Achieved - all registered premises inspected.
	No sickness outbreaks that are known to have been caused or are suspected to have been caused by persons purchasing contaminated food, or by the inadequate management (or of some other failing) of the public services.	Achieved - no illness outbreaks attributable to food borne illness have been reported.
	100% of all complaints about unreasonable noise are responded to in accordance with legislation, regulations and Council policy.	Achieved - 100% of all complaints have been responded to within the required timeframes and within the legislative parameters.
<p>Health and Safety: All of the above responsibilities will be carried out safely.</p>	No health or safety incidents.	Achieved - there have been no incidents involving the Environmental Health Officer.
<p>Costs and Funding: 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.	Achieved - net operating costs of \$114,361 is less than budget of \$121,359. (Achieved in 2012/13.)
<p>Customer Service: All complaints will be responded to within the following timeframes:</p> <ul style="list-style-type: none"> • verbal complaints – emergencies – 1 hour • other – 1 working day • written complaints – 10 working days <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>Maintain 'approval' status as organization and Environmental Health Officer.</p>	Not less than 95% of all complaints dealt with within the specified timeframes.	Achieved - all complaints were dealt with within specified timeframes.

Building Control

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

- A strong, thriving and prosperous economy.
- A safe and secure community.
- A lifetime of good health and well-being.
- Safe and accessible recreational facilities.

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
<p>Legislative Obligations:</p> <ul style="list-style-type: none"> • Council will monitor and exercise control over all building work that is undertaken in the district in accordance with its role as a Building Control Authority. • Council processing, inspection and certification of buildings meet the requirements of the Building Act 2004. • 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 will monitor and enforce the requirements of the Fencing of Swimming Pools Act 1977. 	Accreditation as a BCA (as required by the Building Act) obtained and continued to be maintained with each IANZ assessment.	Achieved – Following routine re-assessment 28-30 April 2014 confirmation was received that BCA continues to comply with Regulations 4-18 of Building (Accreditation of BCA) Regulations 2006. Next re-assessment date scheduled for April 2016.
	Number of historic building consents still needing code compliance certificates, is to be reduced annually.	Achieved. 513 as at 30.06.12 408 as at 30.06.13 176 as at 30.06.14
	Any unfenced or non-complying swimming pool fences identified during the year are addressed.	Not achieved. 12 Pool fences identified and inspected. 6 Pools still not fully compliant.
	Council responds to 100% of all known illegal or unauthorised buildings (or instances of illegal or unauthorised building work identified during the year).	Not achieved - 5 instances of potential unauthorised building work identified. 2 inspected and Notices to Fix issued. 3 properties yet to be inspected.
	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.	Achieved - no legal proceedings during the year.
<p>Costs and Funding:</p> <p>The service will be provided at a cost that will be publicly consulted on annually – via either the LTP or Annual Plan processes.</p> <p>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).</p>	Operations and associated capital investments (vehicles) are undertaken cost effectively.	<p>This activity is about ensuring appropriate building standards so that the community can have confidence that buildings of a suitable standard are being constructed in the district.</p> <p>Public Benefit Approx. 25% Private Benefit Approx. 75%</p>
<p>Customer Service of Building Control Authority and Territorial Authority:</p> <p>All applications for consent or other information will be processed within the following timeframes:</p> <ul style="list-style-type: none"> • building consents – 20 working days • project information memoranda – 20 days • code of compliance certificates – 20 days • certificates of acceptance – 20 days • certificates of public use – 20 days. 	<p>The number of consents, inspections, etc. are processed within the prescribed times.</p> <p>Target: 100%.</p>	<p>Achieved.</p> <ul style="list-style-type: none"> • Building Consents – 100%. • Project information memoranda 100%. • Code of compliance certificates – 100%. • Certificates of acceptance – 100%. • Certificates of public use 100%.

Liquor Control

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

- 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	PERFORMANCE ACHIEVED
<p>Legislative Obligations: As the District Licensing Agency, the Council will issue 'on, off and club' licenses that allow the sale and supply of liquor, and will inspect the premises for compliance each year.</p> <p>It will also process applications for renewal licenses and for special licenses (which are licenses 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 inspected during the year.	All applications for new licenses and renewals were inspected.
	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 of Liquor Act 1989.	Achieved - appropriate action is taken in response to prevailing conditions.
	Council responds in accordance with legislation to 100% of all situations where licenses have to be suspended or revoked during the year.	Achieved – there was no requirement to suspend or revoke any licenses.
<p>Costs and Funding: 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.	Achieved - net operating costs of \$2,184 is less than budget of \$45,775. (Achieved in 2012/13.)
<p>All complaints will be responded to within the following timeframes:</p> <ul style="list-style-type: none"> • verbal complaints, emergencies – 1 hour • other – 1 day • written complaints – 10 working days. <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>	Not less than 95% of all complaints dealt with within the specified timeframes.	Achieved - 100% of complaints were attended to within the specified timeframes. Complaints relating to noise generated at events where alcohol was sold were investigated. There were no other complaints received.

Bylaw Compliance:

Dog Control

Livestock Control

General Bylaw Enforcement

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

- 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	PERFORMANCE ACHIEVED
<p>Legislative Obligations – Dog Control: The Council will exercise its responsibilities under the Dog Control Act 1996 and the Dog Control Amendment Act 2003, including:</p> <ul style="list-style-type: none"> • the maintenance and regular review of a Dog Control Policy and of a Dog Control Bylaw • the maintenance of a register of all known dogs in the district and National Dog Database • the promotion of responsible dog ownership • impounding (and, if not claimed, destroying) stray dogs • responding to complaints about dangerous stray/barking/nuisance dogs etc. <p>Council will issue a public report annually about the administration of its policy and dog control practices, including information relating to:</p> <ul style="list-style-type: none"> • the number of registered dogs in the district (currently about 3,580) • the number of probationary owners and disqualified owners within the district • the number of dogs classified as dangerous and menacing • the number of infringement notices issued • the number of complaints received, and the number of prosecutions taken. 	<ul style="list-style-type: none"> • All known dogs registered by 30 June each year. 	Achieved - all known dogs are registered within the prescribed timescales.
	<ul style="list-style-type: none"> • Annual Report about the administration of the Council's policy and dog control practices adopted by 30 August each year. 	Achieved - report taken to Council in August 2013.
	<ul style="list-style-type: none"> • Council responds in accordance with legislation to 100% of complaints in relation to instances of: <ul style="list-style-type: none"> • dogs attacking persons or animals • dogs rushing at persons, animals, or vehicles • dogs causing serious injury • dogs at large and an immediate disturbance or threat to wildlife. 	<p>Achieved - all complaints responded to within legislative timescales.</p> <p>32 instances.</p> <p>11 instances.</p> <p>Nil.</p> <p>Nil.</p>
		<p>3,356 registered dogs within the district. Down from previous year due to movement from the district.</p> <p>Nil probationary and 1 disqualified owner within the district.</p> <p>92 dogs classified as dangerous and menacing within the district. 1 dangerous and 91 menacing.</p> <p>86 infringement notices issued.</p> <p>376 complaints received covering barking, lost, welfare, and straying. 1 prosecution and disqualification.</p>
<p>Legislative Obligations – Livestock Control: 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>	<ul style="list-style-type: none"> • The extent to which wandering stock poses a danger to traffic in the district as measured by: <ul style="list-style-type: none"> • The number of complaints received about wandering stock. • The number of times stock has had to be impounded during the year. • No complaints about the manner in which the Council has carried out its livestock control responsibilities. 	<p>171 complaints received.</p> <p>8 instances of impounded stock.</p> <p>There have been no complaints within the year.</p>

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
Legislative Obligations – General Bylaws Enforcement: <ul style="list-style-type: none"> The Council will maintain bylaws for a variety of purposes relating to community well-being. The Council will enforce compliance with its bylaws as and when necessary. 	<ul style="list-style-type: none"> 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. 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>1 occasion when Council has disqualified a person from owning a dog.</p> <p>Achieved - there have been no court decisions against the Council.</p>
Costs and Funding – Dog Control: 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.	The cost related to this activity does not exceed the approved budget.	Achieved - net operating costs of \$36,745 is less than budget of \$99,648. (Achieved in 2012/13.)

COMMUNITY SURVEY - PERFORMANCE RATING									
Dog Control	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Very Satisfied/fairly satisfied	58%	51%	56%	62%	56%	66%	56%	65%	71%
Not very satisfied	38%	44%	36%	33%	42%	30%	36%	31%	24%
Don't know/NA	4%	5%	8%	5%	3%	3%	8%	4%	5%

COMMUNITY SURVEY - PERFORMANCE RATING						
Livestock Control	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Very Satisfied/fairly satisfied	79%	78%	83%	84%	83%	79%
Not very satisfied	13%	12%	11%	10%	7%	10%
Don't know/NA	8%	10%	7%	7%	9%	11%

**Emergency Management:
Civil Defence
Rural Fire**

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

- 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	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.	Achieved - Warden Groups are established.
	Public awareness of rural fire and civil defence through liaison with community groups, volunteers and the media is maintained.	Achieved - public awareness 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.	Achieved - a Rural Fire Plan is maintained.
Readiness and Preparedness: Council will be prepared to respond to and manage emergency management incidents.	Response plans and Standard Operating Procedures (SOPs) are current and reflect perceived threats.	Achieved - response plans and operating procedures are current and reflect perceived threats.
	<ul style="list-style-type: none"> • Appropriate response plans and SOPs are developed and maintained. • Council staff and volunteers are trained and exercised to the degree necessary to maintain efficient and effective rural fire and civil defence operations. 	Ongoing. Ongoing.
	Appropriately trained personnel are identified for the position of controller.	Achieved - there are 2 trained controllers.
Response/Recovery: Council will provide resources to effectively manage emergency management incidents	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.	No events were declared, low key events responded to as necessary.
	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.	Achieved, response and recovery activities are complied with.
	Rural fire prevention and suppression activities are administered effectively and efficiently in accordance with Council's Rural Fire Plan 2010.	Achieved. The rural fire plan is complied with.

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
<p>Cost and Funding: 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% of rural firefighting costs recovered.</p> <p>100% of claims on the National Rural Firefighting Fund are successful.</p>	<p>Preventative maintenance and renewals are under contract with Professional Fire and Fleet Maintenance.</p> <p>Not achieved - net operating costs of \$323,571 is greater than budget of \$308,717. (Achieved in 2012/13.)</p> <p>Renewal and capital expenditure of \$7,745 is below a budget of \$26,500.</p>
<p>Customer Service: 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>Response times to customer enquiries will be as follows:</p> <ul style="list-style-type: none"> • telephone calls (1 working day). • reception (15 minutes). • letters, faxes, e-mail (8 working days). 	<p>Achieved. A rural fire officer is on-call 24/7.</p> <p>Achieved – each event is recorded.</p>

FUNDING IMPACT STATEMENT - PLANNING AND REGULATORY
 For the year ending 30th June 2014

	ACTUAL 2013/14	BUDGET 2013/14	LTP 2013/14	LTP 2012/13
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	818,198	374,434	372,838	363,379
Targeted rates (other than a targeted rate for water supply)	-	368,363	245,686	250,096
Subsidies and grants for operating purposes	19,765	-	-	-
Fees charges and targeted rates for water supply	540,162	554,461	551,294	536,400
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	1,378,125	1,297,258	1,169,818	1,149,875
Applications of Operating Funding				
Payments to staff and suppliers	967,772	1,054,037	966,998	1,100,036
Finance costs	18,057	11,180	11,180	11,200
Internal Charges and overheads applied	183,130	354,741	169,340	181,339
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,168,959	1,419,958	1,147,518	1,292,575
Surplus (Deficit) of operating funding	209,166	(122,700)	22,300	(142,700)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	140,000
Gross proceeds from sale of assets	-	-	10,000	5,000
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	-	10,000	145,000
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	3,767	8,000	-	-
- to replace existing assets	3,978	18,500	40,248	169,000
Increase (Decrease) in reserves	201,421	(149,200)	(7,948)	(166,700)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	209,166	(122,700)	32,300	2,300
Surplus (Deficit) of capital funding	(209,166)	122,700	(22,300)	142,700
Funding Balance	-	-	-	-
Group depreciation and amortisation	54,382	83,800	83,800	83,800

PLANNING & REGULATORY

Statement of Cost of Service for the year ended 30 June 2014

	COSTS 2013/14	REVENUE 2013/14	NET COST 2013/14	BUDGET 2013/14	LTP * 2013/14	ACTUAL 2012/13
Resource Planning	156,159	26,522	129,637	275,057	112,044	92,810
Environmental Health	128,280	13,919	114,361	121,359	111,763	104,245
Building Control	282,452	225,717	56,735	98,741	54,709	60,503
Liquor Control	18,092	15,908	2,184	45,775	13,893	2,616
Bylaw Compliance	250,041	213,296	36,745	99,648	91,491	62,909
Safer Communities	19,945	19,765	180	-	-	-
Emergency Management	-	-	-	-	-	-
Civil Defence	101,030	31,970	69,060	92,287	85,429	42,593
Rural Fire	267,342	12,831	254,511	216,430	210,695	160,393
	<u>1,223,341</u>	<u>559,928</u>	<u>663,413</u>	<u>949,297</u>	<u>680,024</u>	<u>526,069</u>
Projects						
Building Control	-	-	-	-	-	27,471
Bylaw Compliance	-	-	-	-	-	98,856
Emergency Management	-	-	-	-	-	-
Civil Defence	267	-	267	12,000	40,248	30,804
Rural Fire	7,478	-	7,478	14,500	-	4,446
	<u>7,745</u>	<u>-</u>	<u>7,745</u>	<u>26,500</u>	<u>40,248</u>	<u>161,577</u>
Application of capital funding						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	3,767	-	-	8,000	-	-
- to replace existing assets	3,978	-	-	18,500	40,248	161,577
	<u>7,745</u>	<u>-</u>	<u>-</u>	<u>26,500</u>	<u>40,248</u>	<u>161,577</u>

* The 2013/14 LTP has been restated to reflect Non Funded Depreciation. This has had no financial impact on the overall LTP.

Activity Group Six

LEADERSHIP & GOVERNANCE

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

Community Representation

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

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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
Access Opportunities are provided to the public to address Council on any matter through public forums and submissions.	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.	Achieved - confidential items kept to a minimum. (Achieved in 2012/13.) Monthly Council Meetings and Council Forums held. (Achieved in 2012/13.)
Quality Council will promote and maintain ethical standards.	Council's Code of Conduct, policies, and other such documentation are available to the public on request and/or from Council's website. Council activities meet legislative requirements.	Achieved - all policies provided/available on request. (Achieved in 2012/13.) All activities performed in accordance with legislative requirements. No court proceedings upheld. (Achieved in 2012/13.)
Leadership Council will demonstrate leadership to the community as a whole, to its electors, stakeholders, and within the organisation.	Executive Officer and all other officers of the Council are clearly defined. Lines of accountability and delegation are defined.	Achieved - all roles clearly defined by job descriptions and Council policy/delegations. (Achieved in 2012/13.) Lines of accountability and delegation are clearly defined. (Achieved in 2012/13.)
Consultation Council will communicate clearly and informatively with, and on behalf of, the ratepayers, tangata whenua, and stakeholders of the Wairoa district. The interests of the district will be represented at all levels, including Government, its agencies, and other local authorities. Council will make decisions openly, in a timely manner, and communicate decisions effectively.	No complaints are upheld against Council for not publicly consulting via the special consultative procedure when it was legally required to do so. Opportunities are provided for community groups, ratepayers, tangata whenua and stakeholders to fully participate in consultation and the development and fostering of community outcomes.	Achieved - no complaints upheld. No court proceedings upheld. (Achieved in 2012/13.) Opportunities provided for all stakeholders to engage in consultation. Public notifications achieved. (Achieved in 2012/13.)
Costs and Funding Council will manage community representation activities in a financially viable manner.	The cost related to this activity did not exceed the approved budget.	Not achieved - net operating costs of \$1,282,133 is greater than budget of \$1,281,891. (Achieved in 2012/13.)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
Customer Service and Satisfaction Council will respond to all enquiries, requests, complaints, and customers are happy with the Mayor and councillors, and Council staff performance.	Mayor and councillors 'not very good or poor' rating in annual survey is less than 10%. Council staff 'not very good or poor' rating in annual survey is less than 10%.	Achieved (Mayor and councillors) - 4% rated performance not very good or poor. (Achieved 6% in 2012/13.) Not achieved (Council staff) - 11% rated performance not very good or poor. (Achieved 6% in 2012/13.)

COMMUNITY SURVEY - PERFORMANCE RATING									
Mayor and Councillors	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Very good/fairly good	46%	57%	54%	59%	61%	71%	69%	63%	67%
Just acceptable	34%	30%	31%	30%	28%	16%	21%	27%	18%
Not very good/poor	15%	10%	9%	8%	9%	8%	6%	6%	4%
Don't know	5%	3%	6%	3%	2%	5%	5%	4%	11%

Māori Liaison

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

- A community that values and promotes its culture and heritage.
- Strong district leadership and a sense of belonging.

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
Demand 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.	Achieved. (Achieved in 2012/13.)
Access 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.	Achieved, meetings held monthly. (Achieved in 2012/13.)
Consultation With respect to Council's Māori Policy the Council will ensure that whenever an option relating to any 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.	Māori Standing Committee meetings, public meetings and special consultative meetings provide opportunities for Māori to contribute to the decision-making process.	Achieved - opportunities provided for Māori to contribute to the decision-making process as required by the Local Government Act 2002. (Achieved in 2012/13.)
Costs and Funding Council will manage Māori liaison activities in a financially viable manner.	Agreed levels of service are achieved within budget.	Achieved - net operating costs of \$147,552 is less than budget of \$154,111. (Achieved in 2012/13.)
Customer Service and Satisfaction 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.	Achieved - Council offices were open during the hours displayed. (Achieved in 2012/13.) Achieved - all complaints responded to within established timeframes. (Achieved in 2012/13.)

Economic Development

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

- A strong prosperous and thriving economy.

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
Strategy planning and policy	Development of Economic Development Plan.	Achieved and ongoing. (Achieved in 2012/13.)
	Number of actions completed in the Economic Development Plan – Action Plan.	2013/14 – 12 (3 on-going.) 2012/13 - 18
District promotion Promoting economic development of the district.	Number of tourism-focused events.	2013/14 – 20 2012/13 - 20
	Number of business promotion events.	2013/14 -13 2012/13 - 5
	The number of businesses that have been established in the district annually.	2013/14 -11 2012/13 - 7
	The number of registered unemployed in the district.	2013/14 – 1,040 unemployed (2012/13 – 1,250 unemployed) <i>(Source: Ministry of Social Development (2014). Service Centre Benefit Fact Sheets June 2014 – East Coast Region. Wellington: Ministry of Social Development)</i>
Visitor Centre	The number of visitors to the Visitor Information Centre.	2013/14 – 14,668 visitors 2012/13 – 16,395 visitors
	Number of visitors who stay overnight in the district.	2,297 <i>(Source – Statistics New Zealand (2014) Accommodation Survey pivot tables: Territorial Authority (TA) by Total Accommodation: June 2014. Wellington: Statistics New Zealand.)</i> 2012/13 – 1,654
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.	Achieved - net operating costs of \$148,956 is less than budget of \$161,318. (Achieved in 2012/13.)
Customer complaints will be dealt with promptly and properly.	Verbal complaints within 1 working day.	Achieved. (Achieved in 2012/13.)
	Written complaints within 3 working days.	Achieved. (Achieved in 2012/13.)

FUNDING IMPACT STATEMENT - LEADERSHIP AND GOVERNANCE

For the year ending 30th June 2014

	ACTUAL 2013/14	BUDGET 2013/14	LTP 2013/14	LTP 2012/13
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	1,825,530	1,539,589	1,588,536	1,517,978
Targeted rates (other than a targeted rate for water supply)	-	195,490	123,090	117,699
Subsidies and grants for operating purposes	-	-	3,096	3,000
Fees charges and targeted rates for water supply	147,789	141,900	162,953	132,900
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	1,973,319	1,876,979	1,877,675	1,771,577
Applications of Operating Funding				
Payments to staff and suppliers	871,897	899,758	941,566	854,245
Finance costs	430	-	-	-
Internal Charges and overheads applied	983,637	974,541	933,429	914,652
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,855,964	1,874,299	1,874,995	1,768,897
Surplus (Deficit) of operating funding	117,355	2,680	2,680	2,680
Sources of capital funding				
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	-	-	-	-
Total sources of capital funding	-	-	-	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	18,137	-	-	-
- to replace existing assets	-	-	-	-
Increase (Decrease) in reserves	99,218	2,680	2,680	2,680
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	117,355	2,680	2,680	2,680
Surplus (Deficit) of capital funding	(117,355)	(2,680)	(2,680)	(2,680)
Funding Balance	-	-	-	-
Group depreciation and amortisation	2,634	2,680	2,680	2,680

LEADERSHIP & GOVERNANCE*Statement of Cost of Service for the year ended 30 June 2014*

	COSTS 2013/14	REVENUE 2013/14	NET COST 2013/14	BUDGET 2013/14	LTP * 2013/14	ACTUAL 2012/13
Community Representation	1,306,303	24,170	1,282,133	1,281,891	1,274,561	1,079,558
Maori Liaison	147,665	113	147,552	154,111	154,188	113,278
Economic Development	150,026	1,070	148,956	161,318	159,788	136,133
Visitor Information Centre	254,604	122,436	132,168	137,759	123,090	129,143
Total	1,858,598	147,789	1,710,809	1,735,079	1,711,627	1,458,112
Projects						
Economic Development	-	-	-	-	-	-
Community Representation	18,137	-	18,137	-	-	18,427
	18,137		18,137	-	-	18,427
Application of capital funding						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	18,137	-	-	-	-	18,427
- to replace existing assets	-	-	-	-	-	-
	18,137		-	-	-	18,427

* The 2013/14 LTP has been restated to reflect Non Funded Depreciation. This has had no financial impact on the overall LTP.

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:

- A strong, thriving and prosperous economy.
- A safe and secure community.
- A lifetime of good health and well-being.
- An environment that is appreciated, protected and sustained for future generations.
- Supportive, caring and valued communities.
- Safe and accessible recreation facilities.
- A community that values and promotes its culture and heritage.

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
Council will deliver the following property services: <ul style="list-style-type: none"> • commercial • corporate • halls • pensioner housing • camp grounds • community centre. 	How the service is delivered to the community will be monitored.	Achieved - self-review. (Achieved in 2012/13.)
	Community's willingness to pay for the service will be monitored.	Achieved - via annual Communitrak Survey. (Achieved in 2012/13.)
Council will manage the property activity to an acceptable standard.	Maintenance, operations, renewal and capital investments are undertaken cost effectively.	Achieved - Annual Plan/LTP budgeting. (Achieved in 2012/13.)
The property activity will be managed in a safe manner.	Operational and maintenance activities are undertaken in a safe and healthy manner.	Achieved - no complaints or reports of property health and safety issues. (Achieved in 2012/13.)
Customers will receive a prompt and efficient service.	Not less than 80% of the respondents rate the service as 'fairly good' or very good' in the annual public satisfaction survey.	Achieved (Halls) - 92% very/fairly satisfied. (Achieved 94% in 2012/13.) Not achieved (Wairoa Community Centre) - 79% very/fairly satisfied. (Achieved 82% in 2012/13.) Not Achieved (Community facilities) - 42% (Not Achieved 50% in 2012/13.) NB: Camping ground, commercial and corporate property is not measured.
	A reducing amount of CSRs over time.	Not achieved - 57 CSRs received. (Not Achieved in 2012/13 – 45 CSRs received.)

FUNDING IMPACT STATEMENT - PROPERTY

For the year ending 30th June 2014

	ACTUAL 2013/14	BUDGET 2013/14	LTP 2013/14	LTP 2012/13
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	35,329	120,862	112,285	155,097
Targeted rates (other than a targeted rate for water supply)	-	49,399	35,762	40,760
Subsidies and grants for operating purposes	-	-	43,000	613,000
Fees charges and targeted rates for water supply	335,115	113,180	119,752	258,706
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	370,444	283,441	310,799	1,067,563
Applications of Operating Funding				
Payments to staff and suppliers	456,917	256,945	254,205	427,921
Finance costs	393	39,930	40,000	56,000
Internal Charges and overheads applied	(103,945)	(122,542)	(121,133)	(119,171)
Other operating funding applications	-	-	-	-
Total applications of operating funding	353,365	174,333	173,072	364,750
Surplus (Deficit) of operating funding	17,079	109,108	137,727	702,813
Sources of capital funding				
Subsidies and grants for capital expenditure	100,000	43,000	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	500,000
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	100,000	43,000	-	500,000
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	5,145	27,000
- to improve the level of service	162,108	54,567	-	-
- to replace existing assets	13,442	159,209	198,358	1,181,953
Increase (Decrease) in reserves	(58,471)	(61,668)	(65,776)	(6,140)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	117,079	152,108	137,727	1,202,813
Surplus (Deficit) of capital funding	(17,079)	(109,108)	(137,727)	(702,813)
Funding Balance	-	-	-	-
Group depreciation and amortisation	436,578	352,737	352,737	352,737

PROPERTY

Statement of Cost of Service for the year ended 30 June 2014

	COSTS 2013/14	REVENUE 2013/14	NET COST 2013/14	BUDGET 2013/14	LTP * 2013/14	ACTUAL 2012/13
Corporate Property	(5,734)	174	(5,908)	-	-	(9,706)
Staff Housing	8,592	12,000	(3,408)	151	(2,938)	(2,108)
Camping Grounds	17,561	-	17,561	24,777	26,316	15,635
Commercial Property	422	3,464	(3,042)	(1,870)	(1,970)	(1,645)
Information Centre Property	20,420	4,554	15,866	(3,822)	(3,922)	5,932
Library Property	19,817	-	19,817	18,945	18,945	14,239
Community Centre	421,536	100,000	321,536	332,672	332,820	435,919
Community Halls	21,149	130	21,019	40,501	41,452	25,156
Pensioner Housing	73,903	84,099	(10,196)	(9,792)	(10,585)	(31,869)
Sundry Property	120	-	120	4,845	2,752	11,010
Forestry	212,156	230,693	(18,537)	7,484	7,751	(93,167)
	<u>789,942</u>	<u>435,114</u>	<u>354,828</u>	<u>413,891</u>	<u>410,621</u>	<u>369,396</u>
Projects						
Corporate Property	-	-	-	102,900	102,900	9,484
Staff Housing	-	-	-	-	-	-
Camping Grounds	-	-	-	3,667	3,667	-
Information Centre Property	-	-	-	20,580	20,580	22,267
Library Property	-	-	-	10,320	-	33,566
Community Centre	167,811	-	167,811	44,247	44,247	6,557
Community Halls	2,605	-	2,605	1,501	1,548	-
Pensioner Housing	5,135	-	5,135	30,561	30,561	1,200
Sundry Property	-	-	-	-	-	-
Forestry	-	-	-	-	-	-
	<u>175,550</u>	<u>-</u>	<u>175,550</u>	<u>213,776</u>	<u>203,503</u>	<u>73,074</u>
Application of capital funding						
- to meet additional demand	-	-	-	-	5,145	-
- to improve the level of service	162,108	-	-	54,567	-	37,633
- to replace existing assets	13,442	-	-	159,209	198,358	35,441
	<u>175,550</u>	<u>-</u>	<u>-</u>	<u>213,776</u>	<u>203,503</u>	<u>73,074</u>

* The 2013/14 LTP has been restated to reflect Non Funded Depreciation. This has had no financial impact on the overall LTP.

Corporate & Funds Management

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

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

FUNDING IMPACT STATEMENT - INVESTMENTS

For the year ending 30th June 2014

	ACTUAL 2013/14	BUDGET 2013/14	LTP 2013/14	LTP 2012/13
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	(655,712)	(585,241)	(606,207)	(473,341)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	681	800	826	800
Local authorities fuel tax, fines, infringement fees, and other receipts	1,173,380	629,941	652,181	683,041
Total Operating Funding	518,349	45,500	46,800	210,500
Applications of Operating Funding				
Payments to staff and suppliers	12,349	40,500	41,800	40,500
Finance costs	114,872	-	-	-
Internal Charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	127,221	40,500	41,800	40,500
Surplus (Deficit) of operating funding	391,128	5,000	5,000	170,000
Sources of capital funding				
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	-	-	-	-
Total sources of capital funding	-	-	-	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (Decrease) in reserves	391,128	5,000	5,000	170,000
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	391,128	5,000	5,000	170,000
Surplus (Deficit) of capital funding	(391,128)	(5,000)	(5,000)	(170,000)
Funding Balance	-	-	-	-
Group depreciation and amortisation	-	-	-	-

INVESTMENTS*Statement of Cost of Service for the year ended 30 June 2014*

	COSTS 2013/14	REVENUE 2013/14	NET COST 2013/14	BUDGET 2013/14	LTP * 2013/14	ACTUAL 2012/13
Funds Management	15,874	1,281,993	(1,266,119)	(394,941)	(394,301)	(1,379,267)
Dividends	-	158,478	(158,478)	(145,000)	(165,000)	(320,000)
Corporate	111,346	61,781	49,565	(50,300)	(51,906)	378,394
	<u>127,220</u>	<u>1,502,252</u>	<u>(1,375,032)</u>	<u>(590,241)</u>	<u>(611,207)</u>	<u>(1,320,873)</u>
Less Internal Reallocation						-
	<u>127,220</u>	<u>1,502,252</u>	<u>(1,375,032)</u>	<u>(590,241)</u>	<u>(611,207)</u>	<u>(1,320,873)</u>
Less Interest Received		<u>328,191</u>	<u>(328,191)</u>			<u>408,541</u>
	<u>127,220</u>	<u>1,174,061</u>	<u>(1,046,841)</u>	<u>(590,241)</u>	<u>(611,207)</u>	<u>(912,332)</u>
Application of capital funding						
- to meet additional demand	-			-	-	-
- to improve the level of service	-			-	-	-
- to replace existing assets	-			-	-	-
	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

* The 2013/14 LTP has been restated to reflect Non Funded Depreciation. This has had no financial impact on the overall LTP.

FUNDING IMPACT STATEMENT - SUPPORT SERVICES

For the year ending 30th June 2014

	ACTUAL 2013/14	BUDGET 2013/14	LTP 2013/14	LTP 2012/13
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	(1,651)	(1,600)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	2,548	25,100	25,903	25,100
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	2,548	25,100	24,252	23,500
Applications of Operating Funding				
Payments to staff and suppliers	2,812,480	3,225,869	3,026,475	2,943,543
Finance costs	268,917	-	-	-
Internal Charges and overheads applied	(3,212,207)	(3,242,914)	(3,095,368)	(2,958,188)
Other operating funding applications	-	-	-	-
Total applications of operating funding	(130,810)	(17,045)	(68,893)	(14,645)
Surplus (Deficit) of operating funding	133,358	42,145	93,145	38,145
Sources of capital funding				
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	-	-	-	-
Total sources of capital funding	-	-	-	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	20,000
- to improve the level of service	135,426	37,000	-	-
- to replace existing assets	11,106	92,880	92,880	117,900
Increase (Decrease) in reserves	(13,174)	(87,735)	265	(99,755)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	133,358	42,145	93,145	38,145
Surplus (Deficit) of capital funding	(133,358)	(42,145)	(93,145)	(38,145)
Funding Balance	-	-	-	-
Group depreciation and amortisation	137,938	93,145	93,145	93,145

SUPPORT SERVICES

Statement of Cost of Service for the year ended 30 June 2014

	COSTS 2013/14	REVENUE 2013/14	NET COST 2013/14	BUDGET 2013/14	LTP * 2013/14	ACTUAL 2012/13
Chief Executive Officer	243,450	-	243,450	254,376	249,353	207,331
Administration Services	842,996	2,219	840,777	916,903	847,089	740,176
Financial Services	1,023,592	280	1,023,312	840,622	849,725	762,852
Information Services	534,186	49	534,137	609,027	575,906	535,343
Engineering Services	570,045	-	570,045	626,326	639,135	542,957
Regulatory Manager			-	114,000	-	-
Less Overhead Allocation		3,212,207	(3,212,207)	(3,310,254)	(3,162,859)	(2,788,657)
	<u>3,214,269</u>	<u>3,214,755</u>	<u>(486)</u>	<u>51,000</u>	<u>(1,651)</u>	<u>2</u>
Projects						
Administration Services	36,153		36,153	20,000	-	47,401
Information Services	72,348		72,348	109,880	92,880	87,990
Corporate Services	38,031		38,031	-	-	-
	<u>146,532</u>		<u>146,532</u>	<u>129,880</u>	<u>92,880</u>	<u>135,391</u>
Application of capital funding						
- to meet additional demand	-			-	-	-
- to improve the level of service	135,426			37,000	-	99,548
- to replace existing assets	11,106			92,880	92,880	35,843
	<u>146,532</u>		<u>-</u>	<u>129,880</u>	<u>92,880</u>	<u>135,391</u>

* The 2013/14 LTP has been restated to reflect Non Funded Depreciation. This has had no financial impact on the overall LTP.

This statement records the cost of operating Council's administrative and support functions and other costs not directly attributable to any activity. These costs are all allocated via the overhead allocation process to the significant activities so that the net cost of Support Services is nil.

Council-Controlled Organisations

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

QRS Ltd 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.

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 are the measures by which the company's performance will be judged.

	2014 Plan	2014 Actual ACHIEVED
Net profit before tax as a percentage of opening shareholder funds	10.9%	8.8%
Total cost of public debt servicing not to exceed 20% of operating revenue	20%	0.5%
Ratio of shareholder funds to total assets – not less than	45%	67.7%
Local permanent workforce	60	83**

** Average throughout the year.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2014

	Notes	COUNCIL 2013/14 ACTUAL	COUNCIL 2013/14 ANNUAL PLAN *	COUNCIL 2013/14 LTP *	COUNCIL 2012/13 ACTUAL	GROUP 2013/14 ACTUAL	GROUP 2012/13 ACTUAL
REVENUES							
Rates	1	10,134,170	9,718,234	10,864,334	10,100,302	10,134,170	10,100,302
Subsidies and Grants	32	10,569,157	11,176,891	5,735,355	13,399,824	10,569,157	13,399,824
Petrol Tax		61,100	70,000	72,240	64,112	61,100	64,112
Construction Revenue		-	-	-	-	3,822,133	3,341,288
Fees and Charges		1,936,990	3,270,150	3,381,507	1,953,484	1,697,592	1,686,840
Investment Income	3	1,322,671	1,084,350	1,104,350	2,235,683	1,173,853	1,944,955
		<u>24,024,088</u>	<u>25,319,625</u>	<u>21,157,786</u>	<u>27,753,405</u>	<u>27,458,005</u>	<u>30,537,321</u>
EXPENDITURE							
Water Services		3,752,648	4,697,671	5,127,208	3,302,243	3,752,648	3,302,243
Solid Waste		1,017,773	1,149,746	1,187,248	1,001,327	1,017,773	1,001,327
Transport		11,105,327	9,133,477	9,562,657	11,826,703	11,105,327	11,826,703
Community Facilities		1,849,453	1,892,992	1,778,820	1,686,503	1,849,453	1,686,503
Planning & Regulatory		1,216,238	1,503,495	1,231,054	1,146,337	1,216,238	1,146,337
Leadership & Governance		1,858,598	1,876,979	1,877,676	1,591,662	1,858,598	1,591,662
Investments		127,220	40,500	41,800	459,997	127,220	459,997
Property		789,549	409,921	525,808	982,349	789,549	982,349
Corporate		2,062	76,100	24,252	5,231	2,062	5,231
Expenditure - QRS		-	-	-	-	3,210,958	2,873,146
		<u>21,718,868</u>	<u>20,780,881</u>	<u>21,356,523</u>	<u>22,002,352</u>	<u>24,929,826</u>	<u>24,875,498</u>
Surplus (Deficit) before Capital Gain		2,305,220	4,538,744	(198,737)	5,751,053	2,528,179	5,661,823
Plus: increase (decrease) in biological asset	2	80,434	-	-	-	80,434	-
Operating Surplus (Deficit) before taxation		<u>2,385,654</u>	<u>4,538,744</u>	<u>(198,737)</u>	<u>5,751,053</u>	<u>2,608,613</u>	<u>5,661,823</u>
Taxation	9	-	-	-	-	140,176	94,627
Net Surplus (Deficit) after taxation		<u>2,385,654</u>	<u>4,538,744</u>	<u>(198,737)</u>	<u>5,751,053</u>	<u>2,468,437</u>	<u>5,567,196</u>
OTHER COMPREHENSIVE INCOME							
Property, Plant and Equipment - vested asset		-	-	-	6,227,983	-	6,227,983
Increase (Decrease) in revaluation reserve		31,930,712	-	-	-	31,930,712	-
TOTAL COMPREHENSIVE INCOME		<u>34,316,366</u>	<u>4,538,744</u>	<u>(198,737)</u>	<u>11,979,036</u>	<u>34,399,149</u>	<u>11,795,179</u>

* Post publication of the 2013/14 LTP, the Investments Activity was divided into separate Investments and Property Activities resulting in these categories having changed from the published LTP. The overall budget deficit of \$198,737 remains the same.

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2014

	COUNCIL 2013/14 ACTUAL	COUNCIL 2013/14 ANNUAL PLAN	COUNCIL 2013/14 LTP	COUNCIL 2012/13 ACTUAL	GROUP 2013/14 ACTUAL	GROUP 2012/13 ACTUAL
Equity at 1 July 2013	225,094,719	200,221,741	200,221,741	213,115,683	228,869,021	217,073,842
Net Surplus/(Deficit) for period	2,385,654	4,538,744	(198,737)	5,751,053	2,468,437	5,567,196
Other Comprehensive Income	31,930,712	-	-	6,227,983	31,930,712	6,227,983
Total Comprehensive Income	<u>34,316,366</u>	<u>4,538,744</u>	<u>(198,737)</u>	<u>11,979,036</u>	<u>34,399,149</u>	<u>11,795,179</u>
Equity at 30 June 2014	<u>259,411,085</u>	<u>204,760,485</u>	<u>200,023,004</u>	<u>225,094,719</u>	<u>263,268,170</u>	<u>228,869,021</u>
Components of Equity						
Ratepayers Equity at the beginning of the year	140,279,119	181,463,248	181,463,248	126,675,813	143,062,887	129,643,438
Net surplus/(deficit) for period	2,385,654	4,538,744	(198,737)	11,979,036	2,468,437	11,795,179
Transfers from restricted reserves	4,195,409	3,911,890	2,882,463	4,779,878	4,195,409	4,779,878
Transfers to restricted reserves	(10,636,335)	(3,516,773)	(3,518,769)	(3,942,685)	(10,396,335)	(3,942,685)
Transfer from revaluation reserve on disposal	266,266	-	-	787,077	266,266	787,077
Ratepayers Equity at 30 June 2014	<u>136,490,113</u>	<u>186,397,109</u>	<u>180,628,205</u>	<u>140,279,119</u>	<u>139,596,664</u>	<u>143,062,887</u>
Special Funds at the beginning of the year	14,669,238	18,758,493	18,758,493	15,506,431	14,669,238	15,506,431
Transfer from ratepayers equity	10,636,335	3,516,773	3,518,769	3,942,685	10,396,335	3,942,685
Transfer to ratepayers equity	(4,195,409)	(3,911,890)	(2,882,463)	(4,779,878)	(4,195,409)	(4,779,878)
Special Funds at 30 June 2014	<u>21,110,164</u>	<u>18,363,376</u>	<u>19,394,799</u>	<u>14,669,238</u>	<u>20,870,164</u>	<u>14,669,238</u>
Revaluation reserve infrastructural at the beginning of the year	70,146,362	-	-	70,933,439	71,136,896	71,923,973
Net transfer from revaluation reserve on disposal	(266,266)	-	-	(787,077)	(266,266)	(787,077)
Transfer to revaluation	31,930,712	-	-	-	31,930,712	-
Revaluation reserve infrastructural at 30 June 2014	<u>101,810,808</u>	<u>-</u>	<u>-</u>	<u>70,146,362</u>	<u>102,801,342</u>	<u>71,136,896</u>
Total Equity at 30 June 2014	<u>259,411,085</u>	<u>204,760,485</u>	<u>200,023,004</u>	<u>225,094,719</u>	<u>263,268,170</u>	<u>228,869,021</u>

STATEMENT OF FINANCIAL POSITION
For the year ended 30 June 2014

	Notes	COUNCIL 2013/14 ACTUAL	COUNCIL 2013/14 ANNUAL PLAN	COUNCIL 2013/14 LTP	COUNCIL 2012/13 ACTUAL	GROUP 2013/14 ACTUAL	GROUP 2012/13 ACTUAL
CURRENT ASSETS							
Cash and cash equivalents	7	5,883,689	348,102	3,432,510	3,497,607	7,368,070	5,186,115
Inventories	5	29,329	44,590	44,590	38,291	963,882	1,241,266
Trade & other receivables	4	5,792,551	6,761,268	5,458,603	6,242,954	6,916,646	7,129,700
Financial assets at fair value	6	6,329,018	14,113,538	14,113,538	2,871,582	6,329,018	2,871,582
Taxation Refundable		-	-	-	-	-	113,694
Total Current Assets		18,034,587	21,267,498	23,049,241	12,650,434	21,577,616	16,542,357
LESS CURRENT LIABILITIES							
Trade & other payables	8	4,228,703	5,504,346	4,636,270	4,512,637	5,407,127	5,528,073
Term Liabilities - Current Portion	10	-	-	-	-	290,244	351,914
Taxation		-	-	-	-	10,952	-
Total Current Liabilities		4,228,703	5,504,346	4,636,270	4,512,637	5,708,323	5,879,987
Working Capital		13,805,884	15,763,152	18,412,971	8,137,797	15,869,293	10,662,370
NON CURRENT ASSETS							
Property, Plant & Equipment	12	244,547,114	196,645,005	190,408,516	209,351,827	247,506,009	212,668,767
Loans & other receivables	13	247	2,248	8,267	247	247	247
Investments in Subsidiary	14	1,250,000	1,250,000	1,250,000	1,250,000	-	-
Investment Property	15	277,000	277,000	277,000	277,000	277,000	277,000
Biological asset - forestry	17	150,380	64,946	64,946	69,946	150,380	69,946
Available for sale financial assets	16	22,992	22,992	22,992	22,992	22,992	22,992
Intangible Assets	11	106,131	108,193	26,592	143,277	255,189	292,919
Financial assets at fair value	6	5,242,112	-	-	6,849,078	5,242,112	6,849,078
Deferred Taxation	9	-	-	-	-	289,799	313,415
		251,595,976	198,370,384	192,058,313	217,964,367	253,743,728	220,494,364
NON CURRENT LIABILITIES							
Employee Entitlements	20	131,549	206,210	206,210	147,883	215,147	223,083
Landfill Aftercare	28	859,226	651,178	651,178	859,562	859,226	859,562
Quarry Aftercare	29	-	-	-	-	159,816	136,248
Borrowings	10	5,000,000	8,515,663	9,590,892	-	5,110,662	1,068,820
		5,990,775	9,373,051	10,448,280	1,007,445	6,344,851	2,287,713
Net Assets		259,411,085	204,760,485	200,023,004	225,094,719	263,268,170	228,869,021
Represented by							
Equity	18	259,411,085	204,760,485	200,023,004	225,094,719	263,268,170	228,869,021

The accompanying notes form part of the Financial Statements

STATEMENT OF CASH FLOWS
For the year ended 30 June 2014

	COUNCIL 2013/14 ACTUAL	COUNCIL 2013/14 ANNUAL PLAN	COUNCIL 2013/14 LTP	COUNCIL 2012/13 ACTUAL	GROUP 2013/14 ACTUAL	GROUP 2012/13 ACTUAL
OPERATING ACTIVITIES						
Cash was provided from:						
Rates received	10,198,298	9,507,377	10,228,557	10,193,048	10,198,298	10,193,048
Revenue from services provided and subsidies	13,306,220	16,462,272	12,875,899	15,830,188	15,129,850	18,203,051
Dividends received	158,478	-	-	320,000	-	-
Interest received	820,385	-	-	2,235,683	836,567	2,264,955
	<u>24,483,381</u>	<u>25,969,649</u>	<u>23,104,456</u>	<u>28,578,919</u>	<u>26,164,715</u>	<u>30,661,054</u>
Cash was applied to:						
Payments to Suppliers & Employees	15,348,141	15,318,700	15,608,378	17,043,250	15,527,042	17,410,417
Taxation	-	-	-	-	(8,086)	268,312
Interest Paid	209,210	518,169	768,133	-	284,326	116,531
	<u>15,557,351</u>	<u>15,836,869</u>	<u>16,376,511</u>	<u>17,043,250</u>	<u>15,803,282</u>	<u>17,795,260</u>
Net Cash Flow from Operations	19 <u>8,926,030</u>	<u>10,132,780</u>	<u>6,727,945</u>	<u>11,535,669</u>	<u>10,361,433</u>	<u>12,865,794</u>
INVESTING ACTIVITIES						
Cash was provided from:						
Sale of Property, Plant & Equipment	-	-	10,000	-	52,895	206,294
Sale of Financial Assets	1,454,730	-	-	2,446,001	1,454,730	2,446,001
	<u>1,454,730</u>	<u>-</u>	<u>10,000</u>	<u>2,446,001</u>	<u>1,507,625</u>	<u>2,652,295</u>
Cash was applied to:						
Purchase of Intangibles	39,098	-	-	93,394	78,247	98,366
Purchase of Financial Assets	3,019,332	-	-	-	3,019,332	-
Purchase of Property, Plant & Equipment	9,936,248	12,106,445	6,702,431	13,176,327	10,569,696	13,953,367
	<u>12,994,678</u>	<u>12,106,445</u>	<u>6,702,431</u>	<u>13,269,721</u>	<u>13,667,275</u>	<u>14,051,733</u>
Net Cash Flows from Investing Activities	<u>(11,539,948)</u>	<u>(12,106,445)</u>	<u>(6,692,431)</u>	<u>(10,823,720)</u>	<u>(12,159,650)</u>	<u>(11,399,438)</u>
FINANCING ACTIVITIES						
Cash was provided from:						
Loans Raised	5,000,000	240,090	140,090	-	5,500,000	228,348
	<u>5,000,000</u>	<u>240,090</u>	<u>140,090</u>	<u>-</u>	<u>5,500,000</u>	<u>228,348</u>
Cash was applied to:						
Borrowings Repaid	-	1,253,084	77,855	-	1,519,828	394,927
	<u>-</u>	<u>1,253,084</u>	<u>77,855</u>	<u>-</u>	<u>1,519,828</u>	<u>394,927</u>
Net Cash Flows from Financing Activities	<u>5,000,000</u>	<u>(1,012,994)</u>	<u>62,235</u>	<u>-</u>	<u>3,980,172</u>	<u>(166,579)</u>
Net Increase/(Decrease)	<u>2,386,082</u>	<u>(2,986,659)</u>	<u>97,749</u>	<u>711,949</u>	<u>2,181,955</u>	<u>1,299,777</u>
Plus opening cash & cash equivalents	3,497,607	3,334,761	3,334,761	2,785,658	5,186,115	3,886,338
Cash & cash equivalents at end of year	<u>5,883,689</u>	<u>348,102</u>	<u>3,432,510</u>	<u>3,497,607</u>	<u>7,368,070</u>	<u>5,186,115</u>
Made up of:						
Cash	801	348,102	3,432,510	801	1,485,182	1,689,309
Short Term Deposits	5,882,888	-	-	3,496,806	5,882,888	3,496,806
Bank Overdraft	-	-	-	-	-	-
	<u>5,883,689</u>	<u>348,102</u>	<u>3,432,510</u>	<u>3,497,607</u>	<u>7,368,070</u>	<u>5,186,115</u>

The accompanying notes form part of the Financial Statements

Note 1 Statement of Rates

	2014	2013
(a) Rate Debtors		
Balance of Rate Debtors at start of year	2,949,046	2,645,619
Add Rates levied (current rates)	12,149,092	12,059,258
Penalties charged	215,149	223,845
Legal costs	<u>11,867</u>	<u>10,165</u>
	15,325,154	14,938,887
Less rates collected	(11,613,631)	(11,319,064)
Adjustments/write offs/discounts	(720,443)	(687,312)
Plus increase (Decrease) in rates paid in advance	<u>69,534</u>	<u>16,535</u>
	<u>3,060,614</u>	<u>2,949,046</u>
(b) Rates revenue		
Rates levied		
General Rates	2,658,196	2,468,993
Water	782,996	774,383
Sewerage	888,537	838,113
Waste Management	868,214	870,360
Stormwater / Drainage	319,336	302,844
Services	723,986	784,813
Roading	3,515,122	3,593,452
Recreation	<u>807,805</u>	<u>853,344</u>
	10,564,192	10,486,302
Penalties charged	<u>215,149</u>	<u>223,845</u>
	10,779,341	10,710,147
Less Remissions	<u>(313,449)</u>	<u>(299,538)</u>
	10,465,892	10,410,609
Less internal charges	<u>(331,722)</u>	<u>(310,307)</u>
Rating revenue per Income Statement	<u>10,134,170</u>	<u>10,100,302</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 2 Other Income

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Gain (Loss) on change in fair value of forestry assets	80,434	-	80,434	-
Net gain (Loss) on changes in fair value of investment property	-	-	-	-
	<u>80,434</u>	<u>-</u>	<u>80,434</u>	<u>-</u>

Note 3 Investment Income

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Interest on Financial assets at fair value through Profit and Loss	820,385	709,056	836,567	738,328
Gain / (Loss) in market value of Bond Portfolio	92,416	687,223	92,416	687,223
Dividends	158,478	320,000	(6,522)	-
Rental income from investment properties	88,958	99,329	88,958	99,329
Rental income on other investments	20,018	19,349	20,018	19,349
Other income	142,416	400,726	142,416	400,726
	<u>1,322,671</u>	<u>2,235,683</u>	<u>1,173,853</u>	<u>1,944,955</u>

Note 4 Trade and other Receivables

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Rates Debtors	3,060,614	2,949,046	3,060,614	2,949,046
Trade Receivables	4,656,687	4,934,173	5,781,290	5,841,121
GST Receivable	599,345	778,479	599,345	778,479
Other Debtors	-	-	-	-
Less provision for impairment of receivables	(2,524,095)	(2,418,744)	(2,524,603)	(2,438,946)
	<u>5,792,551</u>	<u>6,242,954</u>	<u>6,916,646</u>	<u>7,129,700</u>

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 to be made when a debt is determined to be recoverable.

The age of rates receivable is as set out in the table below:

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Not past due	282,010	273,469	282,010	273,469
1 to 2 years	1,004,796	502,798	1,004,796	502,798
2 to 5 years	834,620	1,302,070	834,620	1,302,070
over 5 years	939,188	870,709	939,188	870,709
Total Rates Debtors	<u>3,060,614</u>	<u>2,949,046</u>	<u>3,060,614</u>	<u>2,949,046</u>

NOTES TO THE FINANCIAL STATEMENTS

2014 Council and Group

	Gross	Impairment	Net
Not past due	282,010	68,666	213,344
1 to 2 years	1,004,796	598,149	406,647
2 to 5 years	834,620	813,105	21,515
over 5 years	939,188	939,188	(0)
	<u>3,060,614</u>	<u>2,419,108</u>	<u>641,506</u>

2013 Council and Group

	Gross	Impairment	Net
Not past due	273,469	66,816	206,653
1 to 2 years	502,798	266,170	236,628
2 to 5 years	1,302,070	1,106,899	195,171
over 5 years	870,709	880,336	(9,627)
	<u>2,949,046</u>	<u>2,320,221</u>	<u>628,825</u>

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:

2014 Council

	Gross	Impairment	Net
Not past due	3,856,085	-	3,856,085
Past due 30 - 60 days	60,925	-	60,925
Past due 60 - 90 days	50,936	-	50,936
Past due > 90 days	688,741	104,986	583,755
	<u>4,656,687</u>	<u>104,986</u>	<u>4,551,701</u>

2014 Group

	Gross	Impairment	Net
Not past due	4,980,688	-	4,980,688
Past due 30 - 60 days	60,925	-	60,925
Past due 60 - 90 days	50,936	-	50,936
Past due > 90 days	688,741	105,494	583,247
	<u>5,781,290</u>	<u>105,494</u>	<u>5,675,796</u>

2014 Summary

	Gross	Impairment	Net
Council	8,316,646	2,524,095	5,792,551
Group	9,441,249	2,524,603	6,916,646

NOTES TO THE FINANCIAL STATEMENTS

	2013 Council		
	Gross	Impairment	Net
Not past due	2,694,107	-	2,694,107
Past due 30 - 60 days	51,908	-	51,908
Past due 60 - 90 days	64,461	-	64,461
Past due > 90 days	<u>2,123,697</u>	<u>98,523</u>	<u>2,025,174</u>
	<u><u>4,934,173</u></u>	<u><u>98,523</u></u>	<u><u>4,835,650</u></u>

	2013 Group		
	Gross	Impairment	Net
Not past due	3,601,055	-	3,601,055
Past due 30 - 60 days	51,908	-	51,908
Past due 60 - 90 days	64,461	-	64,461
Past due > 90 days	<u>2,123,697</u>	<u>118,725</u>	<u>2,004,972</u>
	<u><u>5,841,121</u></u>	<u><u>118,725</u></u>	<u><u>5,722,396</u></u>

	2013 Summary		
	Gross	Impairment	Net
Council	8,661,698	2,418,744	6,242,954
Group	9,568,646	2,438,946	7,129,700

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:

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
At 1 July	2,418,744	2,028,480	2,438,946	2,117,808
Additional provision	<u>105,351</u>	<u>390,264</u>	<u>85,657</u>	<u>321,138</u>
At 30 June	<u><u>2,524,095</u></u>	<u><u>2,418,744</u></u>	<u><u>2,524,603</u></u>	<u><u>2,438,946</u></u>

Note 5 Inventories

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Metal Stocks	-	-	656,173	872,392
Water reticulation spare parts	3,921	3,921	3,921	3,921
Water treatment chemicals	13,040	22,213	13,040	22,213
Other supplies	12,368	12,157	127,021	121,605
Work in progress	<u>-</u>	<u>-</u>	<u>163,727</u>	<u>221,135</u>
	<u><u>29,329</u></u>	<u><u>38,291</u></u>	<u><u>963,882</u></u>	<u><u>1,241,266</u></u>

The carrying amount of inventories held for distribution that are measured at lower of cost or net realisable value as at 30 June 2014 amounted to \$29,329 (2013: \$38,291). The write-down of inventories held for distribution amounted to \$nil (2013: \$nil), while reversal of write downs amounted to \$nil (2013: \$ nil.) The carrying amount of inventories pledged as security is \$nil (2013: \$nil) and for liabilities is \$nil (2013: \$nil.)

NOTES TO THE FINANCIAL STATEMENTS

Note 6 Financial assets at Fair Value

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Stock and Debentures - Current Asset	8,551,798	9,720,660	8,551,798	9,720,660
Term deposits over 3 months	<u>3,019,332</u>	-	<u>3,019,332</u>	<u>9,720,660</u>
	<u><u>11,571,130</u></u>	<u><u>9,720,660</u></u>	<u><u>11,571,130</u></u>	<u><u>9,720,660</u></u>

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:

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Maturity				
One year or less	6,329,018	2,871,582	6,329,018	2,871,582
Weighted average interest rate	6.29%	5.76%	6.29%	5.76%
Between one and five years	4,962,997	5,592,242	4,962,997	5,592,242
Weighted average interest rate	5.55%	5.73%	5.55%	5.73%
Over five years	279,115	1,256,836	279,115	1,256,836
Weighted average interest rate	5.52%	5.73%	5.52%	5.73%
	<u><u>11,571,130</u></u>	<u><u>9,720,660</u></u>	<u><u>11,571,130</u></u>	<u><u>9,720,660</u></u>

The stocks and debentures are local authority stocks, and commercial bonds that are actively traded. The coupon rates vary from 3.71% to 8.3% with yields from 4.05% to 6.95%. Purchases and sales are accounted for at settlement date. These assets are exposed to cash flow interest rate risk.

Note 7 Cash and Cash Equivalents

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Cash at bank and in Hand	801	801	1,485,182	1,689,309
Short term deposits	<u>5,882,888</u>	<u>3,496,806</u>	<u>5,882,888</u>	<u>3,496,806</u>
Total cash and cash equivalents	<u><u>5,883,689</u></u>	<u><u>3,497,607</u></u>	<u><u>7,368,070</u></u>	<u><u>5,186,115</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

Note 8 Trade and other Payables

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Trade Payables	3,262,882	3,585,499	3,689,250	3,981,425
Employee Entitlements	647,346	641,954	1,339,018	1,256,949
GST Payable	-	-	143,982	79,715
Prepayments - Rates	271,888	202,354	271,888	202,354
Prepayments - Other debtors	<u>87,371</u>	<u>89,267</u>	<u>87,371</u>	<u>89,267</u>
	4,269,487	4,519,074	5,531,509	5,609,710
Less non-current portion of employee entitlements	<u>(131,549)</u>	<u>(147,883)</u>	<u>(215,147)</u>	<u>(223,083)</u>
	<u>4,137,938</u>	<u>4,371,191</u>	<u>5,316,362</u>	<u>5,386,627</u>
Trust funds and deposits				
Deposits	87,118	137,799	87,118	137,799
Trust funds	<u>3,647</u>	<u>3,647</u>	<u>3,647</u>	<u>3,647</u>
	<u>90,765</u>	<u>141,446</u>	<u>90,765</u>	<u>141,446</u>
Trade and Other Payables	<u>4,228,703</u>	<u>4,512,637</u>	<u>5,407,127</u>	<u>5,528,073</u>

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

Safer Community Committee	<u>3,647</u>	<u>3,647</u>	<u>3,647</u>	<u>3,647</u>
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Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value approximates their fair value.

NOTES TO THE FINANCIAL STATEMENTS

Note 9 Taxation

	2013/14 Group	2012/13 Group
Current tax expense	116,560	-
Adjustments to current tax in prior years	-	-
Reduction in tax rate	-	-
Deferred tax expense	<u>23,616</u>	<u>94,627</u>
Income tax expense	<u>140,176</u>	<u>94,627</u>
Accessible income	<u>496,849</u>	<u>336,487</u>
Tax @ 28%	139,118	94,216
Plus taxation effect of permanent differences	-	-
Imputation credit adjustment	-	-
Reduction in tax rate	-	-
Non deductible expenses	<u>1,058</u>	<u>411</u>
Less prior period taxation	-	-
Income tax expense at effective rate of 28%	<u>140,176</u>	<u>94,627</u>
The major components of taxation expense are:		
Current taxation	116,560	-
Deferred taxation	23,616	94,627
Reduction in tax rate	-	-
	<u>140,176</u>	<u>94,627</u>
Balance as at 30 June 2014	<u>2,479,883</u>	<u>2,431,784</u>
Deferred Tax Asset		
Opening Balance	313,415	408,042
Current year charge	<u>(23,616)</u>	<u>(94,627)</u>
Closing Balance	<u>289,799</u>	<u>313,415</u>

NOTES TO THE FINANCIAL STATEMENTS

Deferred Income Tax as at 30 June 2014 relates to the following

	Balance Sheet Group		Income Statement Group	
	2013/14	2012/13	2013/14	2012/13
Deferred tax liabilities				
Contract retentions	106,803	82,420	(24,382)	(35,539)
Future amortisation	7,504	8,215	711	729
Gross deferred tax liabilities	114,307	90,635	(23,671)	(34,810)
Deferred tax assets				
Doubtful Debts	142	5,656	(5,514)	(19,355)
Provisions				
Annual leave	78,191	80,056	(1,864)	7,930
Staff gratuities	21,756	20,733	1,023	875
Sick leave	6,323	3,138	3,185	1,705
Time in lieu	25,181	16,376	8,803	(2,108)
Long service leave	10,286	8,958	1,328	824
Staff bonus	-	-	-	-
Aftercare	44,748	38,149	6,599	1,136
ACC Premiums	12,333	9,708	2,626	(260)
Recognised tax losses	-	9,202	(9,202)	9,202
Maintenance accruals	25,324	13,580	11,743	(66,730)
Construction accruals	24,931	65,436	(40,505)	(8,064)
Future depreciation	154,891	133,058	21,833	15,028
Deferred tax assets	404,106	404,050	55	(59,817)
Net deferred tax assets	289,799	313,415		
Deferred tax income (expense)			(23,616)	(94,627)

Note 10 Borrowings

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Current Portion				
Secured Loans	-	-	290,244	351,914
Debentures	-	-	-	-
Total Current Portion	-	-	290,244	351,914
Non Current Portion				
Secured Loans	5,000,000	-	5,110,662	1,068,820
Total Borrowings	5,000,000	-	5,400,906	1,420,734

Maturity Analysis and effective interest rates

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

	2013/14 Secured Loans Council	2012/13 Secured Loans Council
Less than one year	-	-
<i>weighted average effective interest rate</i>	0.00%	0.00%
Later than one year but less than two years	-	-
<i>weighted average effective interest rate</i>	0.00%	0.00%
Later than two years but less than five years	5,000,000	-
<i>weighted average effective interest rate</i>	6.05%	0.00%
Later than five years	-	-
<i>weighted average effective interest rate</i>	0.00%	0.00%
	5,000,000	-

NOTES TO THE FINANCIAL STATEMENTS

Maturity Analysis and effective interest rates

	2013/14 Secured Loans Group	2012/13 Secured Loans Group
Less than one year	290,244	351,914
<i>weighted average effective interest rate</i>	6.26%	7.30%
Later than one year but less than two years	110,662	375,099
<i>weighted average effective interest rate</i>	6.26%	7.30%
Later than two years but less than five years	5,000,000	693,721
<i>weighted average effective interest rate</i>	6.05%	7.30%
Later than five years	-	-
<i>weighted average effective interest rate</i>	0.00%	0.00%
	<u>5,400,906</u>	<u>1,420,734</u>

Fair Value of borrowings - Group

	Carrying Amounts		Fair Values	
	2013/14	2012/13	2013/14	2012/13
Secured Loans	<u>5,400,906</u>	<u>1,420,734</u>	<u>5,400,906</u>	<u>1,420,734</u>
	<u>5,400,906</u>	<u>1,420,734</u>	<u>5,400,906</u>	<u>1,420,734</u>

The fair values are based on cash flows discounted using a rate based on the borrowing rate of 6.05% Council (2013: Nil) and 6.26% Group (2013: 7.30%) 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 Roading and Services (Wairoa) Limited has term loans secured over various plant items financed through the loan facility.

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.

NOTES TO THE FINANCIAL STATEMENTS

Internal Borrowing - Council

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

Activity Group	Balance 2012/13	Borrowed in Year 2013/14	Repaid in Year 2013/14	Balance 2013/14
Water Supply	1,779,977	-	-	1,779,977
Stormwater and Drainage	999,588	27,292	-	1,026,880
Wastewater	3,697,939	3,673,761	5,000,000	2,371,700
Waste Management	721,747	-	-	721,747
Community Facilities	15,447	112,498	-	127,945
Planning and Regulatory	118,377	-	-	118,377
Property	6,557	-	-	6,557
	<u>7,339,632</u>	<u>3,813,551</u>	<u>5,000,000</u>	<u>6,153,183</u>

The Council uses an assumed Internal Interest Rate of 6% in relation to Internal borrowing amounts.

Activity Group	Interest Charged 2013/14
Water Supply	106,799
Stormwater and Drainage	61,613
Wastewater	142,302
Waste Management	43,305
Community Facilities	7,677
Planning and Regulatory	7,103
Property	393
	<u>369,192</u>

Note 11 Intangible Assets

	2013/14 Council Software	2012/13 Council Software	2013/14 Group Software	2012/13 Group Software
Opening Balance				
Cost	511,727	418,333	919,338	820,971
Accumulated amortisation and impairment	<u>(368,450)</u>	<u>(310,140)</u>	<u>(626,419)</u>	<u>(528,885)</u>
Opening carrying value	<u>143,277</u>	<u>108,193</u>	<u>292,919</u>	<u>292,086</u>
Year ended 30 June 2014				
Additions	39,098	93,394	78,246	98,367
Amortisation charge	<u>(76,244)</u>	<u>(58,310)</u>	<u>(115,976)</u>	<u>(97,534)</u>
Closing carrying amount	<u>106,131</u>	<u>143,277</u>	<u>255,189</u>	<u>292,919</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 12

Property, Plant and Equipment as at 30 June 2014 - Council

Description	Cost/Revaluation 30/06/2013	Accumulated Depreciation and Impairment Charges 30/06/2013	Carrying Amount 30/06/2013	Revaluation	Current Year Disposals	Current Year Accumulated Depreciation Disposals	Current Year Additions Assets Constructed	Current Year Additions Assets Transferred	Depreciation and Impairment Charges 30/06/2014	Carrying Amount 30/06/2014	Carrying Amount at 30/06/2014 Represented By	
											Cost/ Revaluation	Accumulated Depreciation and Impairment Charges
Land	3,885,246	-	3,885,246	-	-	-	181,615	-	-	4,066,861	4,066,861	-
Buildings	9,922,064	1,287,110	8,634,954	-	858	204	14,758	-	313,621	8,335,437	9,935,964	1,600,527
	13,807,310	1,287,110	12,520,200	-	858	204	196,374	-	313,621	12,402,298	14,002,825	1,600,527
Other Improvements	2,308,379	988,833	1,319,546	-	200	100	123,657	-	133,123	1,309,981	2,431,837	1,121,856
Vehicles	942,218	674,870	267,348	-	48,461	25,003	59,137	-	90,190	212,838	952,895	740,057
Furniture and Office Equipment	2,408,361	1,013,903	1,394,458	-	-	-	78,191	-	261,638	1,211,011	2,486,552	1,275,541
Fixtures and Fittings	58,668	29,179	29,489	-	-	-	375	-	7,126	22,738	59,043	36,305
Library Collections	377,065	213,212	163,853	-	-	-	37,875	-	57,873	143,855	414,940	271,085
	6,094,691	2,919,997	3,174,694	-	48,661	25,103	299,236	-	549,950	2,900,423	6,345,266	3,444,844
Roadings	132,449,561	4,446,160	128,003,401	30,643,580	1,333,757	30,855	4,596,468	-	2,388,477	159,552,070	159,552,070	-
Land under Roads	5,344,000	-	5,344,000	-	-	-	-	-	-	5,344,000	5,344,000	-
Bridges	18,055,529	1,103,992	16,951,537	1,288,823	55,300	3,274	420,240	-	558,574	18,050,000	18,050,000	-
Water Supply-Treatment Plant & Facilities	5,079,069	406,131	4,672,938	-	5,788	479	368,037	-	212,262	4,823,403	5,441,318	617,914
Water Supply-Other Assets	13,536,700	812,742	12,723,958	-	29,725	1,639	297,258	-	428,539	12,564,591	13,804,233	1,239,642
Sewerage - Treatment Plant & Facilities	4,580,129	394,800	4,185,329	-	7,330	1,242	7,380,463	-	349,171	11,210,533	11,953,262	742,729
Sewerage - Other Assets	7,498,852	359,474	7,139,378	-	2,758	-	685,147	-	193,596	7,628,171	8,181,241	553,070
Stormwater	7,177,965	497,700	6,680,265	-	326	30	3,261	-	252,817	6,430,413	7,180,900	750,487
Parking	460,000	48,000	412,000	(1,692)	428	36	4,285	-	24,033	390,168	390,168	-
	194,181,805	8,068,999	186,112,806	31,930,712	1,435,413	37,555	13,755,158	-	4,407,468	225,993,349	229,897,191	3,903,842
Capital Work in Progress	7,544,127	-	7,544,127	-	-	-	(4,293,083)	-	-	3,251,044	3,251,044	-
TOTAL	221,627,933	12,276,106	209,351,827	31,930,712	1,484,932	62,862	9,957,685	-	5,271,039	244,547,114	253,496,326	8,949,213

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

NOTES TO THE FINANCIAL STATEMENTS

Note 12 Property, Plant and Equipment as at 30 June 2014 - Group

Description	Cost/Revaluation 30/06/2013	Accumulated Depreciation and Impairment Charges 30/06/2013	Carrying Amount 30/06/2013	Revaluation	Current Year Disposals	Current Year Accumulated Depreciation Disposals	Current Year Additions Assets Constructed	Current Year Additions Assets Transferred	Depreciation and Impairment Charges 30/06/2014	Carrying Amount 30/06/2014	Carrying Amount at 30/06/2014 Represented By	
											Cost/ Revaluation	Accumulated Depreciation and Impairment Charges
Land	3,897,212	7,299	3,889,913	-	-	-	181,615	-	-	4,071,528	4,078,827	7,299
Buildings	11,685,000	1,692,327	9,992,673	-	858	204	14,758	-	329,144	9,677,633	11,698,900	2,021,267
	15,582,212	1,699,626	13,882,586	-	858	204	196,374	-	329,144	13,749,161	15,777,728	2,028,566
Other Improvements	2,338,070	988,833	1,349,237	-	200	100	123,657	-	133,123	1,339,672	2,461,527	1,121,856
Vehicles	12,474,110	8,638,771	3,835,339	-	144,500	74,161	637,013	-	882,668	3,519,345	12,966,623	9,447,278
Furniture and Office Equipment	1,443,975	1,121,519	322,456	-	-	-	121,731	-	282,487	161,699	1,565,706	1,404,006
Fixtures and Fittings	205,826	148,196	57,630	-	-	-	12,408	-	13,998	56,039	218,234	162,194
Library Collections	377,065	213,213	163,852	-	-	-	37,875	-	57,873	143,854	414,940	271,086
	16,839,046	11,110,532	5,728,514	-	144,700	74,261	932,684	-	1,370,149	5,220,610	17,627,030	12,406,420
Roading	131,850,234	4,446,160	127,404,074	30,643,580	1,333,757	30,855	4,487,577	-	2,388,477	158,843,852	158,843,852	-
Land under Roads	5,344,000	-	5,344,000	-	-	-	-	-	-	5,344,000	5,344,000	-
Bridges	18,055,529	1,103,992	16,951,537	1,288,823	55,300	3,274	420,240	-	558,574	18,050,001	18,050,001	-
Water Supply -Treatment Plant & Facilities	5,907,668	1,234,730	4,672,938	-	5,788	479	368,037	-	212,262	4,823,403	6,269,917	1,446,513
Water Supply-Other Assets	14,349,727	1,625,769	12,723,958	-	29,725	1,639	297,258	-	428,539	12,564,591	14,617,260	2,052,669
Sewerage - Treatment Plant & Facilities	4,580,189	856,879	3,723,310	-	7,330	1,242	7,380,463	-	349,171	10,748,514	11,953,322	1,204,808
Sewerage -Other Assets	8,439,567	838,109	7,601,458	-	2,758	-	685,147	-	193,596	8,090,252	9,121,957	1,031,706
Stormwater	7,674,700	994,434	6,680,266	-	326	30	3,261	-	252,817	6,430,414	7,677,634	1,247,221
Parking	460,001	48,000	412,001	(1,692)	428	36	4,285	-	24,033	390,169	390,169	-
	196,661,616	11,148,073	185,513,542	31,930,712	1,435,413	37,555	13,646,267	-	4,407,468	225,285,195	232,268,113	6,982,916
Capital Work in Progress	7,544,125	-	7,544,125	-	-	-	(4,293,082)	-	-	3,251,043	3,251,043	-
TOTAL	236,626,999	23,958,231	212,668,767	31,930,712	1,580,971	112,020	10,482,242	-	6,106,761	247,506,009	268,923,914	21,417,903

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

NOTES TO THE FINANCIAL STATEMENTS

Note 12

Property, Plant and Equipment as at 30 June 2013 - Council

Description	Cost/Revaluation 30/06/2012	Accumulated Depreciation and Impairment Charges 30/06/2012	Carrying Amount 30/06/2012	Revaluation	Current Year Disposals	Current Year Accumulated Depreciation Disposals	Current Year Additions Assets Constructed	Current Year Additions Assets Transferred	Depreciation and Impairment Charges 30/06/2013	Carrying Amount 30/06/2013	Carrying Amount at 30/06/2013 Represented By	
											Cost/ Revaluation	Accumulated Depreciation and Impairment Charges
Land	3,885,245	-	3,885,245	-	-	-	-	-	-	3,885,245	3,885,245	-
Buildings	4,782,149	975,030	3,807,119	-	-	-	5,139,915	-	312,080	8,634,954	9,922,064	1,287,110
	8,667,394	975,030	7,692,364	-	-	-	5,139,915	-	312,080	12,520,199	13,807,309	1,287,110
Other Improvements	2,307,705	850,702	1,457,003	-	-	-	660	-	138,131	1,319,532	2,308,365	988,833
Vehicles	924,343	645,913	278,430	-	81,580	72,775	99,456	-	101,732	267,349	942,219	674,870
Furniture and Office Equipment	1,139,528	853,401	286,127	-	85,183	85,174	1,354,016	-	245,676	1,394,458	2,408,361	1,013,903
Fixtures and Fittings	36,401	25,660	10,741	-	-	-	22,267	-	3,519	29,489	58,668	29,179
Library Collections	336,469	155,543	180,926	-	-	-	40,596	-	57,669	163,853	377,065	213,212
	4,744,446	2,531,219	2,213,227	-	166,763	157,949	1,516,995	-	546,727	3,174,681	6,094,678	2,919,997
Roadings	127,043,385	2,179,811	124,863,574	-	1,079,585	38,675	6,485,773	-	2,305,024	128,003,413	132,449,573	4,446,160
Land under Roads	5,344,000	-	5,344,000	-	-	-	-	-	-	5,344,000	5,344,000	-
Bridges	17,704,705	551,315	17,153,390	-	57,391	1,703	408,215	-	554,380	16,951,537	18,055,529	1,103,992
Water Supply - Treatment Plant & Facilities	5,011,555	198,931	4,812,624	-	1,945	82	69,459	-	207,282	4,672,938	5,079,069	406,131
Water Supply-Other Assets	11,915,152	399,140	11,516,012	-	180,171	5,670	1,801,719	-	419,272	12,723,958	13,536,700	812,742
Sewerage - Treatment Plant & Facilities	4,569,052	193,949	4,375,103	-	1,089	-	12,167	-	200,851	4,185,329	4,580,129	394,800
Sewerage - Other Assets	7,489,550	179,206	7,310,344	-	1,005	-	10,307	-	180,268	7,139,378	7,498,852	359,474
Stormwater	7,066,505	247,531	6,818,974	-	12,384	569	123,845	-	250,738	6,680,266	7,177,966	497,700
Parking	460,001	24,000	436,001	-	-	-	-	-	24,000	412,001	460,001	48,000
	186,603,905	3,973,883	182,630,022	-	1,333,570	46,699	8,911,484	-	4,141,815	186,112,820	194,181,819	8,068,999
Capital Work in Progress	3,670,972	-	3,670,972	-	-	-	3,873,155	-	-	7,544,127	7,544,127	-
TOTAL	203,686,717	7,480,132	196,206,585	-	1,500,333	204,648	19,441,549	-	5,000,622	209,351,827	221,627,933	12,276,106

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

NOTES TO THE FINANCIAL STATEMENTS

Note 12

Property, Plant and Equipment as at 30 June 2013 - Group

Description	Cost/Revaluation 30/06/2012	Accumulated Depreciation and Impairment Charges 30/06/2012	Carrying Amount 30/06/2012	Revaluation	Current Year Disposals	Current Year Accumulated Depreciation Disposals	Current Year Additions Assets Constructed	Current Year Additions Assets Transferred	Depreciation and Impairment Charges 30/06/2013	Carrying Amount 30/06/2013	Carrying Amount at 30/06/2013 Represented By	
											Cost/ Revaluation	Accumulated Depreciation and Impairment Charges
Land	3,897,212	7,299	3,889,913	-	-	-	-	-	-	3,889,913	3,897,212	7,299
Buildings	5,312,265	1,227,667	4,084,598	-	-	-	6,372,735	-	464,660	9,992,673	11,685,000	1,692,327
	9,209,477	1,234,966	7,974,511	-	-	-	6,372,735	-	464,660	13,882,586	15,582,212	1,699,626
Other Improvements	2,337,395	850,702	1,486,693	-	-	-	675	-	138,131	1,349,237	2,338,070	988,833
Vehicles	12,240,993	8,205,733	4,035,260	-	623,824	511,516	856,941	-	944,554	3,835,339	12,474,110	8,638,771
Furniture and Office Equipment	1,390,512	1,086,791	303,721	-	85,183	85,174	138,646	-	119,902	322,456	1,443,975	1,121,519
Fixtures and Fittings	181,448	137,856	43,592	-	-	-	24,378	-	10,340	57,630	205,826	148,196
Library Collections	336,469	155,544	180,925	-	-	-	40,596	-	57,669	163,852	377,065	213,213
	16,486,817	10,436,626	6,050,191	-	709,007	596,690	1,061,236	-	1,270,596	5,728,514	16,839,046	11,110,532
Roading	126,549,764	2,179,811	124,369,953	-	1,079,585	38,675	6,380,055	-	2,305,024	127,404,074	131,850,234	4,446,160
Land under Roads	5,344,000	-	5,344,000	-	-	-	-	-	-	5,344,000	5,344,000	-
Bridges	17,704,705	551,315	17,153,390	-	57,391	1,703	408,215	-	554,380	16,951,537	18,055,529	1,103,992
Water Supply - Treatment Plant & Facilities	5,840,154	1,027,530	4,812,624	-	1,945	82	69,459	-	207,282	4,672,938	5,907,668	1,234,730
Water Supply- Other Assets	12,728,179	1,212,167	11,516,012	-	180,171	5,670	1,801,719	-	419,272	12,723,958	14,349,727	1,625,769
Sewerage - Treatment Plant & Facilities	4,569,052	656,028	3,913,024	-	1,089	-	12,227	-	200,851	3,723,310	4,580,189	856,879
Sewerage - Other Assets	8,430,266	657,841	7,772,424	-	1,005	-	10,307	-	180,268	7,601,458	8,439,567	838,109
Stormwater	7,563,239	744,265	6,818,974	-	12,384	569	123,845	-	250,738	6,680,266	7,674,700	994,434
Parking	460,001	24,000	436,001	-	-	-	-	-	24,000	412,001	460,001	48,000
	189,189,359	7,052,957	182,136,402	-	1,333,570	46,699	8,805,826	-	4,141,815	185,513,542	196,661,616	11,148,073
Capital Work in Progress	3,670,970	-	3,670,970	-	-	-	3,873,155	-	-	7,544,125	7,544,125	-
TOTAL	218,556,623	18,724,549	199,832,074	-	2,042,577	643,389	20,112,952	-	5,877,071	212,668,767	236,626,999	23,958,231

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

NOTES TO THE FINANCIAL STATEMENTS

Note 12 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 (eg, 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 under, estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Income and Expenses. 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 Mel England and reviewed by Thayalan Sivachelvan, both of Opus International Consultants Ltd. The valuation had an effective date of 1 July 2014.

The valuation reflects the fair value of the assets as at 30 June 2014.

Note 13 Loans and other Receivables

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Housing and Community Advances	<u>247</u>	<u>247</u>	<u>247</u>	<u>247</u>

There were no impairment provisions for Loans and Other Receivables.

The fair value of community loans is \$247 (2013: \$247).

The carrying value of community loans approximates their fair value.

Maturity Analysis and effective interest rates

The maturity dates for Loans and Investments are as follows:-

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Less than one year	247	247	247	247
<i>weighted average effective interest rate</i>	8.05%	8.05%	8.05%	8.05%
Later than one year but less than two years	-	-	-	-
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
Later than two years but less than five years	-	-	-	-
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
Later than five years	-	-	-	-
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
	<u>247</u>	<u>247</u>	<u>247</u>	<u>247</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 14 Investment in Subsidiary

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Quality Roothing and Services (Wairoa) Ltd	1,250,000	1,250,000	-	-

WDC has a 100% interest in QRS Ltd, and its reporting date is 30 June.

The investment in subsidiary is carried at cost in WDC's (parent company) balance sheet.

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

Note 15 Investment Property

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Information Centre				
Balance at 1 July	277,000	277,000	277,000	277,000
Additions from acquisitions	-	-	-	-
Disposals	-	-	-	-
Fair value gains (losses) on valuation	-	-	-	-
Balance at 30 June	<u>277,000</u>	<u>277,000</u>	<u>277,000</u>	<u>277,000</u>

WDC's investment properties are valued at fair value effective 30 June 2009. All investment properties were valued based on open market evidence. The valuation was performed by Registered Valuer M. I. Penrose of Telfer Young Hawke's Bay Ltd. Telfer Young Hawke's Bay Ltd are experienced and independent valuers with extensive market knowledge in the types of investment properties owned by WDC.

The rental income from investment property is \$88,958 (2013: \$108,090), direct operating expenses are \$94,745 (2013: \$72,754), with a net deficit of \$5,787 (2013: \$35,336), repairs and maintenance of \$33,430 (2013: \$26,445) is included in the direct operating costs.

Note 16 Available for sale financial assets

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
NZ Local Government Insurance Ltd	<u>22,992</u>	<u>22,992</u>	<u>22,992</u>	<u>22,992</u>

Note 17 Biological Asset - Forestry

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Balance at 1 July	69,946	69,946	69,946	69,946
Increases due to purchase	-	-	-	-
Gains (losses) arising from changes in fair value	<u>80,434</u>	-	<u>80,434</u>	-
Balance at 30 June	<u>150,380</u>	<u>69,946</u>	<u>150,380</u>	<u>69,946</u>

WDC owns 29.3 hectares (2013: 37.5 hectares) of forest, mostly Pinus radiata, which are at varying stages of maturity ranging from 1 to 23 years.

Independent valuers New Zealand Forest and Woodlot Services Ltd. have valued forestry assets as at 28th September 2014. This approximates the fair value as at 30th June 2014.

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, 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.

NOTES TO THE FINANCIAL STATEMENTS

Note 18 Reserves (Council only)

a) Special Funds

	2012/13 Balance	Transfer to	Transfer From	2013/14 Balance
Reserves held for Emergency Purposes				
Disaster Recovery Reserve	624,756	34,940	-	659,696
	<u>624,756</u>	<u>34,940</u>	<u>-</u>	<u>659,696</u>
Reserves held for future Asset Purchases				
District Development Fund	518,024	179,768	44,984	652,808
Asset and Vehicle Depreciation Reserve	1,028,729	252,941	255,578	1,026,092
Information Systems Renewal Reserve	159,245	132,401	90,934	200,712
Water Production Depreciation Reserve	1,248,766	222,364	(36,327)	1,507,457
Water Reticulation Depreciation Reserve - Wairoa	2,124,336	428,539	262,691	2,290,184
Water Reticulation Depreciation Reserve - Peri Urban	139,706	-	-	139,706
Water Reticulation Depreciation Reserve - Tuai	63,326	-	2,500	60,826
Water Reticulation Depreciation Reserve - Frasertown	51,784	-	-	51,784
Water Reticulation Depreciation Reserve - Mahanga	18,676	-	-	18,676
Sewerage System Depreciation Reserve - Wairoa	491,741	5,383,472	2,464,146	3,411,067
Sewerage System Depreciation Reserve - Tuai	405,498	-	41,233	364,265
Stormwater Reticulation Depreciation Reserve - Wairoa	1,311,305	252,817	30,552	1,533,570
Stormwater Reticulation Depreciation Reserve - Mahia	13,220	-	-	13,220
Parking Area Depreciation Reserve	367,837	44,604	4,285	408,156
Bridges Depreciation Reserve	3,305,582	743,440	-	4,049,022
Landfill/RTS Depreciation Reserve	122,853	100,890	21,421	202,322
Airport Runway Depreciation Reserve	89,563	9,932	-	99,495
Roading Depreciation Reserve	-	1,096,600	856,600	240,000
Footpaths Depreciation Reserve	551,929	197,357	2,150	747,136
Library Book Stocks Depreciation Reserve	116,556	64,391	37,875	143,072
Pensioner Housing Depreciation Reserve	101,950	23,801	5,135	120,616
Parks and Reserves Depreciation Reserve	251,863	80,925	111,652	221,136
	<u>12,482,489</u>	<u>9,214,242</u>	<u>4,195,409</u>	<u>17,501,322</u>
Reserves held for future Operational Costs				
General Purpose Fund	-	1,208,000	-	1,208,000
Wairoa Urban Fund	230,920	4,712	-	235,632
Retirement and Restructuring Reserve	432,285	24,176	-	456,461
Tuai Village Reserve	186,044	10,405	-	196,449
Water Production Reserve	355,761	19,896	-	375,657
Water Reticulation Reserve - Wairoa	46,996	2,628	-	49,624
Water Reticulation Reserve - Wairoa Peri Urban	274,709	15,363	-	290,072
Water Reticulation Reserve - Frasertown	35,277	1,973	-	37,250
Water Reticulation Reserve - Mahanga	1	-	-	1
	<u>1,561,993</u>	<u>1,287,153</u>	<u>-</u>	<u>2,849,146</u>
Reserves held for repayment of maturing debt				
	-	100,000	-	100,000
	-	100,000	-	100,000
	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Sub-total Special Funds	<u>14,669,238</u>	<u>10,636,335</u>	<u>4,195,409</u>	<u>21,110,164</u>
b) Sinking Funds				
Sinking Funds are held for the purpose of repaying debt	-	-	-	-
Total special funds reserves	<u>14,669,238</u>	<u>10,636,335</u>	<u>4,195,409</u>	<u>21,110,164</u>

NOTES TO THE FINANCIAL STATEMENTS

WDC has the following Council created reserves:

- Reserves held for emergency purposes
- Reserves held for future asset purchases
- Reserves held for future operational costs

A Disaster Recovery Reserve is held to fund Council's share of any natural disaster or costs of 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.

No reserves are held for the repayment of maturing debt as it is Council's intention to repay debt as it falls due over the term of the debt.

c) Revaluation Reserves

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

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Revaluation Reserve Infrastructural				
As at 1 July	70,146,362	70,933,439	71,136,896	71,923,973
Transfers to:				
Revaluations	31,930,712	-	31,930,712	-
Transfer from:				
Net transfer from asset revaluation reserve on disposal	(266,266)	(787,077)	(266,266)	(787,077)
	<u>101,810,808</u>	<u>70,146,362</u>	<u>102,801,342</u>	<u>71,136,896</u>
Retained Earnings				
As at 1 July	140,279,119	126,675,813	143,062,887	129,643,438
Transfers to:				
Restricted Reserves	(10,636,335)	(3,942,685)	(10,636,335)	(3,942,685)
Transfer From:				
Restricted Reserves	4,195,409	4,779,878	4,195,409	4,779,878
Net transfer from asset revaluation reserve on disposal	266,266	787,077	266,266	787,077
Surplus (Deficit) for year	<u>2,385,654</u>	<u>11,979,036</u>	<u>2,468,437</u>	<u>11,795,179</u>
	<u>136,490,113</u>	<u>140,279,119</u>	<u>139,356,664</u>	<u>143,062,887</u>
Equity is made up of:				
Special Fund reserves	21,110,164	14,669,238	21,110,164	14,669,238
Sinking Fund reserves	-	-	-	-
Revaluation Reserves	101,810,808	70,146,362	102,801,342	71,136,896
Accumulated Funds	136,490,113	140,279,119	139,356,664	143,062,887
	<u>259,411,085</u>	<u>225,094,719</u>	<u>263,268,170</u>	<u>228,869,021</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 19 Reconciliation of Operating Surplus with Net Cash Flow from Operating Activities

	2013/14	2012/13	2013/14	2012/13
	COUNCIL	COUNCIL	GROUP	GROUP
Surplus / Deficit	2,385,654	5,751,053	2,468,437	5,567,196
Add non cash items:				
Depreciation	5,347,283	5,030,508	6,183,006	5,906,879
Loss on disposal of assets	1,400,634	1,286,871	1,394,619	1,184,079
Amortisation		-	39,733	39,223
Decrease (Increase) in deferred taxation		-	23,616	94,927
Increase (Decrease) in employee benefit provision	(16,334)	(41,862)	60,343	(42,319)
Increase in Bad Debts provision	91,610	339,360	91,610	339,360
Revaluation of investment property and forestry	(80,434)	-	(80,434)	-
Unrealised loss (Gain) on investments	(285,868)	(659,688)	(285,868)	(659,688)
Increase in Landfill aftercare provision	(336)	9,044	(336)	9,044
Quarry Aftercare Provision	-	-	23,568	4,059
	<u>8,842,209</u>	<u>11,715,286</u>	<u>9,918,294</u>	<u>12,442,760</u>
Add (less) movements in other working capital items:				
(Increase) Decrease in rates receivable	(97,016)	(263,850)	(97,016)	(263,850)
(Increase) Decrease in trade & other receivables	397,061	89,926	268,602	649,464
Increase (Decrease) in trade & other payables	(238,077)	(28,317)	(143,368)	383,715
(Decrease) in GST Receivable / Increase in GST Payable	12,891	18,880	12,891	18,880
Increase (Decrease) in taxation payable		-	124,646	(268,312)
(Increase) / Decrease Inventories	8,962	3,744	277,384	(96,863)
	<u>8,926,030</u>	<u>11,535,669</u>	<u>10,361,433</u>	<u>12,865,794</u>
Net cash inflow / (outflow) from operating activities	<u><u>8,926,030</u></u>	<u><u>11,535,669</u></u>	<u><u>10,361,433</u></u>	<u><u>12,865,794</u></u>

NOTES TO THE FINANCIAL STATEMENTS

Note 20 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 – until 18 February 2014	174,297
Annual Remuneration – from 24 March 2014	37,923
	<u>212,220</u>

Elected Representatives Remuneration		2013/14	2012/13
Mayor - until 23 October 2013	L.Probert	21,843	65,571
Mayor - from 23 October 2013	C.Little	57,462	-
Deputy Mayor	D.Eaglesome	30,892	33,364
Councillor - until 23 October 2013	D.Caves	7,443	22,243
Councillor - until 23 October 2013	D.Evans	7,443	22,243
Councillor	B.Cairns	24,222	22,457
Councillor	M.Johansen	22,747	22,243
Councillor - until 23 October 2013	C.Little	-	22,243
Councillor - from 23 October 2013	H.Flood	15,304	-
Councillor - from 23 October 2013	M.Bird	15,304	-
Councillor - from 23 October 2013	C.Joblin	15,304	-
		<u>217,964</u>	<u>210,364</u>

Key management personnel compensation	2013/14	2012/13
Salaries and other short term benefits	835,860	783,699
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 Mayor, Councillors, Chief Executive and other senior management personnel.

Employee staffing levels and remuneration	2013/14	2012/13
Number of full time employees	40	39
Full time equivalent number of all other employees	13.5	9.8
Employees receiving total remuneration < \$60,000	35	37
Employees receiving total remuneration in the band \$60,000 - \$80,000	13	12
Employees receiving total remuneration in the band \$80,000 - \$100,000	8	3
Employees receiving total remuneration in the band \$100,000 - \$160,000	5	4
Employees receiving total remuneration in the band \$160,000 - \$180,000	1	1

Note 20 – continued

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Employee benefit expenses				
Salaries and Wages	3,337,445	3,269,147	8,166,525	7,405,442
Employer contributions to Superannuation	113,405	105,488	228,199	184,237
Increase (decrease) in employee benefit liabilities	5,392	1,560	82,069	1,103
Total employee benefit expenses	<u>3,456,242</u>	<u>3,376,195</u>	<u>8,476,793</u>	<u>7,590,782</u>

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Employee benefit liabilities				
Accrued pay	136,678	122,914	259,509	249,186
Annual leave	368,880	360,428	800,704	731,907
Long service leave	10,239	10,729	46,976	42,722
Retirement gratuities	130,859	146,306	208,558	220,351
Sick leave	690	1,577	23,271	12,783
Total employee benefit liabilities	<u>647,346</u>	<u>641,954</u>	<u>1,339,018</u>	<u>1,256,949</u>

Comprising:				
Current	515,797	494,071	1,123,871	1,033,866
Non-current	131,549	147,883	215,147	223,083
Total employee benefit liabilities	<u>647,346</u>	<u>641,954</u>	<u>1,339,018</u>	<u>1,256,949</u>

Note 21 Items included in net surplus

	2013/14 Council	2012/13 Council
Insurance premiums	423,939	466,391
Public ceremonies	15,969	12,199
Subscriptions, levies, grants and contributions	636,236	536,370

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Other disclosures				
Depreciation - Infrastructural assets	4,407,468	4,135,729	4,407,468	4,135,729
Depreciation - Operational assets	863,571	836,469	1,739,942	1,712,840
Amortisation charge - Intangible assets	76,244	58,310	115,468	97,534
Audit fees for financial statements audit	96,545	78,503	142,495	124,453
Interest paid - bank borrowings	209,210	-	325,741	116,531
Mayor and Councillor fees	217,964	210,364	217,964	210,364
Impairment of receivables (bad debts written off)	-	-	(2,226)	(70,665)
Impairment of receivables (provision for doubtful debts) (Note 4)	2,524,095	2,418,744	2,524,603	2,438,946
Lease expenses	54,366	55,344	105,234	198,316
Loss on disposal of Property, Plant, and Equipment	1,400,634	1,286,881	1,400,874	1,287,121
Unrealised (gain) loss on investments	(92,416)	(687,223)	(92,416)	(687,223)
Gain on sale of assets	-	-	7,087	103,032
Directors fees	-	-	101,834	101,832

NOTES TO THE FINANCIAL STATEMENTS

Note 22 Transactions with related parties

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

Purchase of services \$11,391,565 (2013: \$8,555,274)
Sales: \$275,308 (2013: \$306,641) Dividend \$158,478 (2013: \$278,261)

Amount owed by Quality Roothing and Services (Wairoa) Ltd to Council at year end: \$716 (2013: \$Nil) which was receivable on normal trading terms.

Amount owed by Council to Quality Roothing and Services (Wairoa) Ltd at year end: \$949,687 (2013: \$780,188) which is payable on normal trading terms except for \$349,945 (2013: \$232,131) 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:

	2013/14 Business Transacted	2013/14 Balance Owing	2012/13 Business Transacted	2012/13 Balance Owing
D L Munro (Director)	-	-	7,170	219
LA Aitken (CEO)	6,738	1,365	3,184	1,338
K M Burger (FC)	10,168	565	1,607	53
A J O'Sullivan (Manager)	-	-	1,044	1,047
R J W Beale (COO)	3,141	1,170	-	-
K Tattersall (PPM)	2,753	109	-	-

Note 23 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. Gains on revaluation of investments as at 30 June 2014 was \$380,158 (2013: \$472,574 gain).

Note 24 Financial Instruments Risk

The Financial Instruments Categories	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
FINANCIAL ASSETS				
Financial assets at fair value through profit and loss - upon initial recognition				
Shares and debentures	11,571,130	9,720,660	11,571,130	9,720,660
Loans and Receivables				
Cash and Cash Equivalents	5,883,689	3,497,607	7,368,070	5,186,115
Trade and other receivables	5,193,206	5,464,475	6,317,301	6,351,221
Other Financial Assets				
Housing and Community Advances	247	247	247	247
	<u>11,077,142</u>	<u>8,962,329</u>	<u>13,685,618</u>	<u>11,537,583</u>
Available for Sale Financial Assets				
NZ Local Government Insurance Corporation Limited	22,992	22,992	22,992	22,992
	<u>22,992</u>	<u>22,992</u>	<u>22,992</u>	<u>22,992</u>
Total Financial Assets	<u>22,671,264</u>	<u>18,705,981</u>	<u>25,279,740</u>	<u>21,281,235</u>
FINANCIAL LIABILITIES				
Financial Liabilities at Amortised cost				
Trade and other Payables	5,087,929	5,372,199	6,426,169	6,523,883
Borrowings				
Secured Loans	5,000,000	-	5,400,906	1,420,734
Total Financial Liabilities at amortised cost	<u>10,087,929</u>	<u>5,372,199</u>	<u>11,827,075</u>	<u>7,944,617</u>

Financial Instrument Risks

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.

Market Risk

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 the 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. Borrowings and investments 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.

NOTES TO THE FINANCIAL STATEMENTS

Financial Instruments Risk

WDC's maximum credit exposure for each class of financial instrument is as follows:-

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Cash at bank, short term deposits and sinking funds	5,883,689	3,497,607	7,368,070	5,186,115
Trade and other receivables	5,193,206	5,464,475	6,317,301	6,351,221
Housing and Community Advances	247	247	247	247
Shares and Debentures	11,594,122	9,743,652	11,594,122	9,743,652
Total Credit Risk	<u>22,671,264</u>	<u>18,705,981</u>	<u>25,279,740</u>	<u>21,281,235</u>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poors credit ratings (if available) or to historical information about counterparty default rates:-

Counterparties with Credit Ratings

Cash at Bank and Short Term Deposits AA -	5,883,689	3,497,607	7,368,070	5,186,115
Shares and Debentures BBB - or better	11,594,122	9,743,652	11,594,122	9,743,652

Counterparties without Credit Ratings

Housing and Community Advances Existing counterparty with no defaults in the past	247	247	247	247
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NOTES TO THE FINANCIAL STATEMENTS

Debtors and other receivables mainly arise from WDC's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings.

WDC has no significant concentrations of credit risk in relation to debtors and other receivables, 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.

Issuers	Instruments	Limits
Risk Free		
NZ Government guaranteed	Treasury Government stock	100%
Near Risk Free		
Local authorities and other institutions with the ability to levy rates or taxes	Local authority stock	Up to 100% subject to not more than \$2 million with one issuer
Local Authority Bond Trust	Bonds	Up to 100% subject to not more than \$2 million in any one issue
Low Risk		
ANZ Bank; ASB Bank; Bank of New Zealand	Money market call deposits	Up to 80% but no more than
National Bank; Westpac Trust	Money market term deposits	\$2 million with one issuer
	Transferable certificates of deposits	
	Negotiable certificates of deposits	
	Registered certificates of deposits	
	Bank bills	
Corporate and SOEs as long as they have a Short-term credit rating of at least A-1 or better and a long-term rating of A or better as determined by Standard and Poor's	Promissory Notes Corporate Bonds	Up to 40% but not more than \$1 million with one issuer

Liquidity Risk

Liquidity Risk is the risk that WDC will encounter difficulties in raising liquid funds to meet commitments as they fall due. Prudent liquidity management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. WDC aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, WDC maintains a target level of investments that must mature within the next 12 months.

WDC maintains 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 maturity profiles of WDC's interest-bearing investments and borrowings are disclosed in notes 6 and 10 respectively.

The table on page 97 analyses WDC's financial liabilities into relevant maturity groupings based upon the remaining period at the balance date to the contracted maturity date.

NOTES TO THE FINANCIAL STATEMENTS

Financial Instruments Risk

Council 2014

	<u>Carrying Amount</u>	<u>Contractual Cash Flow</u>	<u>Less than 1 year</u>	<u>1 - 2 years</u>	<u>2 - 5 years</u>	<u>more than 5 years</u>
Trade and other payables	5,087,929	5,087,929	5,087,929	-	-	-
Borrowings						
Secured Loans	<u>5,000,000</u>	<u>5,302,500</u>	-	-	<u>5,302,500</u>	-
Total	<u>10,087,929</u>	<u>10,390,429</u>	<u>5,087,929</u>	<u>-</u>	<u>5,302,500</u>	<u>-</u>

Group 2014

Trade and other payables	6,426,169	6,426,169	5,407,127	-	-	1,019,042
Borrowings						
Secured Loans	<u>5,400,906</u>	<u>5,703,406</u>	<u>290,244</u>	<u>110,662</u>	<u>5,302,500</u>	-
Total	<u>11,827,075</u>	<u>12,129,575</u>	<u>5,697,371</u>	<u>110,662</u>	<u>5,302,500</u>	<u>1,019,042</u>

Council 2013

	<u>Carrying Amount</u>	<u>Contractual Cash Flow</u>	<u>Less than 1 year</u>	<u>1 - 2 years</u>	<u>2 - 5 years</u>	<u>more than 5 years</u>
Trade and other payables	5,372,199	5,372,199	4,512,637	-	-	859,562
Borrowings						
Secured Loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>5,372,199</u>	<u>5,372,199</u>	<u>4,512,637</u>	<u>-</u>	<u>-</u>	<u>859,562</u>

Group 2013

Trade and other payables	6,523,883	6,523,883	5,528,073	-	-	995,810
Borrowings						
Secured Loans	<u>1,420,734</u>	<u>1,420,734</u>	<u>351,914</u>	<u>375,099</u>	<u>693,721</u>	-
Total	<u>7,944,617</u>	<u>7,944,617</u>	<u>5,879,987</u>	<u>375,099</u>	<u>693,721</u>	<u>995,810</u>

NOTES TO THE FINANCIAL STATEMENTS

Financial Instruments Risk

The table below analyses WDC's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contracted maturity date.

	<u>Carrying Amount</u>	<u>Contractual Cash Flow</u>	<u>Less than 1 year</u>	<u>1 - 2 years</u>	<u>2 - 5 years</u>	<u>more than 5 years</u>
Council 2014						
Cash and Cash Equivalents	5,883,689	5,883,689	5,883,689	-	-	-
Trade and Other receivables	5,193,206	5,193,206	5,193,206	-	-	-
Other financial assets						
Housing and Community Advances	247	247	247	-	-	-
Shares and Debentures	11,594,122	11,594,122	6,352,010	715,017	4,247,980	279,115
Total	22,671,264	22,671,264	17,429,152	715,017	4,247,980	279,115
Group 2014						
Cash and Cash Equivalents	7,368,070	7,368,070	7,368,070	-	-	-
Trade and Other receivables	6,317,301	6,317,301	6,317,301	-	-	-
Other financial assets						
Housing and Community Advances	247	247	247	-	-	-
Shares and Debentures	11,594,122	11,594,122	6,352,010	715,017	4,247,980	279,115
Total	25,279,740	25,279,740	20,037,628	715,017	4,247,980	279,115
Council 2013						
Cash and Cash Equivalents	3,497,607	3,497,607	3,497,607	-	-	-
Trade and Other receivables	5,464,475	5,464,475	5,464,475	-	-	-
Other financial assets						
Housing and Community Advances	247	247	247	-	-	-
Shares and Debentures	9,743,652	9,743,652	2,894,574	2,001,051	3,591,191	1,256,836
Total	18,705,981	18,705,981	11,856,903	2,001,051	3,591,191	1,256,836
Group 2013						
Cash and Cash Equivalents	5,186,115	5,186,115	5,186,115	-	-	-
Trade and Other receivables	6,351,221	6,351,221	6,351,221	-	-	-
Other financial assets						
Housing and Community Advances	247	247	247	-	-	-
Shares and Debentures	9,743,652	9,743,652	2,894,574	2,001,051	3,591,191	1,256,836
Total	21,281,235	21,281,235	14,432,157	2,001,051	3,591,191	1,256,836

NOTES TO THE FINANCIAL STATEMENTS

Financial Instruments Risk

Sensitivity Analysis

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables constant, based on WDC's financial instrument exposures at the balance date.

Council	2013/14 -100bps Profit	2013/14 -100bps Other Equity	2013/14 +100bps Profit	2013/14 +100bps Other Equity
Interest Rate Risk				
Financial Assets				
Cash and Cash Equivalents	(8,204)	-	8,204	-
Other financial assets				
Shares and Debentures	435,957	-	(754,036)	-
Financial Liabilities				
Borrowings				
Bank Overdraft	-	-	-	-
Secured Loans	-	-	-	-
Debentures	-	-	-	-
Total sensitivity to interest rate risk	427,753	-	(745,832)	-
Council				
	2012/13 -100bps Profit	2012/13 -100bps Other Equity	2012/13 +100bps Profit	2012/13 +100bps Other Equity
Interest Rate Risk				
Financial Assets				
Cash and Cash Equivalents	(7,091)	-	7,091	-
Other financial assets				
Shares and Debentures	729,651	-	(549,880)	-
Financial Liabilities				
Borrowings				
Bank Overdraft	-	-	-	-
Secured Loans	-	-	-	-
Debentures	-	-	-	-
Total sensitivity to interest rate risk	722,560	-	(542,789)	-
Group				
	2013/14 -100bps Profit	2013/14 -100bps Other Equity	2013/14 +100bps Profit	2013/14 +100bps Other Equity
Interest Rate Risk				
Financial Assets				
Cash and Cash Equivalents	(8,204)	-	8,204	-
Other financial assets				
Shares and Debentures	435,957	-	(754,036)	-
Financial Liabilities				
Borrowings				
Bank Overdraft	-	-	-	-
Secured Loans	-	-	-	-
Debentures	-	-	-	-
Total sensitivity to interest rate risk	427,753	-	(745,832)	-
Group				
	2012/13 -100bps Profit	2012/13 -100bps Other Equity	2012/13 +100bps Profit	2012/13 +100bps Other Equity
Interest Rate Risk				
Financial Assets				
Cash and Cash Equivalents	(7,091)	-	7,091	-
Other financial assets				
Shares and Debentures	729,651	-	(549,880)	-
Financial Liabilities				
Borrowings				
Bank Overdraft	-	-	-	-
Secured Loans	-	-	-	-
Debentures	-	-	-	-
Total sensitivity to interest rate risk	722,560	-	(542,789)	-

Note 25 Events subsequent to balance date

There have been no other events subsequent to balance date that would have a material effect on the 30 June 2014 Annual Report.

	2014	2013	2014	2013
Note 26 Contingencies:	Council	Council	Group	Group
Contingent Liabilities	0	0	0	0
Performance bonds with ANZ Banking Group (NZ) Ltd	0	0	282,000	282,000

Guarantees

\$282,000 (2013 : \$282,000)

Note 27 Long-Term Plan 2012-2022

The Long-Term Plan for 2012-2022 was adopted by Council on 4 September 2012. The second year of this Plan is reported in these Financial Statements as Annual Plan 2014.

Note 28 Landfill 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 25 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%.

	2013/14	2012/13	2013/14	2012/13
	Council	Council	Group	Group
Balance at 1 July	859,562	850,518	859,562	850,518
Provided (released) during the year - Wairoa	8,147	16,979	8,147	16,979
Provided (released) during the year - Mahia	<u>(8,483)</u>	<u>(7,935)</u>	<u>(8,483)</u>	<u>(7,935)</u>
Balance at 30 June	<u>859,226</u>	<u>859,562</u>	<u>859,226</u>	<u>859,562</u>

Note 29 Quarry aftercare provision

Quality Roading 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.

	2013/14	2012/13	2013/14	2012/13
	Council	Council	Group	Group
Balance at 1 July	-	-	136,248	132,189
Provided during the year	<u>-</u>	<u>-</u>	<u>23,568</u>	<u>4,059</u>
Balance at 30 June	<u>-</u>	<u>-</u>	<u>159,816</u>	<u>136,248</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 30 Statement of Commitments as at 30 June 2014

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Capital Commitments approved and contracted	8,182,030	7,956,133	8,182,030	7,956,133

WDC leases 5 photocopy 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:-

	2013/14 Council	2012/13 Council	2013/14 Group	2012/13 Group
Non cancellable operating lease commitments				
Office equipment				
Up to one year	33,000	55,100	55,229	97,984
one to five years	129,250	126,855	129,250	146,833
over five years	-	-	-	-

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 value do not accrue to the lessee.

Note 31 Statement of Financial Involvement in CCTO's and Other Companies or Organisations

Wairoa District Council has control over the following entities:

Quality Roothing and Services (Wairoa) Ltd

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

Dividends 2013/14	Dividends 2012/13
158,478	320,000

Note 32 Government Grants and Subsidies

WDC received Government grants from Land Transport New Zealand, which subsidises part of the costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions relating to eligible expenditure are fulfilled.

Source of Funding	2013/14	2012/13
Land Transport New Zealand - Transport Subsidies	8,750,786	10,768,516
Ministry of Health	1,387,000	2,500,000
Veteran Affairs	685	2,568
Creative New Zealand	10,760	22,590
SPARC's - Rural Travel Fund	9,839	8,773
YROA YNOT	91,361	46,011
Ministry of Internal Affairs	218,726	49,254
Others	100,000	2,112
	<u>10,569,157</u>	<u>13,399,824</u>

WDC has fulfilled all conditions attached to the Government assistance.

NOTES TO THE FINANCIAL STATEMENTS

Revenue received from Government grants and subsidies (and hence operating surplus) includes \$5,844,223 (2013: \$8,548,028) 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.

Cashflow from Government grants and subsidies (and hence operating cash inflows) includes \$5,844,223 (2013: \$8,548,028) with respect to these capital grants where the associated cash outflows are recognised as investing activities.

Note 33 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).

Note 34 Variances from LTP and Annual Plan

Explanations for major variances from WDC's estimated figures in the 2012/2022 Long Term Plan and the 2013/2014 Annual Plan are as follows:-

	2013/14	2012/13
	Annual	Annual
	Plan	Plan
Income Statement		
2014 plan net surplus	4,538,744	7,144,260
Higher (lower) subsidy revenue (regional projects, emergency works)	(607,734)	(6,437)
Higher (lower) income from investments	238,321	1,057,583
Higher (lower) income from fees and charges (water production, waste management)	(1,333,160)	(671,891)
Higher income from rates	415,936	478,189
Increase in costs due to additional roading work, operating deficits from production of water and sewerage	(937,987)	(2,244,763)
Other	<u>(8,900)</u>	<u>(5,888)</u>
2014 actual net surplus	<u>2,305,220</u>	<u>5,751,053</u>
Capital expenditure		
2014 plan	10,861,080	17,589,179
Additional projects approved	<u>(819,954)</u>	<u>(4,261,272)</u>
Actual expenditure 2014	<u>10,041,126</u>	<u>13,327,907</u>

Note 35 Capital Management

The 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 the 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 the Council. Intergenerational equity requires today's ratepayers to meet the 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, the 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 the 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 the Council's LTP.

NOTES TO THE FINANCIAL STATEMENTS

**Note 36 Funding Impact Statement
Council Only**

	ACTUAL 2013/14	BUDGET 2013/14	LTP 2013/14	ACTUAL 2012/13	BUDGET 2012/13
Sources of Operating Funding					
General rates, uniform annual general charges, rates penalties	3,244,510	3,247,577	2,465,368	3,134,043	2,530,825
Targeted rates (other than a targeted rate for water supply)	6,889,661	6,470,657	8,398,965	6,966,259	7,091,289
Subsidies and grants for operating purposes	4,724,934	3,383,722	3,736,426	4,851,796	4,161,638
Fees charges and targeted rates for water supply	2,453,484	3,270,150	3,524,941	2,012,828	3,416,863
Interest and Dividends from Investments	1,160,237	1,084,350	1,104,350	1,716,279	1,178,100
Local authorities fuel tax, fines, infringement fees, and other receipts	1,501,571	70,000	72,240	1,780,391	70,000
Total Operating Funding	19,974,398	17,526,456	19,302,290	20,461,596	18,448,715
Applications of Operating Funding					
Payments to staff and suppliers	17,197,612	15,514,135	15,906,021	17,768,406	15,347,421
Finance costs	973,575	518,169	768,132	459,659	763,072
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	18,171,187	16,032,304	16,674,153	18,228,065	16,110,493
Surplus (Deficit) of operating funding	1,803,211	1,494,152	2,628,137	2,233,531	2,338,222
Sources of capital funding					
Subsidies and grants for capital expenditure	5,844,223	7,793,169	1,998,929	8,548,028	9,244,624
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	5,000,000	240,090	140,090	-	9,538,400
Gross proceeds from sale of assets	-	-	10,000	-	5,000
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	10,844,223	8,033,259	2,149,019	8,548,028	18,788,024
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	381,133	-	13,457,498
- to improve the level of service	5,655,978	3,905,547	-	6,476,473	-
- to replace existing assets	4,385,149	6,955,533	4,173,858	6,851,434	6,128,248
Increase (Decrease) in reserves	2,606,308	(1,333,669)	222,165	(2,546,348)	1,540,500
Increase (Decrease) of investments	-	-	-	-	-
Total application of capital funding	12,647,434	9,527,411	4,777,156	10,781,559	21,126,246
Surplus (Deficit) of capital funding	(1,803,211)	(1,494,152)	(2,628,137)	(2,233,531)	(2,338,222)
Funding Balance	-	-	-	-	-
Group depreciation and amortisation	5,347,283	4,901,662	4,903,660	5,030,509	4,448,329

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of Total Comprehensive Income

	ACTUAL 2013/14	BUDGET 2013/14	LTP 2013/14	ACTUAL 2012/13
Surplus / (Deficit) of operating funding from funding impact statement	1,803,211	1,494,152	2,628,137	2,233,531
Add subsidies and grants for capital expenditure	5,844,226	7,793,169	1,998,930	8,548,028
Add development and financial contributions	-	-	-	-
Add depreciation and amortisation expense	(5,342,217)	(4,901,663)	(4,903,660)	(5,030,506)
Add capital funding not through Income Statement	-	153,086	77,856	-
Net Surplus before taxation in Income Statement	2,305,220	4,538,744	(198,737)	5,751,053

Note 37 Insurance of Assets

The total insurable value of above ground buildings and plant and equipment of \$72.3m is covered by insurance contracts of \$80.4m. 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 \$43.4m.

The Council has an asset value of \$54.5m 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.

Note 38 Rating Base Information

The number of rating units within the district at the end of the financial year 2012-2013 were:	7,491
The total capital value of rating units within the district at the end of the financial year 2012-2013 was:	\$1,998,360,650
The total land value of rating units within the district at the end of the financial year 2012-2013 was:	\$1,217,692,350

NOTES TO THE FINANCIAL STATEMENTS

Note 39 Adoption of Annual Report

Council adopted the Annual Report on the 28th October 2014.

The statutory deadline to adopt the Annual Report for the year ended 30 June 2014 was 31st October 2014.

STATEMENT OF ACCOUNTING POLICIES

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 for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of WDC are for the year ended 30 June 2014. The financial statements were authorised for issue by Council on 28th October 2014.

Basis of Preparation

The financial statements of the WDC have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with the New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS (PBE), and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

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. The financial statements of QRS Ltd are accounted for using the purchase method, which involves adding together corresponding assets, liabilities, revenue and expenses on a line-by-line basis. 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 in WDC's own "parent entity" financial statements.

Revenue

Revenue is measured at the fair value of consideration received.

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.

Interest revenue

Interest income is recognised in the period in which it is earned.

Dividend revenue

Revenue is recognised when the right to receive payment is established.

Other Revenue

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.

WDC receives government grants from Land Transport New Zealand, 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.

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 service to be provided.

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

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

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.

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 financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is charged or credited directly to equity.

LEASES

Operating Lease

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.

Cash or 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.

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.

Inventories

Inventories are stated 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.

Financial Assets

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 financial performance.

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.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the statement of financial performance.

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.

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. Included in this category are sinking funds that are valued at amortised cost. Community loans are included at amortised cost.

Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

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 held at fair value with gains or losses recognised directly in equity with the exception of impairment losses that are recognised in the statement of financial performance. In the event of impairment, any cumulative losses previously recognised in equity, will be removed from equity and recognised in the statement of financial performance, even though the asset has not been derecognised.

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 income statement.

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 account, and the amount of the loss is recognised in the statement of financial performance. 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 financial performance. Impairment losses recognised in the statement of financial performance are not reversed through the statement of financial performance.

Interest-bearing borrowings

Interest-bearing borrowings 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.

Non-current assets held for sale

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets held for sale are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Property, Plant & Equipment

Property, plant and equipment consists of:

Operational assets – these include land, buildings, library books, plant and 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 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 an item 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 financial performance. 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	50-100
Pipes	80-100	Manholes/sumps	50-100
Manholes	100	Open Drains	Not depreciated
Pumps	10-15		
Plant	10-15		
Resource consents	25		

WATER SUPPLY	Life years	ROADS	Life years
Structures	50	Top surface (seal)	14
Pumps	15-20	Basecourse	Not depreciated
Reticulation piping	60-100	Formation	Not depreciated
Meters	20	Bridges	20-80
Hydrants	40	Footpaths	15-40
Resource consents	20-25	Kerbs	50
Reservoirs	80	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.

Revaluation

Those assets 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 asset carrying amounts, due to revaluation, increase revaluation reserves in equity. Decreases in asset carrying amount 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 increase reverses a decrease previously recognised in the statement of financial performance, the increase is recognised first in the statement of financial performance to reverse any previous reduction.

Operational land and buildings

Operational land and buildings were valued at fair value effective from 30 June 2005. Under NZ IFRS (PBE), 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. Under NZ IFRS (PBE), 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 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. Under NZ IFRS (PBE), WDC has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost.

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 recognized 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.

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 financial performance.

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

Computer software	3 years	33%
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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 financial performance.

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

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

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

Forestry Assets

Forestry assets are independently valued annually 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 point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the statement of financial performance. The costs to maintain forestry assets are included in the statement of financial performance.

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 financial performance.

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 financial performance in the year of derecognition.

Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.

For a revalued asset, the impairment loss is recognised in the revaluation reserve for that class of asset. For an asset carried at cost, the impairment loss is recognised in the statement of financial performance.

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.

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.

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 Financial Performance 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.

Borrowing Costs

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

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

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 in note 35.

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

The 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), using accounting policies that are consistent with those adopted by WDC for the preparation of the financial statements.

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

In preparing these financial statements WDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations on future events that are believed to be reasonable under the circumstances. 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 discussed below:

Landfill Aftercare

Note 28 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 2052, 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.

The cash outflows for landfill post-closure are expected to occur within the next 38 years. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 3%.

Infrastructure Assets

There are a number of assumptions and estimates used when performing DRC valuations over 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 financial performance.

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 the Council's infrastructural asset revaluations.

Critical Judgements in Applying WDC's Accounting Policies

Management has exercised the following critical judgements in applying WDC's accounting policies for the period ended 30 June 2014:

Changes in Accounting Policies

The accounting policies used for preparation of these financial statements are unchanged from those for the prior financial year and have been applied consistently to all periods presented in these financial statements.

Standards, Amendments and Interpretations to Existing Standards (that are not yet effective and have not been early adopted), and which are relevant to the Council and Group are:

The External Reporting Board (XRB) has introduced a revised accounting standards framework. The revised framework introduces Public Benefit Entity (PBE) Accounting Standards comprising International Public Sector Accounting Standards, modified as appropriate for New Zealand circumstances. These standards will apply for the years beginning on or after 1 July 2014. The Council will transition to these new standards in preparing for its 30 June 2015 financial statements. The impact of this change has not yet been assessed.

**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

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. Rural fire appliances
4. Camping ground
5. Roothing (Transfund subsidised portion of roading)
6. Mahia/Opoutama Sewerage Scheme
7. Community Centre

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 an 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. This reduction is as listed below.

Depreciation not funded:

	BUDGET \$	ACTUAL \$
1. Community halls	5,690	5,690
2. Housing	3,950	4,421
3. Rural fire appliances	56,500	17,751
4. Camping ground	8,904	8,657
5. Roothing	1,565,063	1,365,473
6. Mahia/Opoutama Sewerage Scheme	453,333	159,295
7. Community Centre	230,000	327,387
	<u>\$2,323,440</u>	<u>\$1,888,674</u>

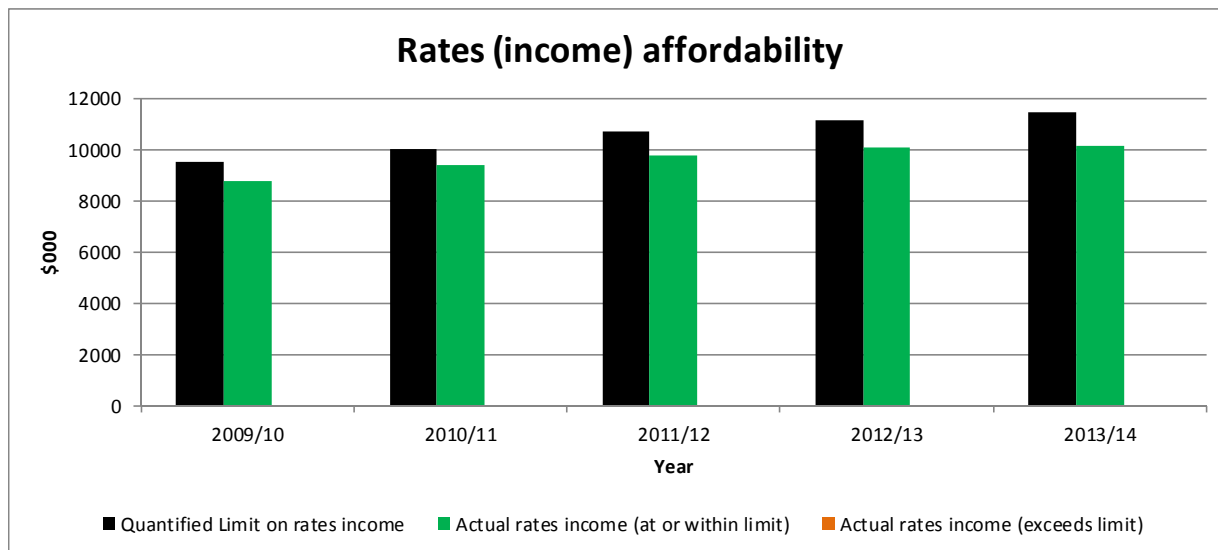
Financial Prudence Benchmarks

Regulations were introduced in May 2014 requiring Council to disclose its 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.

Rates affordability benchmark

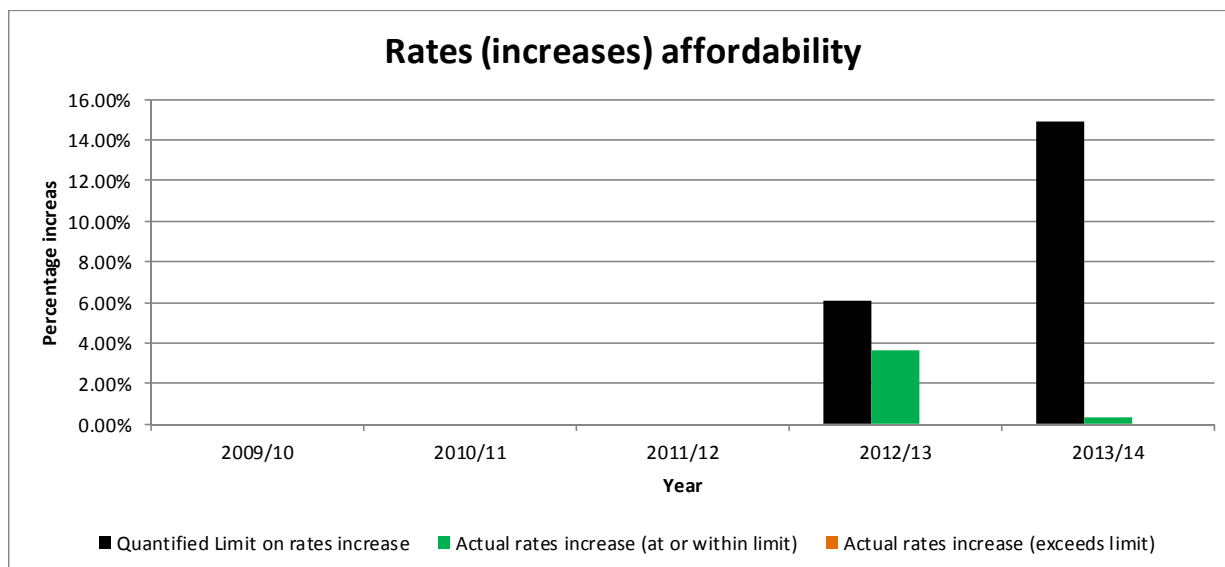
Rates (Income) affordability

The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included within 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 2%.



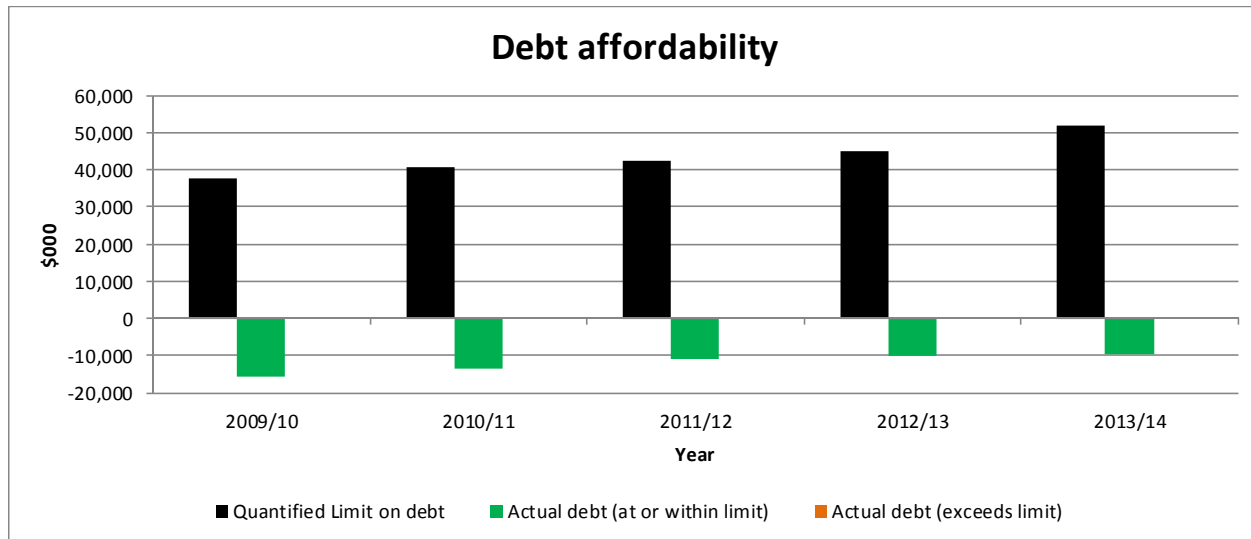
Note: Benchmarks are only available from the 2012/13 year.

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 20% of equity

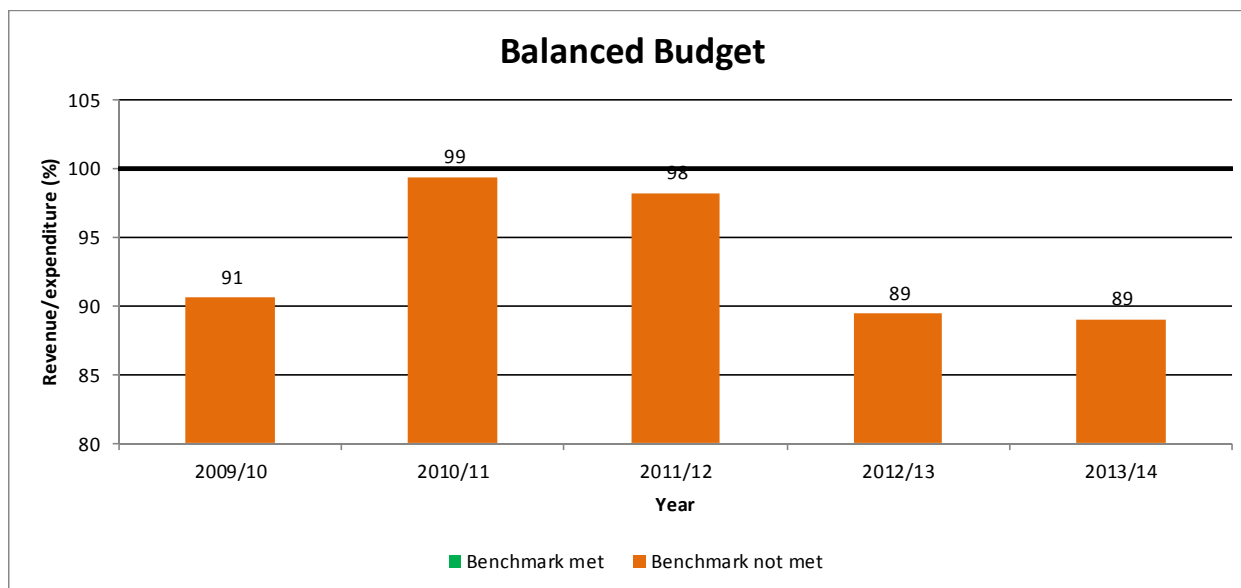
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net debt is less than 20% of equity.



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).

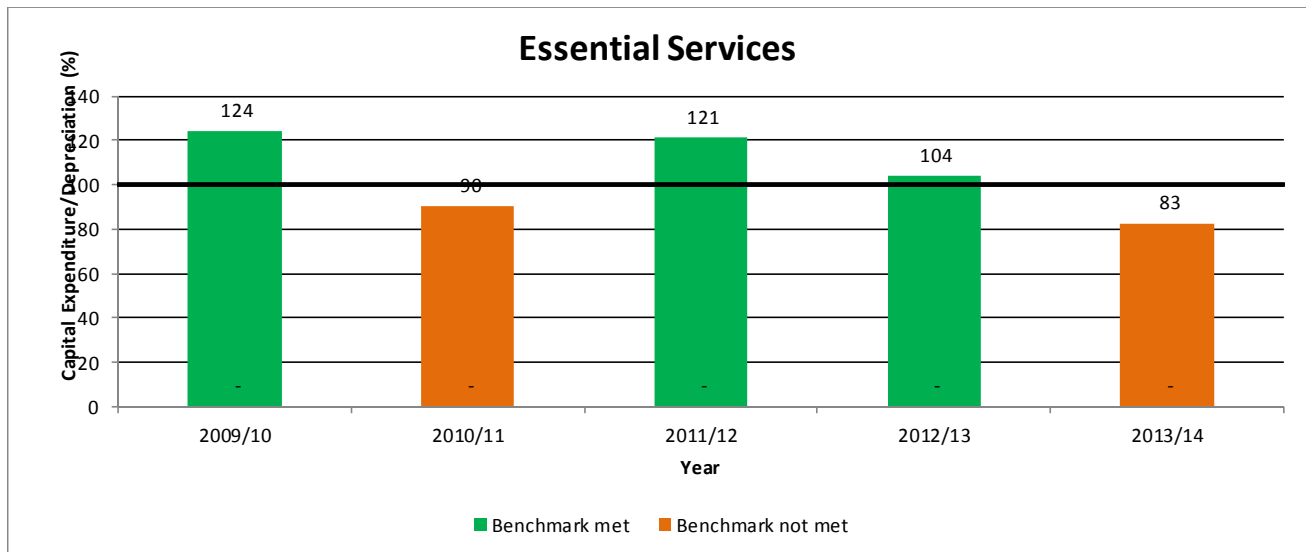
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

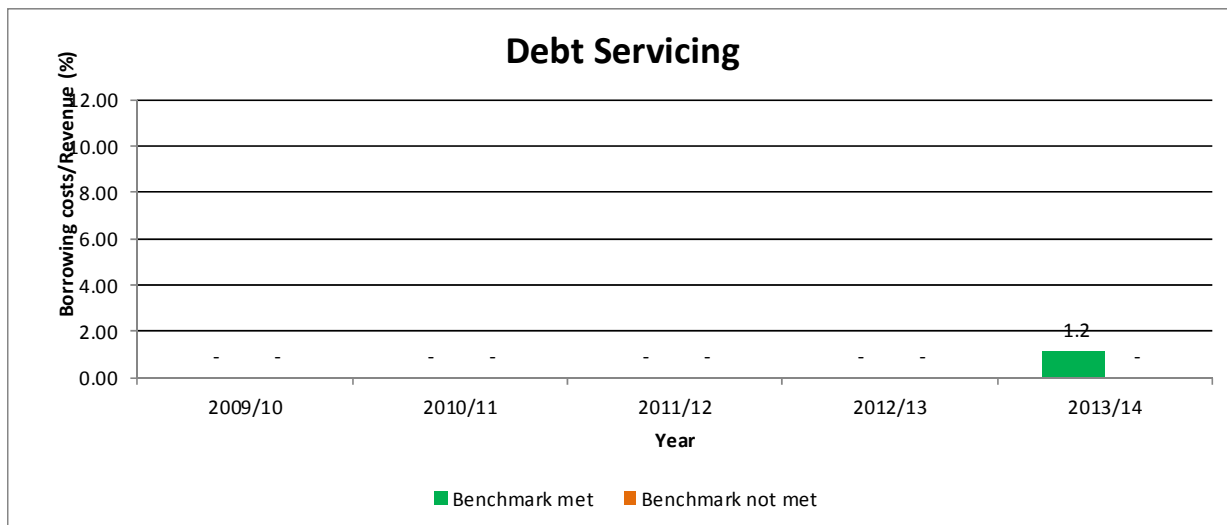
The following graph displays the council’s capital expenditure on network services as a proportion of depreciation on network services.

The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

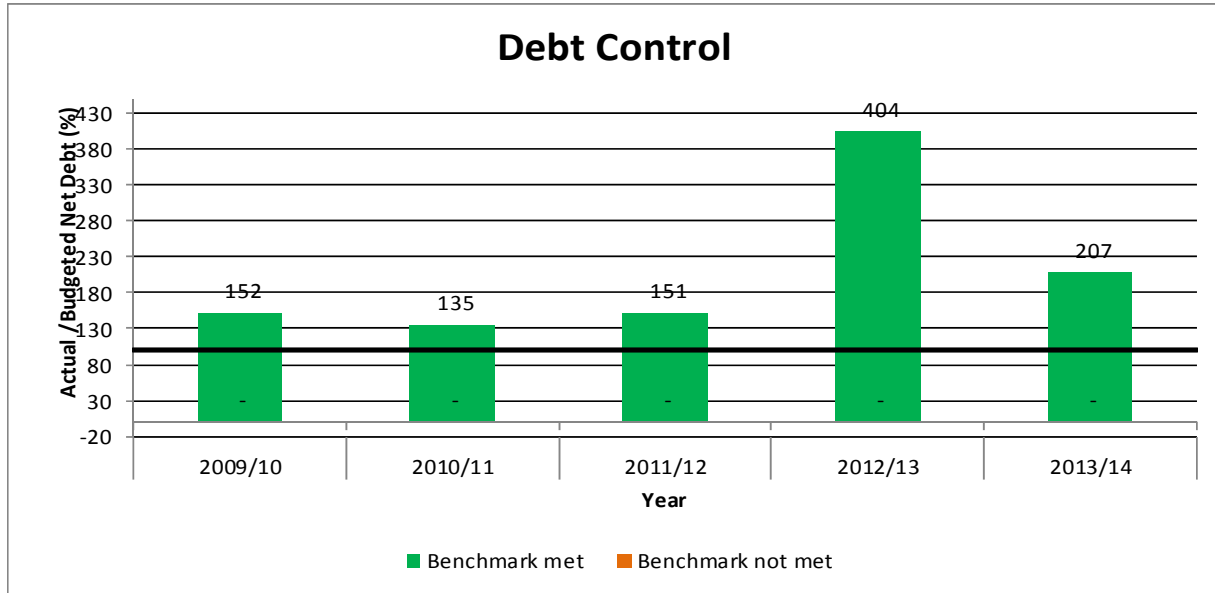
The following graph displays the council’s borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). As Statistics New Zealand projects the council’s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



Note: No borrowing costs have been incurred during the period 2009/10 to 2012/13 as Council did not hold any debt during this period.

Debt control benchmark

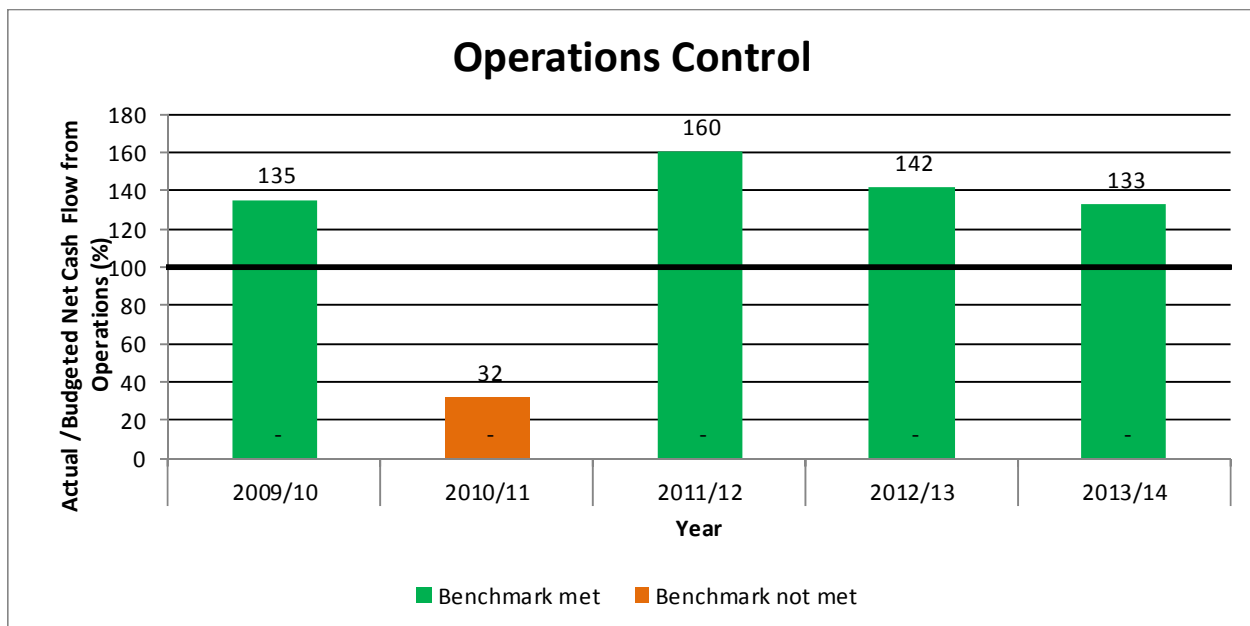
The following graph displays the council’s actual net debt as a proportion of planned net debt. In this statement, **net debt** means financial liabilities less financial assets (excluding trade and other receivables). The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Note: In years 2009/10 to 2012/13 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

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Phone (06) 8387309 Fax (06) 8388874
e-mail: administrator@wairoadc.govt.nz

DOCUMENTS HELD BY COUNCIL

The 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, Wairoa

POLICY MANUALS/DOCUMENTS

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

District Plans

Council's planning documents consist of the Wairoa District Plan- Urban Sector and Wairoa District Plan- Rural Sector. These have been reviewed and the result is the adopted Operative Wairoa 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 2012-2022

Wairoa District Policy Manual (currently under review)

This contains the policy decisions of Council.

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- 2003)

Rules of conduct and standards for debate at meetings of Council.

Asset Management Plans

- A Sewerage Systems
- B Stormwater Systems
- C Water Production Systems
- D Water Reticulation Systems
- E Roading

COUNCIL DIRECTORY AS AT 30 JUNE 2014

EXECUTIVE STAFF

Chief Executive Officer	F Power
Corporate Services Manager	J. Baty
Engineering Manager	J. Cox
Finance Manager	D. Steed
Regulatory Manager	H. Montgomery

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AUDITORS

Ernst & Young
P.O.Box 490
Wellington
On behalf of the Auditor-General

BANKERS

Westpac Banking Corporation
Marine Parade
Wairoa

SOLICITORS

I. R. McDonald
Barristers & Solicitors
Locke Street
Wairoa

INSURANCE BROKERS

Jardine Risk Consultants Ltd
P.O.Box 11145
Wellington

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF WAIROA DISTRICT COUNCIL AND GROUP'S ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

The Auditor-General is the auditor of Wairoa District Council (the District Council) and group. The Auditor-General has appointed me, Grant Taylor, using the staff and resources of Ernst & Young to audit:

- the financial statements of the District Council and group that comprise:
 - the statement of financial position as at 30 June 2014 on page 70;
 - the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ending 30 June 2014 on pages 68 to 69 and page 71;
 - the funding impact statement of the District Council on page 103;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 16 to 66; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 72 to 116;
- the statement of service provision made up of Activity Group One through to Activity Group Seven of the District Council and the funding impact statements in relation to each group of activities of the District Council on pages 16 to 66; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 118 to 121.

In addition, the Auditor-General has appointed me to report on whether the District Council and group's annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing on page 81;
 - council-controlled organisations on page 67;
 - reserve funds on pages 88 and 89;
 - each group of activities carried out by the District Council on pages 16 to 66;
 - remuneration paid to the elected members and certain employees of the District Council on page 91;
 - employee staffing levels and remuneration on page 91;
 - rating base units on page 104; and
 - insurance of assets on page 104;

- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 15; and
- a statement of compliance signed by the mayor of the Council, and by the District Council and group's chief executive on page 8; and

Opinion

Audited information

In our opinion:

- the financial statements of the District Council and group on pages 68 to 116:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council and group's financial position as at 30 June 2014; and
 - the results of its operations and cash flows for the year ended on that date.
- the funding impact statement of the District Council on page 103, fairly reflects 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 statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 16 to 66, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- the statement of service provision, comprising Activity Group One through to Activity Group Seven of the District Council on pages 16 to 66:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service for the year ended 30 June 2014, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council on pages 16 to 66, fairly reflects by each group of activities, 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.
- the disclosures on pages 118 to 121 represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council and group's annual report complies with the *Other Requirements* of schedule 10 that are applicable to the annual report.

Our audit was completed on 28 October 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and statement of service provision. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported statement of service provision within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to*

Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and statement of service provision that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council and group's financial position, financial performance and cash flows;
 - fairly reflect its service performance, including achievements compared to forecast;
- a funding impact statement that fairly reflects 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;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities 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;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the *Other Requirements* of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out this audit, which includes our report on the *Other Requirements*, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. In addition to this audit, which includes our report on the Other Requirements, we have carried out the audit of Quality Roading and Services (Wairoa) Ltd, which is compatible with those independence requirements. Other than this audit we have no relationship with or interests in the District Council or any of its subsidiaries.



Grant Taylor
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand