

WAIROA DISTRICT COUNCIL

ANNUAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015



2014-2015 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 2014/2015 Annual Report. The past year can be characterised by two main themes for the Wairoa District Council: maintaining sound infrastructure and core services as well as looking for new and creative solutions to see Wairoa prosper. This report will focus on our achievements and progress towards outcomes as per our Annual Plan (2014/15), essentially a summary of the Council's activities, performance and financial situation.

Notable highlights and achievements are as follows;

Council signed off its 2015-2025 Long Term Plan this year, with a focus on ensuring that ratepayers and the community have an affordable strategy now and for future growth. The LTP continues the theme of maintaining sound infrastructure and core services whilst planning for Wairoa's future.

The Wairoa District Council has actively participated in the efforts of Hawke's Bay Local Authorities Shared Services (HB LASS), and is pleased with the results to date. These shared services have bought improved services and cost savings to Wairoa and has allowed Wairoa District Council to work collaboratively and across Hawke's Bay with other councils. The savings and value of improvement in services identified and delivered to date for Wairoa district alone include, joint regional purchase of insurance - \$110,000, regional GIS cooperation (approximately) - \$90,000, and joint regional purchase of energy - \$60,000 (over three years).

Council was certainly pleased with the outcome of the New Zealand Transport Agency's (NZTA) review of Funding Assistance Rates (FAR) with the Wairoa district moving from a funding assistance rate of 68% to 75%. Council staff were integral to this positive outcome and we commend staff for their work in achieving this great result for Wairoa.

Road sealing at Whakamahia signalling the intent to upgrade and develop this part of the township and the handing over of the management of a portion State Highway 38 by the NZTA to Council have also been highlights in the 2014/2015 year.

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 \$777,130 (2014– surplus of \$2,385,654).

A 10.1% increase in rates revenue (\$1,027,302) which includes target rates of the Mahia and Opoutama Wastewater Schemes of \$439,628, increase in fees and charges (\$2,246,640) which includes \$2,446,100 of Mahia and Opoutama Wastewater Scheme Lump Sum contributions, decrease in Investment Income (\$88,253) and an increase in operating costs (\$3,992,107) including \$4,702,505 of Mahia and Opoutama Wastewater Scheme costs transferred to operating costs from Capital were partially offset by a reduction in Subsidies received (\$737,855).

Working capital of \$14,144,830 was \$338,946 up on 2014 (\$13,805,884) whilst cash flow from Operations of \$8,276,383 was \$649,647 down on 2014 (\$8,926,030) due primarily to increases in operating costs which include \$1,837,101 of costs associated with the Mahia and Opoutama Wastewater Schemes.

Capital Expenditure fell to \$4,894,492 2014 –(\$9,936,248) a contributory factor being the transfer of Mahia and Opoutama Wastewater scheme costs to operating, and there was a net decrease in financial assets of \$2,881,611 whilst shorter term Term Deposits increased by \$3,298,509.

Performance Management

Of the 150 identified service levels and targets, 106 were achieved, a score of 71% compared with 72% last year.

Quality Rooding and Services (Wairoa) Limited

Quality Rooding and Services (Wairoa) Limited Annual Report shows an operating surplus before tax of \$113,305. The after tax profit was \$79,302 which represents a 1.4% return on equity of \$5.83million. A dividend of \$145,000 has been declared and reflected within the 2015 Accounts.

Rooding

9.7km	rehabilitated roads
26.65km	resurfaced roads
18.14km	unsealed road metal buildup

Stormwater

172m open drains piped

Mahia Beach Community Sewage Scheme

9km community reticulation
1 large pump station
1.7km rising/pumping main
15,000m² treatment pond

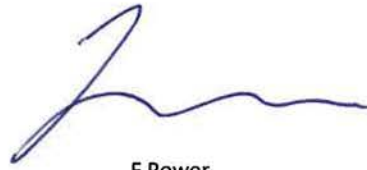
Opoutama Community Wastewater Scheme

4km community reticulation
Purchased treatment plant
3 small pump stations

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

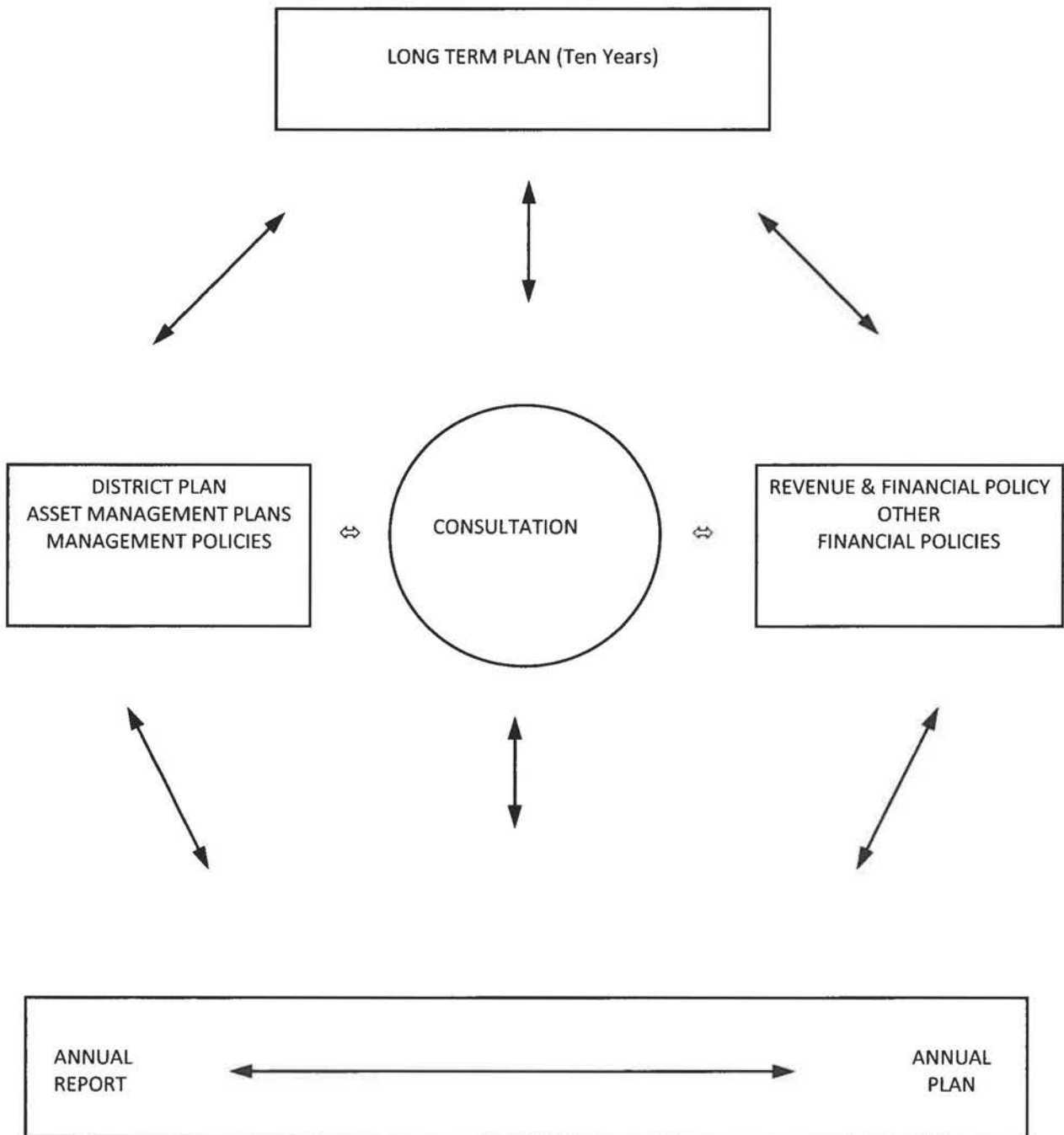


C Little
MAYOR



F Power
CHIEF EXECUTIVE OFFICER

RELATIONSHIP BETWEEN COUNCIL'S POLICIES AND PLANS



WAIROA DISTRICT COUNCIL 30 JUNE 2015



<p>His Worship the Mayor Mr Craig Little</p>	<p>Councillors: Denise Eaglesome-Karekare (Deputy Mayor) Mike Bird Benita Cairns Hine Flood Jeremy Harker Min Johansen</p>
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MĀORI STANDING COMMITTEE MEMBERS

<p>Chairperson: Mr Graeme Symes</p>	<p>Esther Foster Kiwa Hammond Gaye Hawkins Sam Jury Paul Kelly Neuton Lambert Hereturikoka Nissen Peter Whaanga Councillor Mike Bird (Council Representative) Councillor Hine Flood (Council Representative)</p>
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MANAGEMENT STRUCTURE

Chief Executive Officer

Fergus Power

OFFICE OF THE CHIEF EXECUTIVE	ENGINEERING SERVICES	FINANCE SERVICES	CORPORATE SERVICES	REGULATORY SERVICES
FERGUS POWER	JAMIE COX	ANDREW MORTON	JAMES BATY	HELEN MONTGOMERY
CEO	ENGINEERING MANAGER	CHIEF FINANCIAL OFFICER	CORPORATE SERVICES MANAGER	REGULATORY MANAGER
<ul style="list-style-type: none"> • Transformation • Communications • Human Resources • Economic Development • Stakeholder Relations • Māori Governance 	<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 2015 fairly reflect the financial position and operations of Wairoa District Council.



Mayor

C Little

18th December 2015



Chief Executive

F Power

18th December 2015

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 2015-2025 on Council's website or from Council's office.

Council Activities

Council activities are divided into two strategic goal areas being:

- **Community Development & Participation**

Council's aim is to provide services and facilities to encourage community focus, ensuring access to information and leisure opportunities and to promote the expansion of the economy by encouraging tourism options and business development.

- **Safe Living Environment**

Council's aim is to provide services and facilities which contribute to community health and safety and ensure that the natural and physical resources of the district are preserved for future generations.

These are in turn supported by:

- management services
- 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)

	2011	2012	2013	2014	2015
Yes	32%	22%	27%	28%	24%
The same	53%	64%	62%	52%	52%
Worse	13%	6%	8%	13%	17%
Unable to comment	2%	8%	4%	7%	7%

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

	2011	2012	2013	2014	2015
Yes, definitely	39%	40%	49%	52%	53%
Yes, mostly	50%	57%	49%	47%	41%
Not really	9%	2%	1%	1%	5%
No, definitely not	1%	1%	1%		1%
Unsure					

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

	2011	2012	2013	2014	2015
Very satisfied	14%	13%	9%	10%	11%
Satisfied	55%	42%	44%	50%	42%
Neither satisfied or dissatisfied	14%	33%	32%	20%	28%
Dissatisfied	7%	7%	9%	9%	11%
Very dissatisfied	5%	2%	1%	2%	5%
Don't know	6%	3%	5%	9%	3%

Quality of Life (All outcomes)

	2011	2012	2013	2014	2015
Very good	37%	38%	44%	51%	43%
Good	41%	46%	47%	41%	43%
Fair	16%	12%	5%	6%	11%
Poor	5%	4%	3%	2%	3%
Don't know	1%		1%		

Community Spirit (Supportive, caring and valued communities)

	2011	2012	2013	2014	2015
Very good	35%	26%	35%	42%	39%
Good	44%	53%	51%	48%	46%
Neither good nor bad	13%	14%	12%	7%	10%
Not very good	6%	5%	2%	2%	4%
Poor	1%	1%		1%	1%

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

	2011	2012	2013	2014	2015
Very satisfied	21%	21%	17%	22%	19%
Satisfied	56%	54%	53%	52%	48%
Neither satisfied nor dissatisfied	13%	15%	18%	10%	23%
Dissatisfied	7%	5%	8%	7%	8%
Very dissatisfied		3%	2%	6%	1%
Don't know	2%	1%	2%	3%	1%

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

	2011	2012	2013	2014	2015
More than enough	29%	34%	28%	27%	21%
Enough	45%	39%	43%	43%	45%
Not enough	10%	12%	15%	13%	13%
Nowhere near enough	5%	5%	5%	5%	4%
Don't know	12%	10%	10%	12%	17%

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 āta kōrero te kaunihera takiwa ki te tangata whenua nōna nei te whenua, te ahi kā me te mana ki runga i ngā wāhi i whakatipua e rātou o ia rohe i roto i te kaunihera takiwa o te Wairoa, kia tutuki ai te hē 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, hapū, and iwi have ahi kā (unbroken occupation) and exercise mana whenua (maintenance and sustainable management of land) over lands within the Council's boundaries. Council consult whānau, hapū, and 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, hapū, and iwi exercising mana whenua. The Council also acknowledges that specific whānau, hapū, and 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's 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, hapū, and 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.	Not achieved. 6 CSR's did not achieve specified completion targets. (2013/14: Achieved)
	The taste, smell and look of the water (as defined in the Health Act) are monitored.	Achieved. Various process treatments and control. (2013/14: Achieved)
	The taste, smell and look of the water (received by the customer) are monitored.	Achieved. The taste, smell and look of the water received by the customer is monitored by the CSR system. (2013/14: Achieved)
	Customers will have water service available to them except during planned maintenance or through an emergency.	Not Achieved. 11 CSR's received in relation to no water service being available. Most in relation to unexpected water main failure. (2013/14: Not Achieved. 5 CSR Complaints)
	Customers' water pressure will be maintained.	Achieved. Monitored and recorded by Council's SCADA system. (2013/14: Achieved)
	Shutdowns will be advertised in the Wairoa Star.	Not Achieved. Planned shutdowns notified by targeted maildrop to affected users as more effective than Wairoa Star. (2013/14: Achieved)
	Communities' willingness to pay for the service will be monitored.	Achieved. No reports received indicating any concerns with associated costs. Long Term and Annual Plan consultation processes provide opportunity for community to raise willingness to pay issues. (2013/14: Achieved)
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 \$1,187,342 is greater than budget of \$952,238. (2013/14: Not Achieved) Renewal and capital expenditure of \$302,356 is below a budget of \$677,750.

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
	Compliance with current legislative requirements for the operation of the water activity.	Achieved. Wairoa and Frasertown: both supplies comply with New Zealand Drinking Water Standards (NZDWS). (2013/14: Achieved) Tuai: Water treatment Plant commissioned December 2014. Water Safety plan (WSP) approved by the Ministry of Health. (2013/14: Not achieved) Mahanga: Not achieved. No water treatment facility therefore does not comply with NZDWS. A WSP has been developed and approved for Mahanga Supply. (2013/14: Not Achieved)
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. (2013/14: Achieved)
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. 93% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2013/14: 92%)
	A reducing amount of CSRs over time.	Achieved. 250 CSR's received in 2014/15; 256 CSRs in 2013/14. (2013/14: Not Achieved)

COMMUNITY SURVEY - PERFORMANCE RATING

Water Supply (Users)	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Very Satisfied/fairly satisfied	90%	90%	91%	84%	88%	92%	95%	92%	93%
Not very satisfied	8%	7%	6%	15%	9%	7%	5%	8%	7%
Don't know/NA	2%	3%	3%	2%	3%	1%			

FUNDING IMPACT STATEMENT - WATER SUPPLY

For the year ending 30th June 2015

	ACTUAL 2014/15	BUDGET 2014/15	LTP 2014/15	LTP 2013/14
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	799,483	775,555	996,622	919,449
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	1,131,417	926,279	1,270,519	1,207,140
Local authorities fuel tax, fines, infringement fees, and other receipts	184,392	207,926	182,984	192,664
Total Operating Funding	2,115,292	1,909,760	2,450,125	2,319,253
Applications of Operating Funding				
Payments to staff and suppliers	1,446,346	1,156,403	1,527,459	1,444,380
Finance costs	106,799	106,799	-	-
Internal Charges and overheads applied	339,315	240,020	273,253	249,837
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,892,460	1,503,222	1,800,712	1,694,217
Surplus (Deficit) of operating funding	222,832	406,538	649,413	625,036
Sources of capital funding				
Subsidies and grants for capital expenditure	34,301	-	-	-
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	34,301	-	-	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	249,818	349,750	-	-
- to replace existing assets	86,839	328,000	336,589	451,964
Increase (Decrease) in reserves	(79,524)	(271,212)	312,824	173,072
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	257,133	406,538	649,413	625,036
Surplus (Deficit) of capital funding	(222,832)	(406,538)	(649,413)	(625,036)
Funding Balance				
Group depreciation and amortisation	460,598	583,788	649,413	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. 4 CSR's did not achieve specified completion targets. (2013/14: Not Achieved)
	How well the service is delivered to the community shall be monitored through the CSR system.	Achieved. All stormwater issues are logged to. Processed and monitored by the CSR system. (2013/14: Achieved)
	Communities' willingness to pay for the service will be monitored.	Achieved. No reports received indicating any concerns with associated costs. Long Term and Annual Plan consultation processes provide opportunity for community to raise willingness to pay issues. (2013/14: Achieved)
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 \$374,873 is greater than budget of \$357,987. (2013/14: Not Achieved) Renewal and capital expenditure of \$154,737 is greater than budget of \$114,290.
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 accidents or near misses. (2013/14: Achieved)
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. 72% satisfaction. Survey responses indicate that dissatisfaction results from perceived increases in flooding after rain, lack of maintenance and open drains. (2013/14: 56%)
	A reducing amount of CSRs over time.	Not Achieved. 25 CSR's received; 21 CSRs in 2013/14. (2013/14: Achieved)

COMMUNITY SURVEY - PERFORMANCE RATING								
Stormwater (those connected)	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Very Satisfied/fairly satisfied	42%	57%	63%	72%	72%	79%	56%	72%
Not very satisfied	42%	35%	37%	26%	26%	20%	34%	25%
Don't know/NA	16%	8%		2%	1%	1%	10%	3%

FUNDING IMPACT STATEMENT - STORMWATER

For the year ending 30th June 2015

	ACTUAL 2014/15	BUDGET 2014/15	LTP 2014/15	LTP 2013/14
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	333,097	324,667	343,906	309,363
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	70,101	115,670	53,311	53,719
Total Operating Funding	403,198	440,337	397,217	363,082
Applications of Operating Funding				
Payments to staff and suppliers	46,366	104,560	101,249	93,964
Finance costs	70,897	66,832	22,576	13,136
Internal Charges and overheads applied	87,630	69,006	86,207	75,823
Other operating funding applications	-	-	-	-
Total applications of operating funding	204,893	240,398	210,032	182,923
Surplus (Deficit) of operating funding	198,305	199,939	187,185	180,159
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	114,290	118,290	114,290
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	114,290	118,290	114,290
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	118,290	114,290
- to improve the level of service	154,737	114,290	-	-
- to replace existing assets	-	-	80,652	77,925
Increase (Decrease) in reserves	43,568	199,939	106,533	102,234
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	198,305	314,229	305,475	294,449
Surplus (Deficit) of capital funding	(198,305)	(199,939)	(187,185)	(180,159)
Funding Balance				
Group depreciation and amortisation	169,980	233,259	187,185	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. 1 CSR did not achieve specified completion targets. (2013/14: Not Achieved 11 CSR did not achieve specified completion targets.)
	Wastewater will be removed from customer properties and treated at a central treatment plant.	Not achieved. Rare instances of wastewater overflows from manholes due to wastewater main blockages. (2013/14: Not Achieved)
	The treatment plant will be kept clean and tidy at all times.	Achieved - no reported or recorded incidences of rubbish, litter, spill etc. (2013/14: Achieved)
	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). (2013/14: Achieved)
	Communities' willingness to pay for the service will be monitored.	Achieved. No reports received indicating any concerns with associated costs. Long Term and Annual Plan consultation processes provide opportunity for community to raise willingness to pay issues. (2013/14: Achieved)
Council will manage the sewer systems to an acceptable standard.	Maintenance, operational, renewal and capital investments are undertaken cost effectively.	Not achieved - net operating costs of \$2,830,231 is greater than a net surplus budget of \$832,714 due to the transfer of Mahia and Opoutama Wastewater scheme costs from capital into operation costs. (2013/14: Achieved) Renewal and capital expenditure of net benefit \$976,522 is less than budget of \$2,875,000 due to the transfer of Mahia and Opoutama Wastewater scheme costs from capital into operation costs.
	Collate condition information.	Achieved. Investigations are underway to define the actions required to achieve a renewal of the wastewater discharge consent and this includes a review of the condition of the existing wastewater system. (2013/14: Achieved)
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 accidents or near misses. (2013/14: Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
	Compliance with current legislative requirements for the operation of the wastewater activity.	Not achieved. Multiple failures to remain within the consent provisions. (2013/14: Not achieved)
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. 81% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2013/14: Achieved 89%)
	A reducing amount of CSRs over time.	Not achieved. 58 CSR's received in 2014/15; 45 in 2013/14. (2013/14: Not achieved)

COMMUNITY SURVEY - PERFORMANCE RATING									
Sewerage (Users)	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Very Satisfied/fairly satisfied	92%	87%	93%	83%	88%	86%	86%	89%	81%
Not very satisfied	7%	7%	4%	12%	10%	9%	13%	7%	12%
Don't know/NA	1%	6%	3%	5%	2%	4%		4%	7%

FUNDING IMPACT STATEMENT - WASTEWATER

For the year ending 30th June 2015

	ACTUAL 2014/15	BUDGET 2014/15	LTP 2014/15	LTP 2013/14
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	1,503,377	1,499,622	1,884,684	1,778,146
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	2,450,724	2,439,062	5,231	5,069
Local authorities fuel tax, fines, infringement fees, and other receipts	171,099	112,257	262,020	278,026
Total Operating Funding	4,125,200	4,050,941	2,151,935	2,061,241
Applications of Operating Funding				
Payments to staff and suppliers	5,269,369	588,697	811,264	769,698
Finance costs	381,884	81,498	615,959	621,941
Internal Charges and overheads applied	262,275	259,374	342,132	301,384
Other operating funding applications	-	-	-	-
Total applications of operating funding	5,913,528	929,569	1,769,355	1,693,023
Surplus (Deficit) of operating funding	(1,788,328)	3,121,372	382,580	368,218
Sources of capital funding				
Subsidies and grants for capital expenditure	1,000,000	2,000,000	-	-
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	1,000,000	2,000,000	-	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,416	2,250,000	-	-
- to replace existing assets	22,062	625,000	177,435	145,459
Increase (Decrease) in reserves	(811,806)	2,246,372	205,145	222,759
Increase (Decrease) of investments				
Total application of capital funding	(788,328)	5,121,372	382,580	368,218
Surplus (Deficit) of capital funding	1,788,328	(3,121,372)	(382,580)	(368,218)
Funding Balance				
Group depreciation and amortisation	367,427	789,036	853,593	821,552

FUNDING IMPACT STATEMENT - WATER SERVICES

For the year ending 30th June 2015

	ACTUAL 2014/15	BUDGET 2014/15	LTP 2014/15	LTP 2013/14
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	2,635,957	2,599,277	3,225,214	3,006,958
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	3,582,141	3,365,908	1,275,750	1,212,209
Interest and Dividends from Investments	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	425,592	435,853	498,315	524,409
Total Operating Funding	6,643,690	6,401,038	4,999,279	4,743,576
Applications of Operating Funding				
Payments to staff and suppliers	6,762,081	1,849,660	2,439,972	2,308,042
Finance costs	559,580	255,129	638,535	635,077
Internal Charges and overheads applied	689,220	568,400	701,592	627,044
Other operating funding applications	-	-	-	-
Total applications of operating funding	8,010,881	2,673,189	3,780,099	3,570,163
Surplus (Deficit) of operating funding	(1,367,191)	3,727,849	1,219,180	1,173,413
Sources of capital funding				
Subsidies and grants for capital expenditure	1,034,301	2,000,000	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	114,290	118,290	114,290
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	1,034,301	2,114,290	118,290	114,290
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	118,290	114,290
- to improve the level of service	405,971	2,714,040	-	-
- to replace existing assets	108,901	953,000	594,678	675,348
Increase (Decrease) in reserves	(847,762)	2,175,099	624,502	498,063
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	(332,890)	5,842,139	1,337,470	1,287,701
Surplus (Deficit) of capital funding	1,367,191	(3,727,849)	(1,219,180)	(1,173,411)
Funding Balance	-	-	-	2
Group depreciation and amortisation	998,005	1,606,083	1,690,191	1,626,748

WATER SERVICES
Statement of Cost of Service for the year ended 30 June 2015

	COSTS	REVENUE	NET COST	BUDGET	LTP	ACTUAL
	2014/15	2014/15	2014/15	2014/15	2014/15	2013/14
Water Reticulation	1,534,155	200,416	1,333,739	952,116	996,622	1,717,434
Water Production	818,904	965,301	(146,397)	122	1	(596,861)
Stormwater	374,873	-	374,873	357,987	343,908	401,711
Wastewater	6,280,955	3,450,724	2,830,231	(832,714)	2,355,697	1,658,408
	<u>9,008,887</u>	<u>4,616,441</u>	<u>4,392,446</u>	<u>477,511</u>	<u>3,696,228</u>	<u>3,180,692</u>
Less internal allocation	507,775	507,775	-			-
	<u>8,501,112</u>	<u>4,108,666</u>	<u>4,392,446</u>	<u>477,511</u>	<u>3,696,228</u>	<u>3,180,692</u>
Interest Received		425,592	(425,592)	-	-	(328,191)
	<u>8,501,112</u>	<u>4,534,258</u>	<u>3,966,854</u>	<u>477,511</u>	<u>3,696,228</u>	<u>2,852,501</u>
Projects						
Water Reticulation	59,972	34,301	25,671	230,000	115,065	237,620
Water Production	276,685	-	276,685	447,750	221,526	160,789
Stormwater	154,737	-	154,737	114,290	198,942	30,553
Wastewater - Mahia/Opoutama	23,478	1,000,000	(976,522)	2,875,000	177,435	2,532,949
Wastewater - Other	-	-	-	-	-	-
	<u>514,872</u>	<u>1,034,301</u>	<u>(519,429)</u>	<u>3,667,040</u>	<u>712,968</u>	<u>2,961,911</u>
Application of capital funding						
- to meet additional demand	-			-	118,290	-
- to improve the level of service	405,970			2,714,040	-	2,639,368
- to replace existing assets	108,902			953,000	594,678	322,543
	<u>514,872</u>		<u>-</u>	<u>3,667,040</u>	<u>712,968</u>	<u>2,961,911</u>

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>	<p>Forward works programmes are developed on time.</p>	<p>Achieved. Landfill sorting pad completed.</p>
	<p>Operations, maintenance, renewal and capital investments are undertaken cost effectively.</p>	<p>Not achieved – net operating costs of \$793,030 is greater than budget of \$739,896. (2013/14: Achieved)</p>
	<p>Community's willingness to pay for the service will be monitored.</p>	<p>Renewal and capital expenditure of \$33,935 is less than budget of \$160,000.</p> <p>Achieved. No reports received indicating any concerns with associated costs. Long Term and Annual Plan consultation processes provide opportunity for community to raise willingness to pay issues. (2013/14: Achieved)</p>
	<p>Gain knowledge of community's desired level of service.</p>	<p>Achieved. 75% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2013/14: Achieved 67%)</p>

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>Not achieved. 1,822T compared to 1,728T for 2013/2014 year. (2013/14: Achieved)</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. (2013/14: Achieved)</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 review, LTP and Annual Plan consultation process in place. No evidence of dissatisfaction with opening hours. (2013/14: Achieved)</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 is attended to when reported. (2013/14: Achieved)</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. Bins still in place and regularly maintained however overflowing reported at Mahia over Xmas period. (2013/14: Not achieved)</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>Not achieved. Many plants died over the last summer period. (2013/14: Achieved)</p>
	<p>Council will monitor the litter situation by reviewing the CSRs yearly.</p>	<p>Achieved. Reduction in CSR's for litter 33 compared to 38 received for 2013/2014 year. (2013/14: Achieved)</p>
	<p>Maintenance, operational, renewal and capital investments are undertaken cost effectively.</p>	<p>Not achieved – net operating costs of \$793,030 is greater than budget of \$739,896. (2013/14: Achieved)</p> <p>Renewal and capital expenditure of \$33,935 is less than budget of \$160,000.</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>Achieved. Health and Safety processes in place that ensure all incidents and near misses are reported and appropriate mitigation measures are put in place. (2013/14: Not achieved)</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. 75% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2013/14: Not achieved 67%)</p>
	<p>A reducing amount of CSRs over time.</p>	<p>Achieved. 33 litter/waste related CSR's received compared to 38 for 2013/2014 year. (2013/14: Not achieved)</p>

COMMUNITY SURVEY - PERFORMANCE RATING									
Waste Management	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Very Satisfied/fairly satisfied	47%	49%	66%	64%	69%	74%	74%	67%	75%
Not very satisfied	49%	48%	31%	30%	24%	18%	22%	28%	15%
Don't know/NA	4%	3%	3%	7%	7%	8%	4%	5%	10%

FUNDING IMPACT STATEMENT - WASTE MANAGEMENT

For the year ending 30th June 2015

	ACTUAL 2014/15	BUDGET 2014/15	LTP 2014/15	LTP 2013/14
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	730,601	-	-
Targeted rates (other than a targeted rate for water supply)	763,427	-	859,476	836,704
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	359,009	428,400	358,546	356,131
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	1,122,436	1,159,001	1,218,022	1,192,835
Applications of Operating Funding				
Payments to staff and suppliers	817,764	888,056	917,811	907,769
Finance costs	43,305	43,305	55,659	56,106
Internal Charges and overheads applied	196,691	142,929	169,262	153,671
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,057,760	1,074,290	1,142,732	1,117,546
Surplus (Deficit) of operating funding	64,676	84,711	75,290	75,289
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	33,935	160,000	-	-
- to replace existing assets	-	-	-	-
Increase (Decrease) in reserves	30,741	(75,289)	75,290	75,289
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	64,676	84,711	75,290	75,289
Surplus (Deficit) of capital funding	(64,676)	(84,711)	(75,290)	(75,289)
Funding Balance				
Group depreciation and amortisation	94,279	94,006	75,290	75,290

WASTE MANAGEMENT*Statement of Cost of Service for the year ended 30 June 2015*

	COSTS 2014/15	REVENUE 2014/15	NET COST 2014/15	BUDGET 2014/15	LTP 2014/15	ACTUAL 2013/14
Waste Management	1,152,039	359,009	793,030	739,896	859,475	705,570
	<u>1,152,039</u>	<u>359,009</u>	<u>793,030</u>	<u>739,896</u>	<u>859,475</u>	<u>705,570</u>
Projects						
Waste Management	33,935		33,935	160,000	-	21,421
Waste Management - loan payment	-		-	-	-	-
	<u>33,935</u>		<u>33,935</u>	<u>160,000</u>	<u>-</u>	<u>21,421</u>
Application of capital funding						
- to meet additional demand	-		-	-	-	-
- to improve the level of service	33,935		-	160,000	-	21,421
- to replace existing assets	-		-	-	-	-
	<u>33,935</u>		<u>-</u>	<u>160,000</u>	<u>-</u>	<u>21,421</u>

Activity Group Three TRANSPORT

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

Land Transport (district funded & NZ Transport Agency subsidised)

The land transport activity contributes to the following community outcomes:

- 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 trucks unable to gain traction to access steep incline on Cricklewood Rd ± RP 17.3 (Apr2015) Titirangi Rd ± RP 6.7 (Mar2015) (2013/14: Not Achieved)
	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 2014/15. (2013/14: Achieved)
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.	Achieved. 80% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2013/14: Not achieved 71%)
	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.	Achieved. 93% achieved with 21 out of 296 roading-related CSRs (<i>including streetlights, footpaths and parking etc.</i>) not completed by the due date. (2013/14: Not Achieved)
The district-funded footpaths will be maintained in good order.	No more than the number of footpath complaints and CSRs received than the previous year.	Not achieved. 19 footpath related CSRs for 2014/15 compared to 8 in 2013/14. (2013/14: not achieved)
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. Formalisation of pedestrian access across Queen St linking to extended walkway/cycleway constructed through to the Candyland Alleyway to Marine Parade. (2013/14: Achieved)

<p>The district-funded streetlights will be maintained in good order.</p>	<p>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).</p>	<p>Achieved. 76 streetlight-related CSRs for 2014/15 compared to 96 in 2013/14. (2013/14: Not achieved)</p>
<p>The Council provides car parking that is sufficient to meet the current and projected demand.</p>	<p>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.</p>	<p>Achieved. no reported or recorded blocked parking for 2014/15. (2013/14: Achieved)</p>
<p>The Council provides car parking that is sufficient to meet the current and projected demand. The service is provided at a reasonable cost (value for money).</p>	<p>Not more than the number of parking complaints and CSRs received than the previous year.</p>	<p>No achieved – 2 recorded parking related CSR's for 2014/15 compared to 0 in 2013/14. (2013/14: Achieved)</p>
	<p>The costs of these services are consulted on annually.</p>	<p>Achieved. No reports received indicating any concerns with associated costs. Long Term and Annual Plan consultation processes provide opportunity for community to raise willingness to pay issues. (2013/14: Achieved)</p>
<p>The service is provided at a reasonable cost (value for money). 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.</p>	<p>Professional service and physical works providers are competitively procured.</p>	<p>Achieved - various procurement arrangements in 2014/15 with numerous consultants engaged and 10 public physical works tenders advertised. (2013/14: Achieved)</p>
	<p>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.</p>	<p>Achieved - local suppliers engaged in 7 out of 10 roading contracts with annual physical works completed to standard, on time and within +3% to -5% of budget. (2013/14: Not achieved)</p>
	<p>A reducing number of accidents in each consequence category (fatal, injury, minor).</p>	<p>Achieved – nil fatal and three serious injury crashes in 2015 compared to one fatal and 14 serious injury crashes in 2014 on local roads (as measured over the calendar year January to December). (2013/14: Achieved)</p>
<p>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. The Council endeavour to programme, provide, develop and manage the land transport network in a manner that assists the economic development of the district.</p>	<p>No accidents attributed to 'engineering' aspects of the road network (e.g. loose chips from reseals).</p>	<p>Achieved - no reported incidents or accidents attributed to engineering or site works Traffic Management Plan deficiencies for 2014/15. (2013/14: Achieved)</p>
	<p>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.</p>	<p>Achieved - Procurement Strategy document updated Nov 2012 resulting in various procurement arrangements in 2014/15 with local suppliers engaged in 7 out of 10 publically tendered roading contracts (2013/14: Achieved)</p>

COMMUNITY SURVEY - PERFORMANCE RATING

Roads	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Very Satisfied/fairly satisfied	73%	68%	81%	69%	69%	71%	75%	71%	80%
Not very satisfied	27%	32%	17%	30%	29%	28%	25%	27%	20%
Don't know/NA			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. (2013/14: Achieved)
	Community's willingness to pay for the service will be monitored.	Achieved. No reports received indicating any concerns with associated costs. Long Term and Annual Plan consultation processes provide opportunity for community to raise willingness to pay issues. Monthly landing charges invoiced based on landing schedules. (2013/14: Achieved)
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 \$22,704 is less than budget of \$44,144. (2013/14: Achieved)
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/recorded incidences of Health and Safety non-compliance. (2013/14: Achieved)
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 measurable at this point in time, the Airport Service was not included in the 2014/15 Communitrak Survey. (2013/14: Not measurable)
	A reducing amount of CSRs over time.	Achieved. No CSR's were received for the Airport Service. (2013/14: Achieved)

FUNDING IMPACT STATEMENT - TRANSPORT

For the year ending 30th June 2015

	ACTUAL 2014/15	BUDGET 2014/15	LTP 2014/15	LTP 2013/14
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	66,196	58,045	75,354	58,571
Targeted rates (other than a targeted rate for water supply)	3,425,595	3,356,595	3,565,563	3,422,373
Subsidies and grants for operating purposes	3,347,338	3,642,500	3,724,917	3,626,526
Fees charges and targeted rates for water supply	844,159	837,836	919,578	891,065
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	7,683,288	7,894,976	8,285,412	7,998,535
Applications of Operating Funding				
Payments to staff and suppliers	7,695,596	5,683,724	6,117,917	5,910,347
Finance costs	-	-	7,727	7,803
Internal Charges and overheads applied	1,125,027	1,061,166	1,115,790	1,071,810
Other operating funding applications	-	-	-	-
Total applications of operating funding	8,820,623	6,744,890	7,241,434	6,989,960
Surplus (Deficit) of operating funding	(1,137,335)	1,150,086	1,043,978	1,008,575
Sources of capital funding				
Subsidies and grants for capital expenditure	4,873,277	4,706,542	2,157,659	1,998,929
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	4,873,277	4,706,542	2,157,659	1,998,929
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	266,771	153,336
- to improve the level of service	4,765,340	2,715,722	-	-
- to replace existing assets	1,497,651	3,747,349	3,430,609	3,156,703
Increase (Decrease) in reserves	(2,527,049)	(606,443)	(495,743)	(302,535)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	3,735,942	5,856,628	3,201,637	3,007,504
Surplus (Deficit) of capital funding	1,137,335	(1,150,086)	(1,043,978)	(1,008,575)
Funding Balance	-	-	-	-
Group depreciation and amortisation	2,547,314	3,017,066	2,657,559	2,573,635

TRANSPORT

Statement of Cost of Service for the year ended 30 June 2015

	COSTS 2014/15	REVENUE 2014/15	NET COST 2014/15	BUDGET 2014/15	LTP 2014/15	ACTUAL 2013/14
Roading (NZTA assisted)	10,136,264	8,227,091	1,909,173	13,698	19,050	6,090,375
Roading (District funded)	512,093	3,680	508,413	4,753,167	4,749,409	376,892
Infrastructural Works Unit	621,795	802,079	(180,284)	469,073	442,267	(67,755)
Parking	43,158	-	43,158	1,538	(12,533)	46,256
Airport	54,628	31,924	22,704	44,144	56,306	3,979
	11,367,938	9,064,774	2,303,164	5,281,620	5,254,499	6,449,747
Projects						
Airport	-	-	-	10,000	-	-
Roading (NZTA assisted)	5,985,470	4,873,277	1,112,193	5,936,849	3,271,575	856,600
Roading (District funded)	249,955	-	249,955	460,500	362,275	45,813
Infrastructural Works Unit	17,592	-	17,592	722	-	448
Parking	9,974	-	9,974	55,000	63,530	4,285
	6,262,991	4,873,277	1,389,714	6,463,071	3,697,380	907,146
Application of capital funding						
- to meet additional demand	-	-	-	-	266,771	-
- to improve the level of service	4,765,340	-	-	2,715,722	-	-
- to replace existing assets	1,497,651	-	-	3,747,349	3,430,609	-
	6,262,991	-	-	6,463,071	3,697,380	-

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. (2013/14: Achieved)
	Community's willingness to pay for the service will be monitored.	Achieved. No reports received indicating any concerns with associated costs. Long Term and Annual Plan consultation processes provide opportunity for community to raise willingness to pay issues. Monthly landing charges invoiced based on landing schedules. (2013/14: Achieved)
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 \$80,506 is less than budget of \$103,333. (Achieved in 2013/14.)
The cemeteries activity will be managed in a safe manner.	Operational and maintenance activities are undertaken in a safe and healthy manner.	Achieved. Health and Safety processes in place that ensure all incidents and near misses are reported and appropriate mitigation measures are put in place. (2013/14: Achieved)
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% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2013/14: Not achieved 79%)
	A reducing amount of CSRs over time.	Not achieved – 5 CSR's were received compared to 2 for 2013/2014 year. Note, very low base to compare with. (2013/14: Not achieved)

COMMUNITY SURVEY - PERFORMANCE RATING

Cemetery	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Very Satisfied/fairly satisfied	72%	69%	80%	80%	75%	78%	79%	79%	70%
Not very satisfied	7%	6%	4%	2%	5%	4%	5%	3%	3%
Don't know/NA	21%	25%	16%	18%	20%	18%	16%	18%	27%

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.	Achieved. Service delivery reported through CSRs monitoring. (2013/14: Not achieved)
	Community's willingness to pay for the service will be monitored.	Achieved. No reports received indicating any concerns with associated costs. Long Term and Annual Plan consultation processes provide opportunity for community to raise willingness to pay issues. Monthly landing charges invoiced based on landing schedules. (2013/14: Achieved)
Council will manage the parks and reserves to an acceptable standard.	Maintenance, operational, renewal and capital investments are undertaken cost effectively.	Achieved – net operating costs of \$727,926 is less than budget of \$802,251. (Not achieved in 2013/14.)
The parks and reserves activity will be managed in a safe manner.	Operational and maintenance activities are undertaken in a safe and healthy manner.	Achieved. Health and Safety processes in place that ensure all incidents and near misses are reported and appropriate mitigation measures are put in place. (2013/14: Not achieved)
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.	Achieved - 89% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2013/14: 70%)
	A reducing amount of CSRs over time.	Achieved. 10 CSRs received in 2014/2015 compared to 15 in 2013/2014. (2013/14: Not achieved)

COMMUNITY SURVEY - PERFORMANCE RATING									
Parks and Reserves (Users)	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Very Satisfied/fairly satisfied	83%	80%	83%	84%	88%	90%	87%	70%	89%
Not very satisfied	13%	15%	12%	11%	8%	7%	11%	24%	9%
Don't know/NA	4%	5%	5%	5%	4%	3%	2%	6%	2%

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
<p>Demand and Capacity Council will continue to provide library services for the district through the Wairoa Centennial Library.</p>	<p>A regular pattern of new member enrolments is demonstrated.</p> <p>An increase in the number of eBook issues.</p> <p>Library visits exceed benchmark of 60,000.</p>	<p>Achieved. 212 new members (2013/14: Not achieved)</p> <p>Achieved. 1,154 eBook issues, 733 last year. (2013/14: Not achieved)</p> <p>Not achieved – due to equipment failure actual numbers not available, estimate for 2014/15 visits = 55,853 (2013/14: Not achieved – 58,569)</p>
<p>Accessibility Excluding statutory and public holidays, the Wairoa Centennial Library will be open during the times displayed.</p>	<p>The library building is accessible during the displayed opening hours and there is 24/7 online access to eBooks and EPIC reference information sources.</p>	<p>Achieved. (2013/14: Achieved)</p>
<p>Quality and Reliability The services provided will include:</p> <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. <p>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:</p> <ul style="list-style-type: none"> • adult non-fiction 35-45% • adult fiction 30-40% • children and young adults 25-30%. 	<p>Increased awareness of EPIC collections through advertising, targeted sessions and one-on-one support.</p> <p>Opportunities to participate in the annual Eastern & Central Regional Summer Reading Programme are provided via in-library displays, newspaper, library website, Facebook and flyers to schools.</p> <p>Staff have opportunities for professional development.</p>	<p>Achieved - EPIC promoted via:</p> <ul style="list-style-type: none"> • 'At the Library' in Wairoa Star • Reading Together parent workshops at schools • Facebook <p>Achieved - Reading Programmes promoted via:</p> <ul style="list-style-type: none"> • Library displays • 'At the Library' in Wairoa Star • Reading Together parent workshops at schools • Facebook both Library and Council pages • Website • Wairoa Star news articles • Flyers to schools • Local radio station <p>Achieved - professional development opportunities:</p> <ul style="list-style-type: none"> • LIANZA Conference • ECREADN Innovation Conference • Library Aware webinar • APLM Strategic Meeting <p>(Achieved in 2013/14 – Summer and Winter Reading Programmes promoted)</p>
<p>Costs and Funding Council will manage library activities in a financially viable manner.</p>	<p>All preventative maintenance, renewals and other programmed works are completed on time and within budget.</p>	<p>Not achieved – net operating costs of \$392,514 is greater than budget of \$371,946. (Not achieved in 2013/14.) Renewal and capital expenditure of \$36,883 was incurred, primarily on book purchases.</p>
<p>Customer Service and Satisfaction Council will respond to all enquiries, requests, complaints, and identified issues in a timely manner.</p>	<p>Level of customer satisfaction through survey indicates a 'fairly good, very good or better' minimum 80% approval rating.</p>	<p>Achieved - 98% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (Achieved 93% in 2013/14.)</p>

COMMUNITY SURVEY - PERFORMANCE RATING									
Library (Users)	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Very Satisfied/fairly satisfied	91%	96%	96%	95%	93%	96%	98%	93%	98%
Not very satisfied	6%	2%	2%	2%	1%	2%	1%	3%	
Don't know/NA	3%	2%	2%	3%	7%	2%	1%	4%	2%

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.	Achieved (Wairoa Community Centre) - 92% very/fairly satisfied. (2013/14: Not achieved 79%) Achieved (Wairoa Museum) - 95% very/fairly satisfied. (2013/14: Not achieved 81%)
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 - 93% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2013/14: Achieved 92%)
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 2013/14) Achieved - All agreements reviewed. (Achieved in 2013/14) Not achieved - 42% (2013/14 Not achieved 42%)

COMMUNITY SURVEY - PERFORMANCE RATING				COMMUNITY SURVEY - PERFORMANCE RATING			
Community Facilities Support	2012/13	2013/14	2014/15	Community Facilities Satisfaction	2012/13	2013/14	2014/15
Very Satisfied/fairly satisfied	50%	42%	42%	Very Satisfied/fairly satisfied	94%	92%	93%
Neither satisfied/dissatisfied	36%	28%	41%	Neither satisfied/dissatisfied			
Dissatisfied/very dissatisfied	7%	17%	12%	Dissatisfied/very dissatisfied	6%	8%	7%
Don't know	7%	13%	5%	Don't know			

FUNDING IMPACT STATEMENT - COMMUNITY FACILITIES

For the year ending 30th June 2015

	ACTUAL 2014/15	BUDGET 2014/15	LTP 2014/15	LTP 2013/14
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	1,269,530	964,319	1,041,114	940,997
Targeted rates (other than a targeted rate for water supply)	895,503	781,077	689,830	728,390
Subsidies and grants for operating purposes	74,591	68,409	65,845	63,803
Fees charges and targeted rates for water supply	47,077	55,017	63,337	61,373
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	2,286,701	1,868,822	1,860,126	1,794,563
Applications of Operating Funding				
Payments to staff and suppliers	1,449,187	1,452,182	1,525,647	1,481,751
Finance costs	8,846	38,727	20,837	18,036
Internal Charges and overheads applied	214,395	254,833	203,637	184,771
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,672,428	1,745,742	1,750,121	1,684,558
Surplus (Deficit) of operating funding	614,273	123,080	110,005	110,005
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	630,000	35,433	25,800
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	630,000	35,433	25,800
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	(100,000)	141,935	108,360
- to improve the level of service	117,189	907,000	-	-
- to replace existing assets	41,456	175,320	13,197	10,320
Increase (Decrease) in reserves	455,628	(229,240)	(9,694)	17,125
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	614,273	753,080	145,438	135,805
Surplus (Deficit) of capital funding	(614,273)	(123,080)	(110,005)	(110,005)
Funding Balance	-	-	-	-
Group depreciation and amortisation	163,642	144,080	95,625	95,625

COMMUNITY FACILITIES
Statement of Cost of Service for the year ended 30 June 2015

	COSTS 2014/15	REVENUE 2014/15	NET COST 2014/15	BUDGET 2014/15	LTP 2014/15	ACTUAL 2013/14
Cemeteries	107,287	26,781	80,506	103,333	109,714	88,392
Parks & Reserves	740,895	12,969	727,926	802,251	775,363	736,981
Library - Operating	404,105	11,591	392,514	371,946	333,442	358,353
Community Support	583,783	70,327	513,456	488,866	493,350	502,788
	<u>1,836,070</u>	<u>121,668</u>	<u>1,714,402</u>	<u>1,766,396</u>	<u>1,711,869</u>	<u>1,686,514</u>
Projects						
Cemeteries	10,600		10,600	35,000	35,433	1,998
Parks & Reserves	111,162		111,162	905,320	106,502	213,203
Library - Operating	36,883		36,883	42,000	-	40,377
	<u>158,645</u>		<u>158,645</u>	<u>982,320</u>	<u>141,935</u>	<u>255,578</u>
Application of capital funding						
- to meet additional demand	-			(100,000)	141,935	-
- to improve the level of service	117,189			907,000	-	181,859
- to replace existing assets	41,456			175,320	-	73,719
	<u>158,645</u>		<u>-</u>	<u>982,320</u>	<u>141,935</u>	<u>255,578</u>

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>Not Achieved. 86% within statutory timeframes. (2013/14: Achieved)</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. (2013/14: Achieved)</p>															
	<p>No instances where legal proceedings have succeeded against the Council, alleging that it has acted unlawfully or has been negligent in the exercise of its responsibilities.</p>	<p>Achieved - no instances where legal proceedings have succeeded against Council have been reported. (2013/14: Achieved)</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. (2013/14: Achieved)</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 \$116,763 is less than budget of \$195,750. (Achieved in 2013/14.)</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>Not Achieved. High staff turnover resulted in some requests, queries and complaints being delayed. All recorded requests, queries and complaints have now been addressed with all customers satisfied with the level of information they have received and the action taken. (2013/14: Achieved)</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>Not Achieved. 86% of resource consents were processed within the required timeframes. (2013/14: Achieved)</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 during the year. (2013/14: Achieved)
	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 attributable to food borne illness reported. (2013/14: Achieved)
	100% of all complaints about unreasonable noise are responded to in accordance with legislation, regulations and Council policy.	Achieved. All noise complaints were attended within the required timeframes by either the EHO or noise control contractors. (2013/14: Achieved)
<p>Health and Safety: All of the above responsibilities will be carried out safely.</p>	No health or safety incidents.	Achieved. No Health and safety incidents involving the EHO during the year. (2013/14: Achieved)
<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.	Not achieved – net operating costs of \$124,790 is greater than budget of \$86,023. (Achieved in 2013/14.)
<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 attended within the specified time frames. (2013/14: Achieved)

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
Legislative Obligations: <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 – The BCA still maintains its accreditation status. (2013/14: Achieved)
	Number of historic building consents still needing code compliance certificates, is to be reduced annually.	Achieved. 408 as at 30.06.13 176 as at 30.06.14 156 as at 30.06.15 (2013/14: Achieved)
	Any unfenced or non-complying swimming pool fences identified during the year are addressed.	Not achieved 6 pools not fully compliant. (2013/14: Not achieved)
	Council responds to 100% of all known illegal or unauthorised buildings (or instances of illegal or unauthorised building work identified during the year).	Achieved – Four notices to fix issued. Two previous Notices To Fix rectified. (2013/14: Not achieved)
	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. (2013/14: Achieved)
Costs and Funding: The service will be provided at a cost that will be publicly consulted on annually – via either the LTP or Annual Plan processes. The Council will fund this activity entirely from user fees and charges (except the cost of statutory administrative duties, which will be met from the general rate).	Operations and associated capital investments (vehicles) are undertaken cost effectively.	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. Public Benefit Approx. 25% Private Benefit Approx. 75%
Customer Service of Building Control Authority and Territorial Authority: All applications for consent or other information will be processed within the following timeframes: <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. 	The number of consents, inspections, etc. are processed within the prescribed times. Target: 100%.	Not Achieved. <ul style="list-style-type: none"> • Building Consents¹ • Project information memoranda 100%. • Code of compliance certificates – 80%. • Certificates of acceptance – 100%. • Certificates of public use 100%. The delay in the issue of some CCCs has been due to staff shortages and changes. (2013/14: Achieved)

¹ 100% of Building Consents administered by WDC were within the prescribed processing times however during the year some Building Consents were administered by other Territorial Authorities on behalf of WDC. Processing times for these Building Consents are not available.

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.	Not Achieved. Not all licenced premises have been inspected, however premises where applications have been received have generally been visited. (2013/14: Achieved)
	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 has been taken to respond to cases where licenses have lapsed. (2013/14: Achieved)
	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. (2013/14: Achieved)
<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 surplus of \$2,666 is less than budget of \$69,701. (Achieved in 2013/14.)
<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. No complaints received regarding licenced premises. One noise complaint was received on premises where a liquor licence was in place and this was followed up by after hours noise contractors in the usual manner. (2013/14: Achieved)

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. 	<p>Not achieved – Due to a clerical error the incorrect report for unregistered dogs was used for checking, the correct report is now being used. (2013/14: Achieved)</p>
	<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. 	<p>Achieved – A customer satisfaction survey report has been presented to Council. (2013/14: Achieved)</p>
	<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>30 instances 40 instances 5 instances 250 instances</p> <p>There are currently 3,483 registered dog in our district. 2013/14: Achieved)</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>180 complaints received (171 last year)</p> <p>5 instances of stock impounded (8 last year)</p> <p>There have been no complaints received within the year (nil last year).</p>
<p>Legislative Obligations – General Bylaws Enforcement:</p> <ul style="list-style-type: none"> • The Council will maintain bylaws for a variety of purposes relating to community well-being. 	<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. 	<p>10 occasions to move campers on. 15 occasions to remove cars parked in mobility parks. 4 prosecutions against dog owners.</p>

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
<ul style="list-style-type: none"> The Council will enforce compliance with its bylaws as and when necessary. 	<ul style="list-style-type: none"> 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>(2013/14: 1 occasion when Council has disqualified a person from owning a dog).</p> <p>Achieved – there has been no court action against the Council.</p> <p>(2013/14 Achieved – there were no court decisions against the Council).</p>
<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.</p>	The cost related to this activity does not exceed the approved budget.	Achieved – net operating costs of \$26,650 is less than budget of \$108,859. (Achieved in 2013/14.)

COMMUNITY SURVEY - PERFORMANCE RATING

Dog Control	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Very Satisfied/fairly satisfied	51%	56%	62%	56%	66%	56%	65%	71%	63%
Not very satisfied	44%	36%	33%	42%	30%	36%	31%	24%	29%
Don't know/NA	5%	8%	5%	3%	3%	8%	4%	5%	8%

COMMUNITY SURVEY - PERFORMANCE RATING

Livestock Control	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Very Satisfied/fairly satisfied	79%	78%	83%	84%	83%	79%	83%
Not very satisfied	13%	12%	11%	10%	7%	10%	8%
Don't know/NA	8%	10%	7%	7%	9%	11%	9%

**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. (2013/14: Achieved)
	Public awareness of rural fire and civil defence through liaison with community groups, volunteers and the media is maintained.	Achieved – public awareness is maintained. (2013/14: Achieved)
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 in place and has been updated over this period. (2013/14: Achieved)
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. <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. <p>Appropriately trained personnel are identified for the position of controller.</p>	Achieved - response plans and operating procedures are current and reflect perceived threats. (2013/14: Achieved) Ongoing. (2013/14: Ongoing) Ongoing. (2013/14: Ongoing) Current controllers are appropriate for the role – new industry standards for controllers' courses being introduced, and this work is ongoing. (2013/14: Achieved)
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. 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. Rural fire prevention and suppression activities are administered effectively and efficiently in accordance with Council's Rural Fire Plan 2010.	No events were declared, low key events responded to as necessary. (2013/14: No events) Achieved, response and recovery activities are complied with. A new recovery manager arrangement is being negotiated. And current arrangements stand. (2013/14: Achieved) Achieved. The rural fire plan is complied with. (2013/14: Achieved)

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 \$382,159 is greater than budget of \$288,954. (Not achieved in 2013/14.)</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. (2013/14: Achieved)</p> <p>Achieved – each event is recorded. (2013/14: Achieved)</p>

FUNDING IMPACT STATEMENT - PLANNING AND REGULATORY

For the year ending 30th June 2015

	ACTUAL 2014/15	BUDGET 2014/15	LTP 2014/15	LTP 2013/14
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	917,017	480,178	389,432	372,838
Targeted rates (other than a targeted rate for water supply)	-	346,180	263,709	245,686
Subsidies and grants for operating purposes	1,795	-	-	-
Fees charges and targeted rates for water supply	567,503	570,000	566,912	551,294
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	1,486,315	1,396,358	1,220,053	1,169,818
Applications of Operating Funding				
Payments to staff and suppliers	979,814	1,166,370	958,549	966,998
Finance costs	22,897	8,903	11,159	11,180
Internal Charges and overheads applied	372,887	293,342	228,045	169,340
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,375,598	1,468,615	1,197,753	1,147,518
Surplus (Deficit) of operating funding	110,717	(72,257)	22,300	22,300
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	30,000	-	-
Gross proceeds from sale of assets	-	-	30,000	10,000
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	30,000	30,000	10,000
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	42,152	49,000	-	-
- to replace existing assets	55,639	67,500	116,088	40,248
Increase (Decrease) in reserves	12,926	(158,757)	(63,788)	(7,948)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	110,717	(42,257)	52,300	32,300
Surplus (Deficit) of capital funding	(110,717)	72,257	(22,300)	(22,300)
Funding Balance				
Group depreciation and amortisation	49,535	53,672	83,800	83,800

PLANNING & REGULATORY

Statement of Cost of Service for the year ended 30 June 2015

	COSTS 2014/15	REVENUE 2014/15	NET COST 2014/15	BUDGET 2014/15	LTP 2014/15	ACTUAL 2013/14
Resource Planning	144,602	27,839	116,763	195,750	114,671	129,637
Environmental Health	139,308	14,518	124,790	86,023	114,174	114,361
Building Control	371,255	163,116	208,139	203,000	66,003	56,735
Liquor Control	20,414	23,080	(2,666)	69,701	16,169	2,184
Bylaw Compliance	262,101	235,451	26,650	108,859	103,069	36,745
Safer Communities	1,795	1,795	-	-	-	180
Civil Defence	113,687	31,423	82,264	94,452	83,415	69,060
Rural Fire	371,970	72,075	299,895	194,502	217,131	254,511
	1,425,132	569,297	855,835	952,287	714,632	663,413
Projects						
Building Control	41,080		41,080	30,000	-	-
Bylaw Compliance	55,639		55,639	60,000	111,827	-
Emergency Management	-		-	-	-	-
Civil Defence	-		-	-	-	267
Rural Fire	1,072		1,072	14,500	-	7,478
	97,791		97,791	104,500	111,827	7,745
Application of capital funding						
- to meet additional demand	-		-	-	-	-
- to improve the level of service	42,152			37,000	(4,261)	3,767
- to replace existing assets	55,639			67,500	116,088	3,978
	97,791		-	104,500	111,827	7,745

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. (2013/14: Achieved) Monthly Council Meetings and Council Forums held. (2013/14: Achieved)
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. (2013/14: Achieved) All activities performed in accordance with legislative requirements. No court proceedings upheld. (2013/14: Achieved)
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. (2013/14: Achieved) Lines of accountability and delegation are clearly defined. (2013/14: Achieved)
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. (2013/14: Achieved) Opportunities provided for all stakeholders to engage in consultation. Public notifications achieved. (2013/14: Achieved)
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 \$1,439,374 is greater than budget of \$1,366,311. (Achieved in 2013/14.)
Customer Service and Satisfaction Council will respond to all enquiries, requests, complaints, and customers are happy with the	Mayor and councillors 'not very good or poor' rating in annual survey is less than 10%.	Not Achieved (Mayor and councillors) - 15% rated performance not very good or poor.

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	PERFORMANCE ACHIEVED
Mayor and councillors, and Council staff performance.	Council staff 'not very good or poor' rating in annual survey is less than 10%.	(2013/14: Achieved 4%) Not achieved (Council staff) - 11% rated performance not very good or poor. (2013/14: Not achieved 11%)

COMMUNITY SURVEY - PERFORMANCE RATING

Mayor and Councillors	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Very good/fairly good	57%	54%	59%	61%	71%	69%	63%	67%	57%
Just acceptable	30%	31%	30%	28%	16%	21%	27%	18%	25%
Not very good/poor	10%	9%	8%	9%	8%	6%	6%	4%	15%
Don't know	3%	6%	3%	2%	5%	5%	4%	11%	3%

Māori Governance

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 and ongoing. (2013/14: Achieved)
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 alternating between marae and Council chambers. (2013/14: Achieved)
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. As per Local Government Act (2002). Māori Standing Committee now being requested to facilitate major issue meetings between Hawkes Bay Regional Council, Gisborne District Council, and private corporations. (2013/14: Achieved)
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 \$149,942 is less than budget of \$158,085. (Achieved in 2013/14.)
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. Office hours as displayed as well as 24 hours access via email. Māori Relationships Manager increasing profile in the community. (2013/14: Achieved) Complaints responded to within timeframes. (2013/14: Achieved)

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 (2013/14: Achieved)
	Number of actions completed in the Economic Development Plan – Action Plan.	Achieved. 12 completed and 8 ongoing. (2013/14: Achieved, 12 events)
District promotion Promoting economic development of the district.	Number of tourism-focused events.	Achieved. 21 events. (2013/14: Achieved, 20 events)
	Number of business promotion events.	Achieved. 19 Events (2013/14: Achieved, 13 events)
	The number of businesses that have been established in the district annually.	Achieved. 9 (2013/14: Achieved, 11 events)
	The number of registered unemployed in the district.	1,018 unemployed (2013/14: 1,040 unemployed)
Visitor Centre	The number of visitors to the Visitor Information Centre.	14,836 visitors (2013/14: 14,668)
	Number of visitors who stay overnight in the district.	56,935 (1 June 2014 - 31 May 2015) 2013/14: 56,979
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.	Not achieved – net operating costs of \$271,259 is greater than budget of \$230,781. (Achieved in 2013/14.)
Customer complaints will be dealt with promptly and properly.	Verbal complaints within 1 working day.	Achieved (2013/14: Achieved)
	Written complaints within 3 working days.	Achieved (2013/14: Achieved)

FUNDING IMPACT STATEMENT - LEADERSHIP AND GOVERNANCE

For the year ending 30th June 2015

	ACTUAL 2014/15	BUDGET 2014/15	LTP 2014/15	LTP 2013/14
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	1,954,699	1,668,061	1,686,113	1,588,536
Targeted rates (other than a targeted rate for water supply)	-	183,717	126,710	123,090
Subsidies and grants for operating purposes	-	-	3,195	3,096
Fees charges and targeted rates for water supply	12,724	124,600	141,542	162,953
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	1,967,423	1,976,378	1,957,560	1,877,675
Applications of Operating Funding				
Payments to staff and suppliers	819,604	922,464	902,660	941,566
Finance costs	447	5,220	-	-
Internal Charges and overheads applied	1,161,081	1,080,499	1,052,220	933,429
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,981,132	2,008,183	1,954,880	1,874,995
Surplus (Deficit) of operating funding	(13,709)	(31,805)	2,680	2,680
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	87,000	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	87,000	-	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	36,878	99,000	-	-
- to replace existing assets	-	-	-	-
Increase (Decrease) in reserves	(50,587)	(43,805)	2,680	2,680
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	(13,709)	55,195	2,680	2,680
Surplus (Deficit) of capital funding	13,709	31,805	(2,680)	(2,680)
Funding Balance				
Group depreciation and amortisation	5,577	6,195	2,680	2,680

LEADERSHIP & GOVERNANCE*Statement of Cost of Service for the year ended 30 June 2015*

	COSTS 2014/15	REVENUE 2014/15	NET COST 2014/15	BUDGET 2014/15	LTP 2014/15	ACTUAL 2013/14
Community Representation	1,440,126	752	1,439,374	1,366,311	1,363,002	1,282,133
Maori Governance	150,182	240	149,942	158,085	158,656	147,552
Economic Development	271,259	-	271,259	230,781	164,454	148,956
Visitor Information Centre	125,141	11,732	113,409	134,601	126,712	132,168
Total	1,986,708	12,724	1,973,984	1,889,778	1,812,824	1,710,809
Projects						
Economic Development	-	-	-	80,000	-	-
Community Representation	36,878	-	36,878	19,000	-	18,137
	36,878		36,878	99,000	-	18,137
Application of capital funding						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	36,878	-	36,878	99,000	-	18,137
- to replace existing assets	-	-	-	-	-	-
	36,878		-	99,000	-	18,137

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. Service delivery reported through CSRs monitoring. (Achieved in 2013/14.)
	Community's willingness to pay for the service will be monitored.	Achieved – via annual Communitrak survey. (Achieved in 2013/14).
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 2013/14).
The property activity will be managed in a safe manner.	Operational and maintenance activities are undertaken in a safe and healthy manner.	Achieved. Health and Safety processes in place that ensure all incidents and near misses are reported and appropriate mitigation measures are put in place. (Achieved in 2013/14.)
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) - 93% very/fairly satisfied. (2013/14: Achieved 92%) Achieved (Wairoa Community Centre) - 80% very/fairly satisfied. (2013/14: Not achieved 79%) Not Achieved (Community facilities) - 42% (2013/14: Not achieved 42%) NB: Camping ground, commercial and corporate property is not measured.
	A reducing amount of CSRs over time.	Achieved –50 CSR's received. (Not achieved in 2013/14 – 57 CSR's received).

FUNDING IMPACT STATEMENT - PROPERTY

For the year ending 30th June 2015

	ACTUAL 2014/15	BUDGET 2014/15	LTP 2014/15	LTP 2013/14
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	28,497	183,688	188,528	112,285
Targeted rates (other than a targeted rate for water supply)	-	46,424	125,289	35,762
Subsidies and grants for operating purposes	-	-	-	43,000
Fees charges and targeted rates for water supply	95,688	121,180	123,592	119,752
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	124,185	351,292	437,409	310,799
Applications of Operating Funding				
Payments to staff and suppliers	294,482	338,921	283,472	254,205
Finance costs	8,803	84,693	39,855	40,000
Internal Charges and overheads applied	(101,641)	(149,130)	(119,734)	(121,133)
Other operating funding applications	-	-	-	-
Total applications of operating funding	201,644	274,484	203,593	173,072
Surplus (Deficit) of operating funding	(77,459)	76,808	233,816	137,727
Sources of capital funding				
Subsidies and grants for capital expenditure	500,000	1,000,000	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	1,155,000	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	500,000	2,155,000	-	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	50,000	-	5,145
- to improve the level of service	433,423	1,779,465	-	-
- to replace existing assets	126,841	504,728	180,886	198,358
Increase (Decrease) in reserves	(137,723)	(102,385)	52,930	(65,776)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	422,541	2,231,808	233,816	137,727
Surplus (Deficit) of capital funding	77,459	(76,808)	(233,816)	(137,727)
Funding Balance	-	-	-	-
Group depreciation and amortisation	435,612	503,230	352,737	352,737

PROPERTY

Statement of Cost of Service for the year ended 30 June 2015

	COSTS 2014/15	REVENUE 2014/15	NET COST 2014/15	BUDGET 2014/15	LTP 2014/15	ACTUAL 2013/14
Corporate Property	35,063	-	35,063	12,088	19,077	(5,908)
Staff Housing	12,642	12,680	(38)	594	(655)	(3,408)
Camping Grounds	17,285	-	17,285	20,612	29,606	17,561
Commercial Property	6	3,464	(3,458)	(1,880)	366	(3,042)
Information Centre Property	27,074	3,407	23,667	2,616	(3,840)	15,866
Library Property	17,282	-	17,282	-	-	19,817
Community Centre	411,397	500,000	(88,603)	586,448	338,775	321,536
Community Halls	31,284	-	31,284	32,931	45,449	21,019
Pensioner Housing	80,675	78,314	2,361	(18,410)	(4,686)	(10,196)
Sundry Property	129	-	129	2,635	5,253	120
Forestry	4,421	(2,178)	6,599	18,900	8,091	(18,537)
	637,258	595,687	41,571	656,534	437,436	354,828
Projects						
Corporate Property	153,433	-	153,433	75,820	13,196	-
Staff Housing	7,500	-	7,500	-	-	-
Camping Grounds	-	-	-	3,667	4,235	-
Information Centre Property	9,027	-	9,027	12,645	-	-
Library Property	-	-	-	-	-	-
Community Centre	338,163	-	338,163	2,160,000	139,767	167,810
Community Halls	42,555	-	42,555	51,500	1,598	2,605
Pensioner Housing	9,586	-	9,586	30,561	35,286	5,135
Sundry Property	-	-	-	-	-	-
Forestry	-	-	-	-	-	-
	560,264		560,264	2,334,193	194,082	175,550
Application of capital funding						
- to meet additional demand	-	-	-	50,000	-	-
- to improve the level of service	433,423	-	-	1,779,465	-	162,108
- to replace existing assets	126,841	-	-	504,728	194,082	13,442
	560,264		-	2,334,193	194,082	175,550

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 2015

	ACTUAL 2014/15	BUDGET 2014/15	LTP 2014/15	LTP 2013/14
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	(794,950)	(694,838)	(521,447)	(606,207)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	533	800	852	826
Local authorities fuel tax, fines, infringement fees, and other receipts	1,197,908	753,871	637,960	652,181
Total Operating Funding	403,491	59,833	117,365	46,800
Applications of Operating Funding				
Payments to staff and suppliers	159,361	54,833	112,365	41,800
Finance costs	(227,525)	-	-	-
Internal Charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	(68,164)	54,833	112,365	41,800
Surplus (Deficit) of operating funding	471,655	5,000	5,000	5,000
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	471,655	5,000	5,000	5,000
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	471,655	5,000	5,000	5,000
Surplus (Deficit) of capital funding	(471,655)	(5,000)	(5,000)	(5,000)
Funding Balance	-	-	-	-
Group depreciation and amortisation	-	-	-	-

INVESTMENTS*Statement of Cost of Service for the year ended 30 June 2015*

	COSTS 2014/15	REVENUE 2014/15	NET COST 2014/15	BUDGET 2014/15	LTP 2014/15	ACTUAL 2013/14
Funds Management	15,199	1,071,512	(1,056,313)	(506,538)	(360,108)	(1,266,119)
Dividends	-	145,000	(145,000)	(145,000)	(182,000)	(158,478)
Corporate	(83,362)	407,528	(490,890)	(48,300)	15,660	49,565
	<u>(68,163)</u>	<u>1,624,040</u>	<u>(1,692,203)</u>	<u>(699,838)</u>	<u>(526,448)</u>	<u>(1,375,032)</u>
Less Internal Reallocation	(68,163)	1,624,040	(1,692,203)	(699,838)	(526,448)	(1,375,032)
		425,592	(425,592)			(328,191)
Less Interest Received	<u>(68,163)</u>	<u>1,198,448</u>	<u>(1,266,611)</u>	<u>(699,838)</u>	<u>(526,448)</u>	<u>(1,046,841)</u>

FUNDING IMPACT STATEMENT - SUPPORT SERVICES

For the year ending 30th June 2015

	ACTUAL 2014/15	BUDGET 2014/15	LTP 2014/15	LTP 2013/14
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	8,000	(1,704)	(1,651)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	2,560	25,100	26,732	25,903
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	2,560	33,100	25,028	24,252
Applications of Operating Funding				
Payments to staff and suppliers	3,398,496	3,449,262	3,244,577	3,026,475
Finance costs	113,332	4,100	38,118	-
Internal Charges and overheads applied	(3,657,660)	(3,252,035)	(3,350,812)	(3,095,368)
Other operating funding applications	-	-	-	-
Total applications of operating funding	(145,832)	201,327	(68,117)	(68,893)
Surplus (Deficit) of operating funding	148,392	(168,227)	93,145	93,145
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	318,325	476,478	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	318,325	476,478	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	28,325	-	-
- to improve the level of service	187,191	534,880	476,478	-
- to replace existing assets	-	-	101,177	92,880
Increase (Decrease) in reserves	(38,799)	(413,107)	(8,032)	265
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	148,392	150,098	569,623	93,145
Surplus (Deficit) of capital funding	(148,392)	168,227	(93,145)	(93,145)
Funding Balance				
Group depreciation and amortisation	150,503	128,573	93,145	93,145

SUPPORT SERVICES

Statement of Cost of Service for the year ended 30 June 2015

	COSTS 2014/15	REVENUE 2014/15	NET COST 2014/15	BUDGET 2014/15	LTP 2014/15	ACTUAL 2013/14
Chief Executive Officer	541,581	-	541,581	346,198	224,891	243,450
Administration Services	900,040	2,416	897,624	997,572	908,792	840,777
Financial Services	958,076	74	958,002	988,301	981,388	1,023,312
Information Services	660,581	-	660,581	677,778	648,634	534,137
Engineering Services	554,349	-	554,349	497,068	655,248	570,045
Regulatory Manager	128,063	71	127,992	131,009	-	-
		-				
Less Overhead Allocation		3,738,018	(3,738,018)	(3,333,126)	(3,420,657)	(3,212,207)
	<u>3,742,690</u>	<u>3,740,579</u>	<u>2,111</u>	<u>304,800</u>	<u>(1,704)</u>	<u>(486)</u>
Projects						
Administration Services	35,215		35,215	322,000	476,478	36,153
Information Services	115,192		115,192	151,205	101,177	72,348
Corporate Services	6,253		6,253	50,000	-	38,031
Engineering Services	30,531		30,531	40,000	-	
	<u>187,191</u>		<u>187,191</u>	<u>563,205</u>	<u>577,655</u>	<u>146,532</u>
Application of capital funding						
- to meet additional demand	-			28,325	-	-
- to improve the level of service	187,191			534,880	476,478	135,426
- to replace existing assets	-			-	101,177	11,106
	<u>187,191</u>		<u>-</u>	<u>563,205</u>	<u>577,655</u>	<u>146,532</u>

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.

	2015 Plan	2015 Actual ACHIEVED
Net profit before tax as a percentage of opening shareholder funds	9%	1.9%
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%	62%
Positive working capital ratio at year end	>1	1.5
Local permanent workforce	>60	92**

** At 30 June 2015.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2015

	Notes	COUNCIL 2014/15 ACTUAL	COUNCIL 2014/15 ANNUAL PLAN	COUNCIL 2014/15 LTP	COUNCIL 2013/14 ACTUAL	GROUP 2014/15 ACTUAL	GROUP 2013/14 ACTUAL
REVENUES							
Rates	1	11,161,472	10,711,324	11,713,185	10,134,170	11,161,472	10,134,170
Subsidies and Grants	32	9,831,302	11,417,451	5,951,616	10,569,157	9,831,302	10,569,157
Petrol Tax		77,283	65,000	74,552	61,100	77,283	61,100
Construction Revenue		-	-	-	-	4,471,847	3,822,133
Fees and Charges		4,183,630	5,528,841	3,476,836	1,936,990	4,154,389	1,697,592
Investment Income	3	1,234,418	1,124,724	1,061,723	1,322,671	1,102,033	1,173,853
Miscellaneous Income		-	-	-	-	-	-
		<u>26,488,105</u>	<u>28,847,340</u>	<u>22,277,912</u>	<u>24,024,088</u>	<u>30,798,326</u>	<u>27,458,005</u>
		<u>26,488,105</u>	<u>28,847,340</u>	<u>22,277,912</u>	<u>24,024,088</u>	<u>30,798,326</u>	<u>27,458,005</u>
EXPENDITURE							
Water Services		8,244,032	4,192,726	5,394,807	3,752,648	8,244,032	3,752,648
Solid Waste		1,108,734	1,159,274	1,211,986	1,017,773	1,108,734	1,017,773
Transport		10,565,859	9,761,956	9,897,981	11,105,327	10,565,859	11,105,327
Community Facilities		1,827,224	1,976,328	1,972,357	1,849,453	1,827,224	1,849,453
Planning & Regulatory		1,415,565	1,509,919	1,281,257	1,216,238	1,415,565	1,216,238
Leadership & Governance		1,986,708	2,002,878	1,957,558	1,858,598	1,986,708	1,858,598
Investments		(68,163)	54,833	112,364	127,220	(68,163)	127,220
Property		628,455	614,308	428,183	789,549	628,455	789,549
Corporate		2,561	319,525	24,212	2,062	2,561	2,062
Expenditure - QRS		-	-	-	-	4,393,891	3,210,958
		<u>25,710,975</u>	<u>21,591,747</u>	<u>22,280,705</u>	<u>21,718,868</u>	<u>30,104,866</u>	<u>24,929,826</u>
		<u>25,710,975</u>	<u>21,591,747</u>	<u>22,280,705</u>	<u>21,718,868</u>	<u>30,104,866</u>	<u>24,929,826</u>
Net Surplus (Deficit) on Operations		777,130	7,255,593	(2,793)	2,305,220	693,460	2,528,179
Plus: increase (decrease) in biological asset	2	-	-	-	80,434	-	80,434
Net Surplus (Deficit) before taxation		<u>777,130</u>	<u>7,255,593</u>	<u>(2,793)</u>	<u>2,385,654</u>	<u>693,460</u>	<u>2,608,613</u>
Taxation	9	-	-	-	-	34,003	140,176
Net Surplus (Deficit) after taxation		<u>777,130</u>	<u>7,255,593</u>	<u>(2,793)</u>	<u>2,385,654</u>	<u>659,457</u>	<u>2,468,437</u>
		<u>777,130</u>	<u>7,255,593</u>	<u>(2,793)</u>	<u>2,385,654</u>	<u>659,457</u>	<u>2,468,437</u>
OTHER COMPREHENSIVE INCOME							
Property, Plant and Equipment - vested asset		-	-	-	-	-	-
Increase (Decrease) in revaluation reserve		2,449,206	22,779,578	22,779,578	31,930,712	2,449,206	31,930,712
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		<u>3,226,336</u>	<u>30,035,171</u>	<u>22,776,785</u>	<u>34,316,366</u>	<u>3,108,663</u>	<u>34,399,149</u>

The accompanying notes form part of the Financial Statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	COUNCIL 2014/15 ACTUAL	COUNCIL 2014/15 ANNUAL PLAN	COUNCIL 2014/15 LTP	COUNCIL 2013/14 ACTUAL	GROUP 2014/15 ACTUAL	GROUP 2013/14 ACTUAL
Equity at 1 July 2014	259,411,085	225,094,719	200,023,004	225,094,719	263,268,170	228,869,021
Net Surplus/(Deficit) for period	777,130	7,255,593	(2,793)	2,385,654	659,457	2,468,437
Other Comprehensive Income	2,449,206	22,779,578	22,779,578	31,930,712	2,449,206	31,930,712
Total Comprehensive Income	3,226,336	30,035,171	22,776,785	34,316,366	3,108,663	34,399,149
Equity at 30 June 2015	<u>262,637,421</u>	<u>255,129,890</u>	<u>222,799,789</u>	<u>259,411,085</u>	<u>266,376,833</u>	<u>263,268,170</u>
Components of Equity						
Ratepayers Equity at the beginning of the year	136,490,113	206,731,343	180,628,205	140,279,119	139,596,664	143,062,887
Net surplus/(deficit) for period	777,130	30,035,171	22,776,785	2,385,654	659,457	2,468,437
Transfers from restricted reserves	4,773,685	1,294,183	2,976,560	4,195,409	4,773,685	4,195,409
Transfers to restricted reserves	(6,841,956)	(4,072,900)	(3,540,663)	(10,636,335)	(6,841,956)	(10,396,335)
Transfer from revaluation reserve on disposal	-	-	-	266,266	-	266,266
Ratepayers Equity at 30 June 2015	<u>135,198,972</u>	<u>233,987,797</u>	<u>202,840,887</u>	<u>136,490,113</u>	<u>138,187,850</u>	<u>139,596,664</u>
Special Funds at the beginning of the year	21,110,164	18,363,376	19,394,799	14,669,238	20,870,164	14,669,238
Transfer from ratepayers equity	6,841,956	4,072,900	3,540,663	10,636,335	6,841,956	10,396,335
Transfer to ratepayers equity	(4,773,685)	(1,294,183)	(2,976,560)	(4,195,409)	(4,773,685)	(4,195,409)
Special Funds at 30 June 2015	<u>23,178,435</u>	<u>21,142,093</u>	<u>19,958,902</u>	<u>21,110,164</u>	<u>22,938,435</u>	<u>20,870,164</u>
Revaluation reserve infrastructural at the beginning of the year	101,810,808	-	-	70,146,362	102,801,342	71,136,896
Net transfer from revaluation reserve on disposal	-	-	-	(266,266)	-	(266,266)
Transfer to revaluation	2,449,206	-	-	31,930,712	2,449,206	31,930,712
Revaluation reserve infrastructural at 30 June 2015	<u>104,260,014</u>	<u>-</u>	<u>-</u>	<u>101,810,808</u>	<u>105,250,548</u>	<u>102,801,342</u>
Total Equity at 30 June 2015	<u>262,637,421</u>	<u>255,129,890</u>	<u>222,799,789</u>	<u>259,411,085</u>	<u>266,376,833</u>	<u>263,268,170</u>

The accompanying notes form part of the Financial Statements

STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	COUNCIL 2014/15 ACTUAL	COUNCIL 2014/15 ANNUAL PLAN	COUNCIL 2014/15 LTP	COUNCIL 2013/14 ACTUAL	GROUP 2014/15 ACTUAL	GROUP 2013/14 ACTUAL
CURRENT ASSETS							
Cash and cash equivalents	7	9,182,198	6,927,292	3,535,175	5,883,689	9,942,468	7,368,070
Inventories	5	40,083	38,291	44,590	29,329	966,027	963,882
Trade & other receivables from non-exchange transactions	4	6,847,636	4,750,559	5,764,523	5,792,551	8,608,057	6,916,646
Financial assets at fair value	6	2,311,009	14,720,660	14,113,538	6,329,018	2,311,009	6,329,018
Taxation Refundable		-	-	-	-	113,496	-
Total Current Assets		18,380,926	26,436,802	23,457,826	18,034,587	21,941,057	21,577,616
LESS CURRENT LIABILITIES							
Trade & other payables	8	4,236,096	5,691,893	4,861,709	4,228,703	5,367,470	5,407,127
Term Liabilities - Current Portion	10	-	-	-	-	900,191	290,244
Taxation		-	-	-	-	-	10,952
Total Current Liabilities		4,236,096	5,691,893	4,861,709	4,228,703	6,267,661	5,708,323
Working Capital		14,144,830	20,744,909	18,596,117	13,805,884	15,673,396	15,869,293
NON CURRENT ASSETS							
Property, Plant & Equipment	12	246,042,918	240,963,826	213,547,174	244,547,114	249,865,328	247,506,009
Loans & other receivables	13	90,247	-	8,267	247	90,247	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
Biological asset - forestry	17	150,380	69,946	64,946	150,380	150,380	150,380
Available for sale financial assets	16	22,992	22,992	22,992	22,992	22,992	22,992
Intangible Assets	11	156,733	143,277	26,592	106,131	274,925	255,189
Financial assets at fair value	6	6,378,510	-	-	5,242,112	6,378,510	5,242,112
Deferred Taxation	9	-	-	-	-	255,796	289,799
		254,091,780	242,727,041	215,196,971	251,595,976	257,038,178	253,743,728
NON CURRENT LIABILITIES							
Employee Entitlements	20	121,063	147,883	206,210	131,549	191,089	215,147
Landfill Aftercare	28	478,126	859,562	651,178	859,226	478,126	859,226
Quarry Aftercare	29	-	-	-	-	146,324	159,816
Borrowings	10	5,000,000	7,334,615	10,135,911	5,000,000	5,519,202	5,110,662
		5,599,189	8,342,060	10,993,299	5,990,775	6,334,741	6,344,851
Net Assets		262,637,421	255,129,890	222,799,789	259,411,085	266,376,833	263,268,170
Represented by							
Equity	18	262,637,421	255,129,890	222,799,789	259,411,085	266,376,833	263,268,170

The accompanying notes form part of the Financial Statements

STATEMENT OF CASH FLOWS
For the year ended 30 June 2015

	COUNCIL 2014/15 ACTUAL	COUNCIL 2014/15 ANNUAL PLAN	COUNCIL 2014/15 LTP	COUNCIL 2013/14 ACTUAL	GROUP 2014/15 ACTUAL	GROUP 2013/14 ACTUAL
OPERATING ACTIVITIES						
Cash was provided from:						
Rates received	11,213,849	10,066,118	10,096,612	10,198,298	11,213,849	10,198,298
Other Revenue	13,189,122	20,273,865	11,875,375	13,306,220	15,846,901	15,129,850
Dividends received	145,000	-	-	158,478	-	-
Interest received	935,094	-	-	820,385	947,709	836,567
	<u>25,483,065</u>	<u>30,339,983</u>	<u>21,971,987</u>	<u>24,483,381</u>	<u>28,008,459</u>	<u>26,164,715</u>
Cash was applied to:						
Payments to Suppliers & Employees	16,904,182	16,839,421	16,315,901	15,348,141	19,249,349	15,527,042
Taxation	-	-	-	-	124,449	(8,086)
Interest Paid	302,500	440,078	811,891	209,210	364,168	284,326
	<u>17,206,682</u>	<u>17,279,499</u>	<u>17,127,792</u>	<u>15,557,351</u>	<u>19,737,966</u>	<u>15,803,282</u>
Net Cash Flow from Operations	19 <u>8,276,383</u>	<u>13,060,484</u>	<u>4,844,195</u>	<u>8,926,030</u>	<u>8,270,493</u>	<u>10,361,433</u>
INVESTING ACTIVITIES						
Cash was provided from:						
Sale of Property, Plant & Equipment	-	-	30,000	-	131,217	52,895
Sale of Financial Assets	136,418	-	-	1,454,730	136,418	1,454,730
	<u>136,418</u>	<u>-</u>	<u>30,000</u>	<u>1,454,730</u>	<u>267,635</u>	<u>1,507,625</u>
Cash was applied to:						
Purchase of Intangibles	129,800	-	-	39,098	137,830	78,247
Purchase of Financial Assets	90,000	-	-	3,019,332	90,000	3,019,332
Purchase of Property, Plant & Equipment	4,894,492	11,965,414	5,316,549	9,936,248	6,754,387	10,569,696
	<u>5,114,292</u>	<u>11,965,414</u>	<u>5,316,549</u>	<u>12,994,678</u>	<u>6,982,217</u>	<u>13,667,275</u>
Net Cash Flows from Investing Activities	<u>(4,977,874)</u>	<u>(11,965,414)</u>	<u>(5,286,549)</u>	<u>(11,539,948)</u>	<u>(6,714,582)</u>	<u>(12,159,650)</u>
FINANCING ACTIVITIES						
Cash was provided from:						
Loans Raised	-	2,334,615	630,201	5,000,000	1,331,169	5,500,000
	<u>-</u>	<u>2,334,615</u>	<u>630,201</u>	<u>5,000,000</u>	<u>1,331,169</u>	<u>5,500,000</u>
Cash was applied to:						
Borrowings Repaid	-	-	85,182	-	312,682	1,519,828
	<u>-</u>	<u>-</u>	<u>85,182</u>	<u>-</u>	<u>312,682</u>	<u>1,519,828</u>
Net Cash Flows from Financing Activities	<u>-</u>	<u>2,334,615</u>	<u>545,019</u>	<u>5,000,000</u>	<u>1,018,487</u>	<u>3,980,172</u>
Net Increase/(Decrease)	<u>3,298,509</u>	<u>3,429,685</u>	<u>102,665</u>	<u>2,386,082</u>	<u>2,574,398</u>	<u>2,181,955</u>
Plus opening cash & cash equivalents	5,883,689	3,497,607	3,432,510	3,497,607	7,368,070	5,186,115
Cash & cash equivalents at end of year	<u>9,182,198</u>	<u>6,927,292</u>	<u>3,535,175</u>	<u>5,883,689</u>	<u>9,942,468</u>	<u>7,368,070</u>
Made up of:						
Cash	801	6,927,292	3,535,175	801	761,071	1,485,182
Short Term Deposits	9,181,397	-	-	5,882,888	9,181,397	5,882,888
Bank Overdraft	-	-	-	-	-	-
	<u>9,182,198</u>	<u>6,927,292</u>	<u>3,535,175</u>	<u>5,883,689</u>	<u>9,942,468</u>	<u>7,368,070</u>

The accompanying notes form part of the Financial Statements

Note 1 Statement of Rates

	2015	2014
(a) Rate Debtors		
Balance of Rate Debtors at start of year	3,060,614	2,949,046
Add Rates levied (current rates)	13,393,679	12,149,092
Penalties charged	217,062	215,149
Legal costs	13,301	11,867
	<u>16,684,656</u>	<u>15,325,154</u>
Less rates collected	(12,698,431)	(11,613,631)
Adjustments/write offs/discounts	(789,974)	(720,443)
Plus increase (Decrease) in rates paid in advance	18,797	69,534
	<u>3,215,048</u>	<u>3,060,614</u>
(b) Rates revenue		
Rates levied		
General Rates	2,899,881	2,658,196
Water	834,234	782,996
Sewerage	1,568,725	888,537
Waste Management	796,611	868,214
Stormwater / Drainage	347,576	319,336
Services	690,679	723,986
Roading	3,574,496	3,515,122
Recreation	934,428	807,805
	<u>11,646,630</u>	<u>10,564,192</u>
Penalties charged	217,062	215,149
	<u>11,863,692</u>	<u>10,779,341</u>
Less Remissions	(344,545)	(313,449)
	<u>11,519,147</u>	<u>10,465,892</u>
Less internal charges	(357,675)	(331,722)
Rating revenue per Income Statement	<u>11,161,472</u>	<u>10,134,170</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 2 Other Income

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 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>-</u>	<u>80,434</u>	<u>-</u>	<u>80,434</u>

Note 3 Investment Income

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Interest on Financial assets at fair value through Profit and Loss	935,094	820,385	947,709	836,567
Gain / (Loss) in market value of Bond Portfolio	136,418	92,416	136,418	92,416
Dividends	145,000	158,478	-	(6,522)
Rental income from investment properties	-	88,958	-	88,958
Rental income on other investments	17,373	20,018	17,373	20,018
Other income	533	142,416	533	142,416
	<u>1,234,418</u>	<u>1,322,671</u>	<u>1,102,033</u>	<u>1,173,853</u>

Note 4 Trade and other Receivables

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Rates Debtors	3,215,048	3,060,614	3,215,048	3,060,614
Trade Receivables - Non exchange transactions	5,837,491	4,656,687	5,837,491	4,656,687
Trade Receivables - Exchange transactions	-	-	1,762,594	1,124,603
GST Receivable	512,243	599,345	512,243	599,345
Other Debtors	-	-	-	-
Less provision for impairment of receivables	<u>(2,717,146)</u>	<u>(2,524,095)</u>	<u>(2,719,319)</u>	<u>(2,524,603)</u>
	<u>6,847,636</u>	<u>5,792,551</u>	<u>8,608,057</u>	<u>6,916,646</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:

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Not past due	290,280	282,010	290,280	282,010
up to 2 years	1,025,097	1,004,796	1,025,097	1,004,796
2 to 5 years	867,959	834,620	867,959	834,620
over 5 years	<u>1,031,712</u>	<u>939,188</u>	<u>1,031,712</u>	<u>939,188</u>
Total Rates Debtors	<u>3,215,048</u>	<u>3,060,614</u>	<u>3,215,048</u>	<u>3,060,614</u>

2015 Council and Group			
	Gross	Impairment	Net
Not past due	290,280	70,690	219,590
up to 2 years	1,025,097	607,818	417,279
2 to 5 years	867,959	847,265	20,694
over 5 years	<u>1,031,712</u>	<u>1,031,712</u>	-
	<u>3,215,048</u>	<u>2,557,485</u>	<u>657,563</u>

2014 Council and Group			
	Gross	Impairment	Net
Not past due	282,010	68,666	213,344
up to 2 years	1,004,796	598,149	406,647
2 to 5 years	834,620	813,105	21,515
over 5 years	<u>939,188</u>	<u>939,188</u>	-
	<u>3,060,614</u>	<u>2,419,108</u>	<u>641,506</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:

2015 Council			
	Gross	Impairment	Net
Not past due	4,563,665	-	4,563,665
Past due 30 - 60 days	61,036	-	61,036
Past due 60 - 90 days	62,724	-	62,724
Past due > 90 days	<u>1,150,066</u>	<u>159,661</u>	<u>990,405</u>
	<u>5,837,491</u>	<u>159,661</u>	<u>5,677,830</u>

2015 Group			
	Gross	Impairment	Net
Not past due	5,932,067	-	5,932,067
Past due 30 - 60 days	248,563	-	248,563
Past due 60 - 90 days	153,310	-	153,310
Past due > 90 days	<u>1,266,145</u>	<u>159,661</u>	<u>1,106,484</u>
	<u>7,600,085</u>	<u>159,661</u>	<u>7,440,424</u>

2015 Summary			
	Gross	Impairment	Net
Council	9,564,782	2,717,146	6,847,636
Group	11,327,376	2,719,319	8,608,057

	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

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:

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
At 1 July	2,524,095	2,418,744	2,524,603	2,438,946
Additional provision	193,051	105,351	194,716	85,657
At 30 June	<u>2,717,146</u>	<u>2,524,095</u>	<u>2,719,319</u>	<u>2,524,603</u>

Note 5 Inventories

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Metal Stocks	-	-	685,025	656,173
Water reticulation spare parts	3,921	3,921	3,921	3,921
Water treatment chemicals	24,265	13,040	24,265	13,040
Other supplies	11,897	12,368	120,273	127,021
Work in progress	-	-	132,543	163,727
	<u>40,083</u>	<u>29,329</u>	<u>966,027</u>	<u>963,882</u>

The carrying amount of inventories held for distribution that are measured at lower of cost or net realisable value as at 30 June 2015 amounted to \$40,083 (2014: \$29,329). The write-down of inventories held for distribution amounted to \$nil (2014: \$nil), while reversal of write downs amounted to \$nil (2014: \$ nil.) The carrying amount of inventories pledged as security is \$nil (2014: \$nil) and for liabilities is \$nil (2014: \$nil.)

NOTES TO THE FINANCIAL STATEMENTS

Note 6 Financial assets at Fair Value

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Stock and Debentures	7,621,424	8,551,798	7,621,424	8,551,798
Term deposits over 3 months	<u>1,068,095</u>	<u>3,019,332</u>	<u>1,068,095</u>	<u>3,019,332</u>
	<u>8,689,519</u>	<u>11,571,130</u>	<u>8,689,519</u>	<u>11,571,130</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:

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Maturity				
One year or less	2,311,009	6,329,018	2,311,009	6,329,018
Weighted average interest rate	4.35%	6.29%	4.35%	6.29%
Between one and five years	5,864,728	4,962,997	5,864,728	4,962,997
Weighted average interest rate	5.47%	5.55%	5.47%	5.55%
Over five years	513,782	279,115	513,782	279,115
Weighted average interest rate	5.52%	5.52%	5.52%	5.52%
	<u>8,689,519</u>	<u>11,571,130</u>	<u>8,689,519</u>	<u>11,571,130</u>

The stocks and debentures are local authority stocks, and commercial bonds that are actively traded. The coupon rates vary from 4.59% to 7.00% with yields from 3.36% to 4.21%. 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

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Cash at bank and in hand	801	801	761,071	1,485,182
Short term deposits	<u>9,181,397</u>	<u>5,882,888</u>	<u>9,181,397</u>	<u>5,882,888</u>
Total cash and cash equivalents	<u>9,182,198</u>	<u>5,883,689</u>	<u>9,942,468</u>	<u>7,368,070</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

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Trade Payables	3,112,387	3,262,882	3,434,251	3,689,250
Employee Entitlements	588,298	647,346	1,309,543	1,339,018
GST Payable	-	-	158,291	143,982
Prepayments - Rates	290,685	271,888	290,685	271,888
Prepayments - Other debtors	<u>117,418</u>	<u>87,371</u>	<u>117,418</u>	<u>87,371</u>
	4,108,788	4,269,487	5,310,188	5,531,509
Less non-current portion of employee entitlements	<u>(121,063)</u>	<u>(131,549)</u>	<u>(191,089)</u>	<u>(215,147)</u>
	<u>3,987,725</u>	<u>4,137,938</u>	<u>5,119,099</u>	<u>5,316,362</u>
Trust funds and deposits				
Deposits	244,724	87,118	244,724	87,118
Trust funds	<u>3,647</u>	<u>3,647</u>	<u>3,647</u>	<u>3,647</u>
	<u>248,371</u>	<u>90,765</u>	<u>248,371</u>	<u>90,765</u>
Trade and Other Payables	<u>4,236,096</u>	<u>4,228,703</u>	<u>5,367,470</u>	<u>5,407,127</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>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value approximates their fair value.

Note 9 Taxation

	2014/15 Group	2013/14 Group
Current tax expense	-	116,560
Adjustments to current tax in prior years	-	-
Reduction in tax rate	-	-
Deferred tax expense	34,003	23,616
Income tax expense	<u>34,003</u>	<u>140,176</u>
Total Group Income	693,460	2,608,613
Less Non accessible income	580,155	2,111,764
Accessible income	<u>113,305</u>	<u>496,849</u>
Tax @ 28%	31,725	139,118
Plus taxation effect of permanent differences	-	-
Imputation credit adjustment	-	-
Reduction in tax rate	-	-
Non deductible expenses	<u>2,278</u>	<u>1,058</u>
Less prior period taxation	-	-
Income tax expense at effective rate of 28%	<u>34,003</u>	<u>140,176</u>
The major components of taxation expense are:		
Current taxation	-	116,560
Deferred taxation	34,003	23,616
Reduction in tax rate	-	-
	<u>34,003</u>	<u>140,176</u>
Imputation Credit Account		
Balance as at 1 July 2014	2,479,883	2,431,784
Imputation Credits attaching to dividends paid in the year		
Income tax payments during the year		
Resident withholding tax on interest received	<u>(44,832)</u>	<u>48,099</u>
Balance as at 30 June 2015	<u>2,435,051</u>	<u>2,479,883</u>
Deferred Tax Asset		
Opening Balance	289,799	313,415
Current year charge	<u>(34,003)</u>	<u>(23,616)</u>
Closing Balance	<u>255,796</u>	<u>289,799</u>

Deferred Income Tax as at 30 June 2015 relates to the following

	Balance Sheet Group		Income Statement Group	
	2014/15	2013/14	2014/15	2013/14
Deferred tax liabilities				
Contract retentions	148,365	106,803	(41,562)	(24,382)
Future amortisation	6,462	7,504	1,042	711
Gross deferred tax liabilities	<u>154,827</u>	<u>114,307</u>	<u>(40,520)</u>	<u>(23,671)</u>
Deferred tax assets				
Doubtful Debts	608	142	466	(5,514)
<u>Provisions</u>				
Annual leave	82,362	78,191	4,171	(1,864)
Staff gratuities	24,375	21,756	2,619	1,023
Sick leave	1,350	6,323	(4,973)	3,185
Time in lieu	19,331	25,181	(5,850)	8,803
Long service leave	9,260	10,286	(1,026)	1,328
Staff bonus	-	-	-	-
Aftercare	40,971	44,748	(3,777)	6,599
ACC Premiums	12,362	12,333	29	2,626
Recognised tax losses	5,758	-	5,758	(9,202)
Maintenance accruals	931	25,324	(24,392)	11,743
Construction accruals	45,742	24,931	20,810	(40,505)
Future depreciation	167,573	154,891	12,682	21,833
Deferred tax assets	<u>410,623</u>	<u>404,106</u>	<u>6,517</u>	<u>55</u>
Net deferred tax assets	255,796	289,799		
Deferred tax income (expense)			(34,003)	(23,616)

Note 10 Borrowings

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Current Portion				
Secured Loans	-	-	900,191	290,244
Debentures	-	-	-	-
Total Current Portion	<u>-</u>	<u>-</u>	<u>900,191</u>	<u>290,244</u>
Non Current Portion				
Secured Loans	5,000,000	5,000,000	5,519,202	5,110,662
Total Borrowings	<u>5,000,000</u>	<u>5,000,000</u>	<u>6,419,393</u>	<u>5,400,906</u>

Maturity Analysis and effective interest rates

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

	2014/15 Secured Loans Council	2013/14 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	5,000,000
<i>weighted average effective interest rate</i>	6.05%	6.05%
Later than five years	-	-
<i>weighted average effective interest rate</i>	0.00%	0.00%
	<u>5,000,000</u>	<u>5,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS

Maturity Analysis and effective interest rates

	2014/15 Secured Loans Group	2013/14 Secured Loans Group
Less than one year	900,191	290,244
<i>weighted average effective interest rate</i>	7.15%	6.26%
Later than one year but less than two years	161,516	110,662
<i>weighted average effective interest rate</i>	7.15%	6.26%
Later than two years but less than five years	5,357,686	5,000,000
<i>weighted average effective interest rate</i>	6.12%	6.05%
Later than five years	-	-
<i>weighted average effective interest rate</i>	0.00%	0.00%
	6,419,393	5,400,906

Fair Value of borrowings - Group

	Carrying Amounts		Fair Values	
	2014/15	2013/14	2014/15	2013/14
Secured Loans	<u>6,419,393</u>	<u>5,400,906</u>	<u>6,419,393</u>	<u>5,400,906</u>
	6,419,393	5,400,906	6,419,393	5,400,906

The fair values are based on cash flows discounted using a rate based on the borrowing rate of 6.05% Council (2014: 6.05%) and 7.15% Group (2014: 6.26%) 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 Roding 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.

Internal Borrowing - Council

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

Activity Group	Balance 2013/14	Borrowed in Year 2014/15	Repaid in Year 2014/15	Balance 2014/15
Water Supply	1,779,977	-	-	1,779,977
Stormwater and Drainage	1,026,880	154,737	-	1,181,617
Wastewater	2,371,700	1,837,101	2,885,728	1,323,073
Waste Management	721,747	-	-	721,747
Community Facilities	127,945	19,485	-	147,430
Planning and Regulatory	118,377	41,080	-	159,457
Property	6,557	140,157	-	146,714
Support Services	-	35,177	-	35,177
	<u>6,153,183</u>	<u>2,227,737</u>	<u>2,885,728</u>	<u>5,495,192</u>

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

Activity Group	Interest Charged 2014/15
Water Supply	106,799
Stormwater and Drainage	70,897
Wastewater	79,384
Waste Management	43,305
Community Facilities	8,846
Planning and Regulatory	9,567
Property	8,803
Support Services	2,111
	<u>329,712</u>

Note 11 Intangible Assets

	2014/15 Council Software	2013/14 Council Software	2014/15 Group Software	2013/14 Group Software
Opening Balance				
Cost	550,825	511,727	997,584	919,338
Accumulated amortisation and impairment	(444,694)	(368,450)	(742,395)	(626,419)
Opening carrying value	<u>106,131</u>	<u>143,277</u>	<u>255,189</u>	<u>292,919</u>
Year ended 30 June 2015				
Additions	129,800	39,098	137,831	78,246
Amortisation charge	(79,198)	(76,244)	(118,095)	(115,976)
Closing carrying amount	<u>156,733</u>	<u>106,131</u>	<u>274,925</u>	<u>255,189</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 12

Property, Plant and Equipment as at 30 June 2015 - Council

Description	Cost/Revaluation 30/06/2014	Accumulated Depreciation and Impairment Charges 30/06/2014	Carrying Amount 30/06/2014	Revaluation	Current Year Disposals	Current Year Accumulated Depreciation Disposals	Current Year Additions Assets Constructed	Current Year Additions Assets Transferred	Depreciation and Impairment Charges 30/06/2015	Carrying Amount 30/06/2015	Carrying Amount at 30/06/2015 Represented By	
											Cost/ Revaluation	Accumulated Depreciation and Impairment Charges
Land	4,116,861	-	4,116,861	-	-	-	-	-	1,035	4,115,826	4,116,861	1,035
Buildings	10,162,964	1,600,527	8,562,437	-	-	-	358,094	-	317,988	8,602,543	10,521,058	1,918,515
	14,279,825	1,600,527	12,679,298	-	-	-	358,094	-	319,023	12,718,369	14,637,919	1,919,550
Other Improvements	2,431,836	1,121,856	1,309,980	-	-	-	113,688	-	139,380	1,284,288	2,545,524	1,261,236
Vehicles	952,894	740,057	212,837	-	27,024	27,022	105,930	-	103,844	214,921	1,031,800	816,879
Furniture and Office Equipment	2,486,552	1,275,541	1,211,011	-	-	-	162,519	-	257,981	1,115,549	2,649,071	1,533,522
Fixtures and Fittings	59,043	36,305	22,738	-	-	-	9,027	-	7,852	23,913	68,070	44,157
Library Collections	414,940	271,085	143,855	-	-	-	33,583	-	62,210	115,228	448,523	333,295
	6,345,265	3,444,844	2,900,421	-	27,024	27,022	424,747	-	571,267	2,753,899	6,742,988	3,989,089
Roading	162,674,805	208,818	162,465,987	-	1,639,199	-	5,586,506	-	1,902,308	164,510,986	166,622,112	2,111,126
Land under Roads	5,344,000	-	5,344,000	-	-	-	-	-	-	5,344,000	5,344,000	-
Bridges	18,050,000	-	18,050,000	-	80,872	-	859,614	-	572,568	18,256,174	18,828,742	572,568
Water Supply-Treatment Plant & Facilities	5,441,318	617,914	4,823,404	1,402,988	25,294	-	275,630	-	162,000	6,314,728	6,476,728	162,000
Water Supply-Other Assets	13,804,233	1,239,642	12,564,591	1,172,962	456	-	7,325	-	287,210	13,457,212	13,744,422	287,210
Sewerage - Treatment Plant & Facilities	11,953,262	742,729	11,210,533	(1,749,695)	1,714	-	18,302	-	215,851	9,261,575	9,623,570	361,995
Sewerage - Other Assets	8,181,241	553,070	7,628,171	(268,058)	357	-	3,761	-	151,575	7,211,941	7,376,668	164,727
Stormwater	4,058,165	541,669	3,516,497	1,891,009	-	-	-	-	169,980	5,237,524	5,407,504	169,980
Parking	390,168	-	390,168	-	-	-	-	-	25,220	364,948	390,168	25,220
	229,897,192	3,903,842	225,993,351	2,449,206	1,747,892	-	6,751,138	-	3,486,712	229,959,088	233,813,914	3,854,826
Capital Work in Progress	3,251,044	-	3,251,044	-	-	-	225,923	(2,865,405)	-	611,562	611,562	-
TOTAL	253,773,326	8,949,213	244,824,114	2,449,206	1,774,916	27,022	7,759,902	(2,865,405)	4,377,002	246,042,918	255,806,383	9,763,465

The Council considers the carrying amount of assets is an indication of their fair value. Opening values have been adjusted to reflect the transfer from Investment assets into Buildings (\$227,000) and land (\$50,000) and the transfer from Stormwater into Roading of catchpits, Inlets, Junctions, and Sumps with a total net book value of \$2,913,917 (Cost \$3,122,735).

NOTES TO THE FINANCIAL STATEMENTS

Note 12

Property, Plant and Equipment as at 30 June 2015 - Group

Description	Cost/Revaluation 30/06/2014	Accumulated Depreciation and Impairment Charges 30/06/2014	Carrying Amount 30/06/2014	Revaluation	Current Year Disposals	Current Year Accumulated Depreciation Disposals	Current Year Additions Assets Constructed	Current Year Additions Assets Transferred	Depreciation and Impairment Charges 30/06/2015	Carrying Amount 30/06/2015	Carrying Amount at 30/06/2015 Represented By	
											Cost/ Revaluation	Accumulated Depreciation and Impairment Charges
Land	4,128,827	7,299	4,121,528	-	-	-	236,807	-	1,035	4,357,300	4,365,634	8,334
Buildings	11,925,900	2,021,267	9,904,633	-	-	-	358,094	-	389,273	9,873,454	12,283,994	2,410,540
	16,054,727	2,028,566	14,026,161	-	-	-	594,901	-	390,308	14,230,754	16,649,628	2,418,874
Other Improvements	2,461,527	1,121,856	1,339,671	-	-	-	113,688	-	139,380	1,313,979	2,575,215	1,261,236
Vehicles	12,966,623	9,447,278	3,519,345	-	418,461	340,041	1,433,783	-	846,611	4,028,097	13,981,945	9,953,848
Furniture and Office Equipment	1,565,706	1,404,006	161,700	-	2,635	733	457,757	-	257,981	359,574	2,020,828	1,661,254
Fixtures and Fittings	218,234	162,194	56,040	-	-	-	9,027	-	57,885	7,182	227,261	220,079
Library Collections	414,940	271,086	143,854	-	-	-	33,583	-	62,210	115,227	448,523	333,296
	17,627,030	12,406,420	5,220,610	-	421,096	340,774	2,047,838	-	1,364,067	5,824,059	19,253,772	13,429,713
Roading	161,966,587	208,818	161,757,769	-	1,639,199	-	5,534,524	-	1,902,308	163,750,786	165,861,912	2,111,126
Land under Roads	5,344,000	-	5,344,000	-	-	-	-	-	-	5,344,000	5,344,000	-
Bridges	18,050,001	-	18,050,001	-	80,872	-	859,614	-	572,568	18,256,175	18,828,743	572,568
Water Supply -Treatment Plant & Facilities	6,269,917	1,446,513	4,823,404	1,402,988	25,294	-	275,630	-	162,000	6,314,728	6,476,728	162,000
Water Supply-Other Assets	14,617,260	2,052,669	12,564,591	1,172,962	456	-	7,325	-	287,210	13,457,212	13,744,422	287,210
Sewerage - Treatment Plant & Facilities	11,953,322	1,204,808	10,748,514	(1,749,695)	1,714	-	18,302	-	215,851	8,799,556	9,015,407	215,851
Sewerage-Other Assets	9,121,956	1,031,705	8,090,251	(268,058)	357	-	3,761	-	151,575	7,674,022	7,825,597	151,575
Stormwater	4,554,900	1,038,403	3,516,497	1,891,009	-	-	-	-	169,980	5,237,526	5,407,506	169,980
Parking	390,169	-	390,169	-	-	-	-	-	25,220	364,949	390,169	25,220
	232,268,112	6,982,916	225,285,196	2,449,206	1,747,892	-	6,699,156	-	3,486,712	229,198,954	232,894,484	3,695,530
Capital Work in Progress	3,251,043	-	3,251,043	-	-	-	225,923	(2,865,405)	-	611,561	611,561	-
TOTAL	269,200,912	21,417,902	247,783,009	2,449,206	2,168,988	340,774	9,567,818	(2,865,405)	5,241,087	249,865,328	269,409,445	19,544,117

The Council considers the carrying amount of assets is an indication of their fair value. Opening values have been adjusted to reflect the transfer from Investment assets into Buildings (\$227,000) and land (\$50,000) and the transfer from Stormwater into Roothing of catchpits, Inlets, Junctions, and Sumps with a total net book value of \$2,913,917 (Cost \$3,122,735).

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	196,373	-	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	1,309,980	2,431,836	1,121,856
Vehicles	942,218	674,870	267,348	-	48,461	25,003	59,137	-	90,190	212,837	952,894	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	299,235	-	549,950	2,900,421	6,345,265	3,444,844
Roading	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	4,823,404	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	31,930,711	1,435,412	37,555	13,755,159	-	4,407,469	225,993,350	229,897,192	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	31,930,711	1,484,931	62,862	9,957,684	-	5,271,040	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	196,373	-	329,144	13,749,161	15,777,727	2,028,566
Other Improvements	2,338,070	988,833	1,349,237	-	200	100	123,657	-	133,123	1,339,671	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	161,700	1,565,706	1,404,006
Fixtures and Fittings	205,826	148,196	57,630	-	-	-	12,408	-	13,998	56,040	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	4,823,404	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	8,090,251	9,121,956	1,031,705
Stormwater	7,674,700	994,434	6,680,266	-	326	30	3,261	-	252,817	6,430,414	7,677,635	1,247,221
Parking	460,001	48,000	412,001	(1,692)	428	36	4,285	-	24,033	390,169	390,169	-
	196,661,615	11,148,073	185,513,542	31,930,711	1,435,412	37,555	13,646,268	-	4,407,469	225,285,196	232,268,112	6,982,916
Capital Work in Progress	7,544,125	-	7,544,125	-	-	-	(4,293,082)	-	-	3,251,043	3,251,043	-
TOTAL	236,626,998	23,958,231	212,668,767	31,930,711	1,580,970	112,020	10,482,243	-	6,106,762	247,506,009	268,923,912	21,417,902

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

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.

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

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

Estimates of the remaining useful life over which the asset will be depreciated. Useful lives were estimated by comparing the 2011 valuation useful lives with NZ Infrastructure Asset Valuation and Depreciation Guidelines 2006 and with useful lives from other similar local authorities in the lower North Island.

The most recent valuation for Water Networks, Wastewater Treatment Plants, and Wastewater Pump Stations was performed by Chris Pepper and Jaya Rangamuwa and reviewed by Peter Free, both of GHD Ltd. The valuation had an effective date of 1 July 2014.

The valuations reflect the fair value of the assets as at 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS

Note 13 Loans and other Receivables

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Te Matarae o Te Wairoa Trust	90,000	-	90,000	-
Housing and Community Advances	247	247	247	247
	<u>90,247</u>	<u>247</u>	<u>90,247</u>	<u>247</u>

There were no impairment provisions for Loans and Other Receivables.

The fair value of community loans is \$90,247 (2014: \$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:-

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Less than one year	30,247	247	30,247	247
<i>weighted average effective interest rate</i>	0.07%	8.05%	0.07%	8.05%
Later than one year but less than two years	30,000	-	30,000	-
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
Later than two years but less than five years	30,000	-	30,000	-
<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>90,247</u>	<u>247</u>	<u>90,247</u>	<u>247</u>

Note 14 Investment in Subsidiary

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Quality Roding 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 less any impairment charges in WDC's own "parent entity" financial statements.

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

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Information Centre				
Balance at 1 July	277,000	277,000	277,000	277,000
Additions from acquisitions	-	-	-	-
Transferred to Land and Building Assets	(277,000)	-	(277,000)	-
Fair value gains (losses) on valuation	-	-	-	-
Balance at 30 June	<u>-</u>	<u>277,000</u>	<u>-</u>	<u>277,000</u>

NOTES TO THE FINANCIAL STATEMENTS

WDC's investment properties no longer meet the definition of investment properties and have been transferred to Property, Plant and Equipment (Note 12).

Note 16 Available for sale financial assets

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 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

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Balance at 1 July	150,380	69,946	150,380	69,946
Increases due to purchase	-	-	-	-
Gains (losses) arising from changes in fair value	-	80,434	-	80,434
Balance at 30 June	<u>150,380</u>	<u>150,380</u>	<u>150,380</u>	<u>150,380</u>

WDC owns 29.3 hectares (2014: 29.3 hectares) of forest, mostly *Pinus radiata*, which are at varying stages of maturity ranging from 2 to 24 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 2015.

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

	2013/14 Balance	Transfer to	Transfer From	2014/15 Balance
Reserves held for Emergency Purposes				
Disaster Recovery Reserve	659,696	29,898	-	689,594
	<u>659,696</u>	<u>29,898</u>	<u>-</u>	<u>689,594</u>
Reserves held for future Asset Purchases				
District Development Fund	652,808	29,585	461,100	221,293
Asset and Vehicle Depreciation Reserve	1,026,092	164,846	3,383	1,187,555
Information Systems Renewal Reserve	200,712	143,949	163,192	181,469
Water Production Depreciation Reserve	1,507,457	171,810	276,355	1,402,912
Water Reticulation Depreciation Reserve - Wairoa	2,290,184	287,210	40,474	2,536,920
Water Reticulation Depreciation Reserve - Peri Urban	139,706	-	-	139,706
Water Reticulation Depreciation Reserve - Tuai	60,826	-	-	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	3,411,067	3,093,860	1,860,579	4,644,348
Sewerage System Depreciation Reserve - Tuai	364,265	-	-	364,265
Stormwater Reticulation Depreciation Reserve - Wairoa	1,533,570	169,980	-	1,703,550
Stormwater Reticulation Depreciation Reserve - Mahia	13,220	-	-	13,220
Parking Area Depreciation Reserve	408,156	43,718	9,974	441,900
Bridges Depreciation Reserve	4,049,022	756,070	358,676	4,446,416
Landfill/RTS Depreciation Reserve	202,322	103,448	33,935	271,835
Airport Runway Depreciation Reserve	99,495	9,480	-	108,975
Roading Depreciation Reserve	240,000	582,721	822,721	0
Footpaths Depreciation Reserve	747,136	204,343	179,806	771,673
Library Book Stocks Depreciation Reserve	143,072	68,694	33,583	178,183
Pensioner Housing Depreciation Reserve	120,616	23,655	9,587	134,684
Parks and Reserves Depreciation Reserve	221,136	85,242	110,984	195,394
	<u>17,501,322</u>	<u>5,938,611</u>	<u>4,364,349</u>	<u>19,075,584</u>
Reserves held for future Operational Costs				
General Purpose Fund	1,208,000	694,538	156,319	1,746,219
Wairoa Urban Fund	235,632	10,679	-	246,311
Retirement and Restructuring Reserve	456,461	20,687	253,017	224,131
Tuai Village Reserve	196,449	8,903	-	205,352
Water Production Reserve	375,657	17,025	-	392,682
Water Reticulation Reserve - Wairoa	49,624	2,249	-	51,873
Water Reticulation Reserve - Wairoa Peri Urban	290,072	13,146	-	303,218
Water Reticulation Reserve - Frasertown	37,250	1,688	-	38,938
Water Reticulation Reserve - Mahanga	1	-	-	1
	<u>2,849,146</u>	<u>768,915</u>	<u>409,336</u>	<u>3,208,725</u>
Reserves held for repayment of maturing debt				
Loan Repayment Reserve	100,000	104,532	-	204,532
	<u>100,000</u>	<u>104,532</u>	<u>-</u>	<u>204,532</u>
Sub-total Special Funds	<u>21,110,164</u>	<u>6,841,956</u>	<u>4,773,685</u>	<u>23,178,435</u>
b) Sinking Funds				
Sinking Funds are held for the purpose of repaying debt	-	-	-	-
Total special funds reserves	<u>21,110,164</u>	<u>6,841,956</u>	<u>4,773,685</u>	<u>23,178,435</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
- Reserves held for the repayment of maturing debt

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.

Reserves are held for the repayment of maturing debt as it matures.

c) Revaluation Reserves

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

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Revaluation Reserve Infrastructural				
As at 1 July	101,810,808	70,146,362	102,801,342	71,136,896
Transfers to:				
Revaluations	2,449,206	31,930,712	2,449,206	31,930,712
Transfer from:				
Net transfer from asset revaluation reserve on disposal	-	(266,266)	-	(266,266)
	<u>104,260,014</u>	<u>101,810,808</u>	<u>105,250,548</u>	<u>102,801,342</u>

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Retained Earnings				
As at 1 July	136,490,113	140,279,119	139,356,664	143,062,887
Transfers to:				
Restricted Reserves	(6,841,956)	(10,636,335)	(6,841,956)	(10,636,335)
Transfer From:				
Restricted Reserves	4,773,685	4,195,409	4,773,685	4,195,409
Net transfer from asset revaluation reserve on disposal	-	266,266	-	266,266
Surplus (Deficit) for year	777,130	2,385,654	659,457	2,468,437
	<u>135,198,972</u>	<u>136,490,113</u>	<u>137,947,850</u>	<u>139,356,664</u>

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Equity is made up of:				
Special Fund reserves	23,178,435	21,110,164	23,178,435	21,110,164
Sinking Fund reserves	-	-	-	-
Revaluation Reserves	104,260,014	101,810,808	105,250,548	102,801,342
Accumulated Funds	135,198,972	136,490,113	137,947,850	139,356,664
	<u>262,637,421</u>	<u>259,411,085</u>	<u>266,376,833</u>	<u>263,268,170</u>

NOTES TO THE FINANCIAL STATEMENTS

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

	2014/15 COUNCIL	2013/14 COUNCIL	2014/15 GROUP	2013/14 GROUP
Surplus / Deficit	777,130	2,385,654	659,457	2,468,437
Add non cash items:				
Depreciation	4,456,200	5,347,283	5,320,286	6,183,006
Loss on disposal of assets	1,747,892	1,400,634	1,696,994	1,394,619
Amortisation	-	-	38,896	39,733
Decrease (Increase) in deferred taxation	-	-	34,003	23,616
Increase (Decrease) in employee benefit provision	(10,486)	(16,334)	19,087	60,343
Increase in Bad Debts provision	167,871	91,610	167,871	91,610
Revaluation of investment property and forestry	-	(80,434)	-	(80,434)
Unrealised loss (Gain) on investments	2,745,193	(285,868)	2,745,193	(285,868)
Increase in Landfill aftercare provision	(381,100)	(336)	(381,100)	(336)
Quarry Aftercare Provision	-	-	(13,491)	23,568
	<u>9,502,700</u>	<u>8,842,209</u>	<u>10,287,196</u>	<u>9,918,294</u>
Add (less) movements in other working capital items:				
(Increase) Decrease in rates receivable	(134,291)	(97,016)	(134,291)	(97,016)
(Increase) Decrease in trade & other receivables	(1,041,046)	397,061	(1,625,258)	268,602
Increase (Decrease) in trade & other payables	12,799	(238,077)	(77,535)	(143,368)
Increase (Decrease) in Quarry Aftercare	-	-	-	-
Increase (Decrease) in loans and other receivables	90,000	-	90,000	-
(Decrease) in GST Receivable / Increase in GST Payable	(143,025)	12,891	(143,025)	12,891
Increase (Decrease) in taxation payable	-	-	(124,449)	124,646
(Increase) / Decrease Inventories	(10,754)	8,962	(2,145)	277,384
	<u>8,276,383</u>	<u>8,926,030</u>	<u>8,270,493</u>	<u>10,361,433</u>
Net cash inflow / (outflow) from operating activities	<u>8,276,383</u>	<u>8,926,030</u>	<u>8,270,493</u>	<u>10,361,433</u>

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	183,848
	<u>183,848</u>

Elected Representatives Remuneration		2014/15	2013/14
Mayor - until 23 October 2013	L.Probert	-	21,843
Mayor - from 23 October 2013	C.Little	76,907	57,462
Deputy Mayor	D.Eaglesome	29,400	30,892
Councillor - until 23 October 2013	D.Caves	-	7,443
Councillor - until 23 October 2013	D.Evans	-	7,443
Councillor	B.Cairns	26,591	24,222
Councillor	M.Johansen	23,000	22,747
Councillor - from 23 October 2013	H.Flood	23,000	15,304
Councillor - from 23 October 2013	M.Bird	23,172	15,304
Councillor - from 23 October 2013 to 10 November 2014	C.Joblin	9,731	15,304
Councillor - from 24 February 2015	J.Harker	6,812	-
		<u>218,613</u>	<u>217,964</u>
Key management personnel compensation		2014/15	2013/14
Salaries and other short term benefits		746,961	617,896
Post employment benefits		-	-
Other long term benefits		-	-

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

Key Management personnel include the Chief Executive and other senior management personnel.

Severance Payments

Two severance payments totalling \$77,377 were made during the 2015 financial year. There were no severance payments made in the 2014 financial year.

Employee staffing levels and remuneration	2014/15	2013/14
Number of full time employees	42	40
Full time equivalent number of all other employees	7.9	13.5
Employees receiving total remuneration < \$60,000	32	35
Employees receiving total remuneration in the band \$60,000 - \$80,000	11	13
Employees receiving total remuneration in the band \$80,000 - \$100,000	8	8
Employees receiving total remuneration in the band \$100,000 - \$160,000	5	5
Employees receiving total remuneration in the band \$160,000 - \$180,000	1	1
Employees receiving total remuneration in the band \$180,000 - \$200,000	1	-

Note 20 – continued

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Employee benefit expenses				
Salaries and Wages	3,680,842	3,337,445	8,770,537	8,166,525
Employer contributions to Superannuation	137,364	113,405	208,688	228,199
Increase (decrease) in employee benefit liabilities	(44,143)	5,392	(14,570)	82,069
Total employee benefit expenses	3,774,063	3,456,242	8,964,655	8,476,793
	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Employee benefit liabilities				
Accrued pay	205,235	136,678	350,496	259,509
Annual leave	270,928	368,880	720,732	800,704
Long service leave	5,977	10,239	40,283	46,976
Retirement gratuities	118,232	130,859	205,286	208,558
Sick leave	2,831	690	7,651	23,271
Total employee benefit liabilities	603,203	647,346	1,324,448	1,339,018
Comprising:				
Current	482,140	515,797	1,133,359	1,123,871
Non-current	121,063	131,549	191,089	215,147
Total employee benefit liabilities	603,203	647,346	1,324,448	1,339,018

Note 21 Items included in net surplus

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Insurance premiums			372,376	423,939
Public ceremonies			14,738	15,969
Subscriptions, levies, grants and contributions			565,408	636,236
	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Other disclosures				
Depreciation - Infrastructural assets	3,486,712	4,407,468	3,486,712	4,407,468
Depreciation - Operational assets	890,290	836,571	1,754,376	1,739,942
Amortisation charge - Intangible assets	79,198	76,244	118,094	115,468
Audit fees for financial statements audit	88,866	96,545	153,211	142,495
Audit fees for LTP	96,265	-	96,265	-
Interest paid - bank borrowings	302,500	209,210	364,168	325,741
Mayor and Councillor fees	218,613	217,964	218,613	217,964
Impairment of receivables (bad debts written off)	-	-	-	(2,226)
Impairment of receivables (provision for doubtful debts) (Note 4)	2,717,146	2,524,095	2,719,319	2,524,603
Lease expenses	33,000	54,366	47,300	105,234
Loss on disposal of Property, Plant, and Equipment	1,747,892	1,400,634	1,750,471	1,400,874
Unrealised (gain) loss on investments	(136,418)	(92,416)	(136,418)	(92,416)
Gain on sale of assets	-	-	53,477	7,087
Directors fees	-	-	85,342	101,834

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 \$8,772,585 (2014: \$11,391,565)
 Sales: \$33,631 (2014: \$275,308) Dividend \$145,000 (2014: \$158,478)

Amount owed by Quality Roothing and Services (Wairoa) Ltd to Council at year end: \$375 (2014: \$716) which was receivable on normal trading terms.

Amount owed by Council to Quality Roothing and Services (Wairoa) Ltd at year end: \$781,699 (2014: \$949,687) which is payable on normal trading terms except for \$446,570 (2014: \$349,945) 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:

	2014/15 Business Transacted	2014/15 Balance Owing	2013/14 Business Transacted	2013/14 Balance Owing
D L Munro (Director)	-	-	-	-
L A Aitken (CEO)	-	-	6,738	1,365
K M Burger (FC)	7,952	216	10,168	565
A J O'Sullivan (Manager)	-	-	-	-
R J W Beale (COO)	3,624	-	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. Losses on revaluation of investments as at 30 June 2015 was \$108,058 (2014: \$380,158 gain).

Note 24 Financial Instruments Risk

The Financial Instruments Categories	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
FINANCIAL ASSETS				
Financial assets at fair value through profit and loss - upon initial recognition				
Shares and debentures	8,689,519	11,571,130	8,689,519	11,571,130
Loans and Receivables				
Cash and Cash Equivalents	9,182,198	5,883,689	9,942,468	7,368,070
Trade and other receivables	6,335,393	5,193,206	8,095,814	6,317,301
Other Financial Assets				
Te Matare o Te Wairoa Trust	90,000	-	90,000	-
Housing and Community Advances	247	247	247	247
	<u>15,607,838</u>	<u>11,077,142</u>	<u>18,128,529</u>	<u>13,685,618</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>24,320,349</u>	<u>22,671,264</u>	<u>26,841,040</u>	<u>25,279,740</u>
FINANCIAL LIABILITIES				
Financial Liabilities at Amortised cost				
Trade and other Payables	4,714,222	5,087,929	5,991,920	6,426,169
Borrowings				
Secured Loans	5,000,000	5,000,000	6,419,393	5,400,906
Total Financial Liabilities at amortised cost	<u>9,714,222</u>	<u>10,087,929</u>	<u>12,411,313</u>	<u>11,827,075</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.

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 2015 Annual Report.

	2015 Council	2014 Council	2015 Group	2014 Group
Note 26 Contingencies:				
Contingent Liabilities	-	-	-	-
Performance bonds with ANZ Banking Group (NZ) Ltd	-	-	339,000	282,000
Guarantees				
\$339,000 (2014 : \$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 third year of this Plan is reported in these Financial Statements as Annual Plan 2015.

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 5.27% (2013/14: 3%)

Landfill aftercare provision	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Balance at 1 July	859,226	859,562	859,226	859,562
Provided (released) during the year - Wairoa	(368,480)	8,147	(368,480)	8,147
Provided (released) during the year - Mahia	(12,620)	(8,483)	(12,620)	(8,483)
Balance at 30 June	<u>478,126</u>	<u>859,226</u>	<u>478,126</u>	<u>859,226</u>

Note 29 Quarry aftercare provision

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

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Balance at 1 July	-	-	159,816	136,248
Provided during the year	-	-	(13,492)	23,568
Balance at 30 June	<u>-</u>	<u>-</u>	<u>146,324</u>	<u>159,816</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 30 Statement of Commitments as at 30 June 2015

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Capital Commitments approved and contracted	3,367,795	8,182,030	3,367,795	8,182,030

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:-

	2014/15 Council	2013/14 Council	2014/15 Group	2013/14 Group
Non cancellable operating lease commitments				
Office equipment				
Up to one year	33,000	33,000	33,000	55,229
one to five years	96,250	129,250	96,250	129,250
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 Roding and Services (Wairoa) Ltd

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

Dividends 2014/15	Dividends 2013/14
145,000	158,478

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	2014/15	2013/14
Land Transport New Zealand - Transport Subsidies	8,220,615	8,750,786
Ministry of Health	1,000,000	1,387,000
Veteran Affairs	2,568	685
Creative New Zealand	2,990	10,760
SPARC's - Rural Travel Fund	-	9,839
YROA YNOT	61,350	91,361
Ministry of Internal Affairs	43,779	218,726
Others	500,000	100,000
	<u>9,831,302</u>	<u>10,569,157</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 \$6,407,577 (2014: \$5,844,223) 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 \$6,407,577(2014: \$5,844,223) 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 the Annual Plan

Explanations for major variances from WDC's estimated figures in the 2014/15 Annual Plan are as follows:-

	2014/15 Annual Plan
Income Statement	
2015 plan net surplus	7,255,593
Higher (lower) subsidy revenue (regional projects, emergency works)	(1,586,149)
Higher (lower) income from investments	109,694
Higher (lower) income from fees and charges (water production, waste management)	(1,345,211)
Higher income from rates	450,148
Increase in costs due to additional roading work, operating deficits from production of water and sewerage (including transfer of Capital Costs ex Mahia and Opoutama Wastewater Schemes).	(4,119,228)
Capital gain on asset sales	-
Gain/(Loss) on revaluation of woodlots	-
Gain on revaluation of Wairoa Landfill Aftercare provision	-
Other	12,283
2015 actual net surplus	<u>777,130</u>
Capital expenditure	
2015 plan	14,385,329
Additional projects approved	<u>(6,532,762)</u>
Actual expenditure 2015	<u>7,852,567</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 2014/15	BUDGET 2014/15	LTP 2014/15	ACTUAL 2013/14	BUDGET 2013/14
Sources of Operating Funding					
General rates, uniform annual general charges, rates penalties	3,440,989	3,398,054	2,857,390	3,244,510	3,247,577
Targeted rates (other than a targeted rate for water supply)	7,720,482	7,312,703	8,855,790	6,889,661	6,470,657
Subsidies and grants for operating purposes	3,423,724	3,710,909	3,793,957	4,724,934	3,383,722
Fees charges and targeted rates for water supply	4,294,882	5,529,408	3,476,841	2,453,484	3,270,150
Interest and Dividends from Investments	1,216,512	1,124,724	1,061,723	1,160,237	1,084,350
Local authorities fuel tax, fines, infringement fees, and other receipts	1,623,500	65,000	74,552	1,501,571	70,000
Total Operating Funding	21,720,089	21,140,798	20,120,253	19,974,397	17,526,456
Applications of Operating Funding					
Payments to staff and suppliers	22,376,385	15,805,472	16,502,970	17,197,612	15,514,135
Finance costs	529,685	440,081	811,890	973,575	518,169
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	22,906,070	16,245,553	17,314,860	18,171,187	16,032,304
Surplus (Deficit) of operating funding	(1,185,981)	4,895,245	2,805,393	1,803,210	1,494,152
Sources of capital funding					
Subsidies and grants for capital expenditure	6,407,578	7,706,542	2,157,659	5,844,223	7,793,169
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	-	2,334,615	630,201	5,000,000	240,090
Gross proceeds from sale of assets	-	-	30,000	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	6,407,578	10,041,157	2,817,860	10,844,223	8,033,259
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	(21,675)	526,996	-	-
- to improve the level of service	6,022,079	8,959,107	476,478	5,655,976	3,905,547
- to replace existing assets	1,830,488	5,447,897	4,436,634	4,385,149	6,955,533
Increase (Decrease) in reserves	(2,630,970)	551,073	183,145	2,606,308	(1,333,669)
Increase (Decrease) of investments	-	-	-	-	-
Total application of capital funding	5,221,597	14,936,402	5,623,253	12,647,433	9,527,411
Surplus (Deficit) of capital funding	1,185,981	(4,895,245)	(2,805,393)	(1,803,210)	(1,494,152)
Funding Balance					
Group depreciation and amortisation	4,444,467	5,552,905	5,051,027	5,347,283	4,901,662

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of Total Comprehensive Income

	ACTUAL 2014/15	BUDGET 2014/15	LTP 2014/15	ACTUAL 2013/14
Surplus / (Deficit) of operating funding from funding impact statement	(1,185,981)	4,895,245	2,805,393	1,803,211
Add subsidies and grants for capital expenditure	6,407,578	7,706,542	2,157,659	5,844,226
Add development and financial contributions	-	-	-	-
Add depreciation and amortisation expense	(4,444,467)	(5,552,905)	(5,051,027)	(5,342,217)
Add capital funding through Income Statement	-	206,711	85,182	-
Net Surplus before taxation in Income Statement	777,130	7,255,593	(2,793)	2,305,220

Note 37 Insurance of Assets

The total insurable value of above ground buildings and plant and equipment of \$75.6m is covered by insurance contracts of \$84.1m. Those are insured under a group policy held in the name of the five Hawke's Bay Councils which has a limit of \$500m for any one event and in the annual aggregate for Natural Disaster Damage.

Motor Vehicles and Mobile Plant are insured for market value.

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

The Council is a member of the New Zealand Local Authority Protection Program Disaster Fund (LAPP Fund) established by the New Zealand Local Government Association Incorporated. The LAPP fund is a mutual pool created by local authorities to cater for the replacement of infrastructure following catastrophic damage by natural disaster. The LAPP Fund is intended to provide coverage for full replacement (i.e. 40%) of infrastructure assets including underground facilities and services for the provision of Water, Stormwater and Wastewater Services, with a fair value of \$45.8m.

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 2013-2014 were:	7,296
The total capital value of rating units within the district at the end of the financial year 2013-2014 was:	\$1,874,355,900
The total land value of rating units within the district at the end of the financial year 2013-2014 was:	\$1,063,903,750

NOTES TO THE FINANCIAL STATEMENTS

Note 39 Adoption of Annual Report

Council adopted the Annual Report on the 18th December 2015.

The statutory deadline to adopt the Annual Report for the year ended 30 June 2015 was 31st October 2015.

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 Rooding and Services (Wairoa) Ltd (QRS Ltd).

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

The financial statements of WDC are for the year ended 30 June 2015. The financial statements were authorised for issue by Council on 18th December 2015.

Basis of Preparation

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

These financial statements comply with PBE Standards.

These financial statements are the first financial statements presented in accordance with PBE accounting standards. There have been no material adjustments arising on transition to the new PBE Standards.

These financial statements have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied. The criteria under which WDC is eligible to report in accordance with Tier 2 PBE Standards are WDC does not have public accountability and is not large.

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

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

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

Basis of Consolidation

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

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

Revenue

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

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

Exchange transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions

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

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

Revenue from non-exchange transactions

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.

Government Subsidies

WDC receives government grants from New Zealand Transport Agency, which subsidises part of WDC's costs in maintaining the local road infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Vested Assets

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.

Provision of services

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

Revenue from exchange transactions

Revenue from Water by Meter

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

Provision of services

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

Sale of Goods

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

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

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

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. 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 re-measured at fair value with gain or loss recognised in other comprehensive revenue and expenses and accumulated in the Available-for-sale reserve 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	50-120
Pipes	80-120	Manholes/sumps	50-100
Manholes	80	Open Drains	Not depreciated
Pumps	10-35		
Plant	10-35		
Resource consents	25		
WATER SUPPLY	Life years	ROADS	Life years
Structures	50	Top surface (seal)	14
Pumps	15-35	Basecourse	Not depreciated
Reticulation piping	60-120	Formation	Not depreciated
Meters	20	Bridges	20-80
Hydrants	40	Footpaths	15-40
Resource consents	20-25	Kerbs	50
Reservoirs	80-100	Streetlights (poles)	50

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

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

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 assets carrying amounts, due to revaluation, are recorded in other comprehensive revenue and expenses and credited to the assets 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. WDC has elected to use the fair value of operational land and buildings as at 30 June 2005 as deemed cost. Operational land and buildings are no longer revalued.

Restricted land and buildings

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

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

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

Land under roads

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

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.

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.

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), and restated where necessary to comply with NZ PBE FRS-42, using accounting policies that are consistent with those adopted by WDC for the preparation of the financial statements.

Overhead Cost Allocation

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

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

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

Critical Accounting Estimates and Assumptions

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are 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 5.27%.

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 2015:

Changes in Accounting Policies

The accounting policies are now in accordance with Tier 2 PBE accounting standards. Prior to 1 July 2014, Council financial statements were prepared in accordance with NZ IFRS accounting policies.

These financial statements are the first financial statements presented in accordance with PBE accounting standards. There have been no material adjustments arising on transition to the new PBE Standards.

**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. Ruakituri and Tuai fire appliances
4. Camping ground
5. Roothing (Transfund subsidised portion of roading)
6. Community Centre
7. Loan-funded assets including the Māhia wastewater system and the Ōpoutama sewerage system.

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	6,066
2. Housing	4,421	4,483
3. Ruakituri and Tuai fire appliances	17,061	19,325
4. Camping ground	8,658	8,151
5. Roothing (Transfund subsidised portion of roading)	1,801,475	1,565,857
6. Community Centre	400,820	400,820
7. Loan-funded assets including the Māhia wastewater system and the Ōpoutama sewerage system.	586,071	159,295
	\$2,824,196	\$2,163,997

Financial Prudence Benchmarks

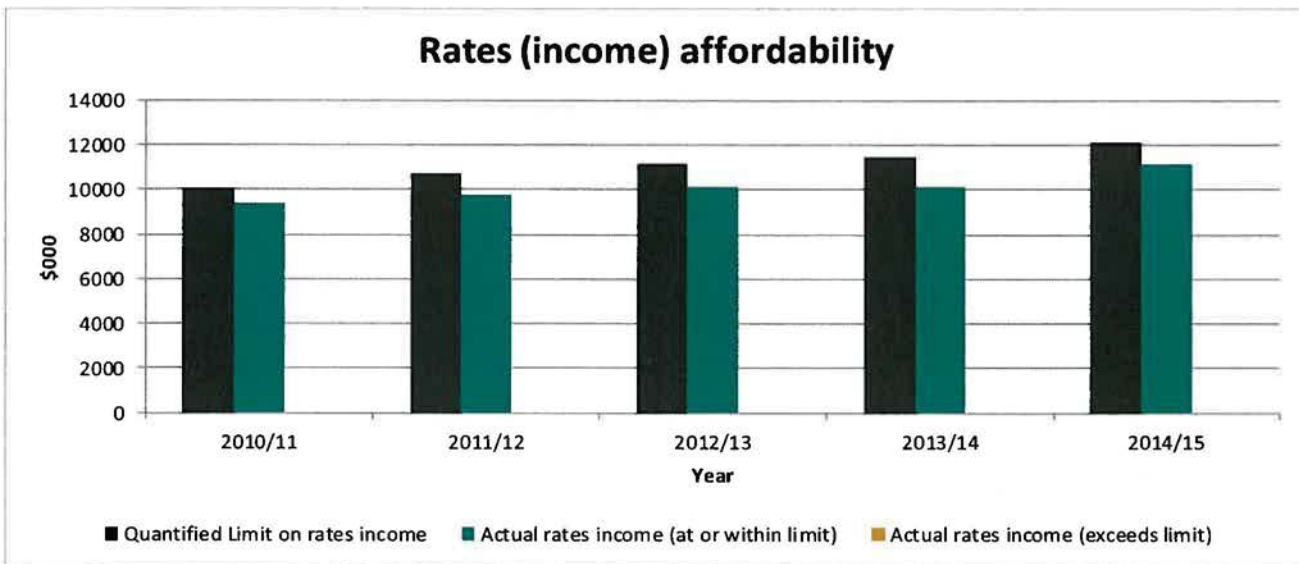
Regulations were introduced in May 2014 requiring Council to disclose its performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Council is required to include this statement in its Annual Report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (“the Regulations”).

Rates affordability benchmark

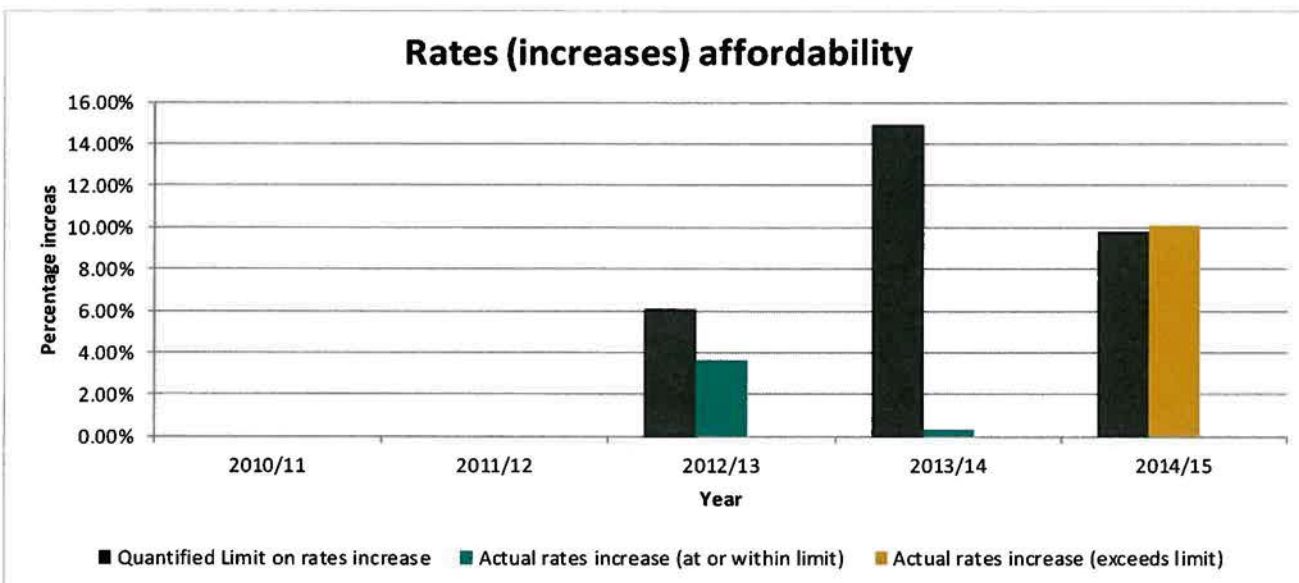
Rates (Income) affordability

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%.



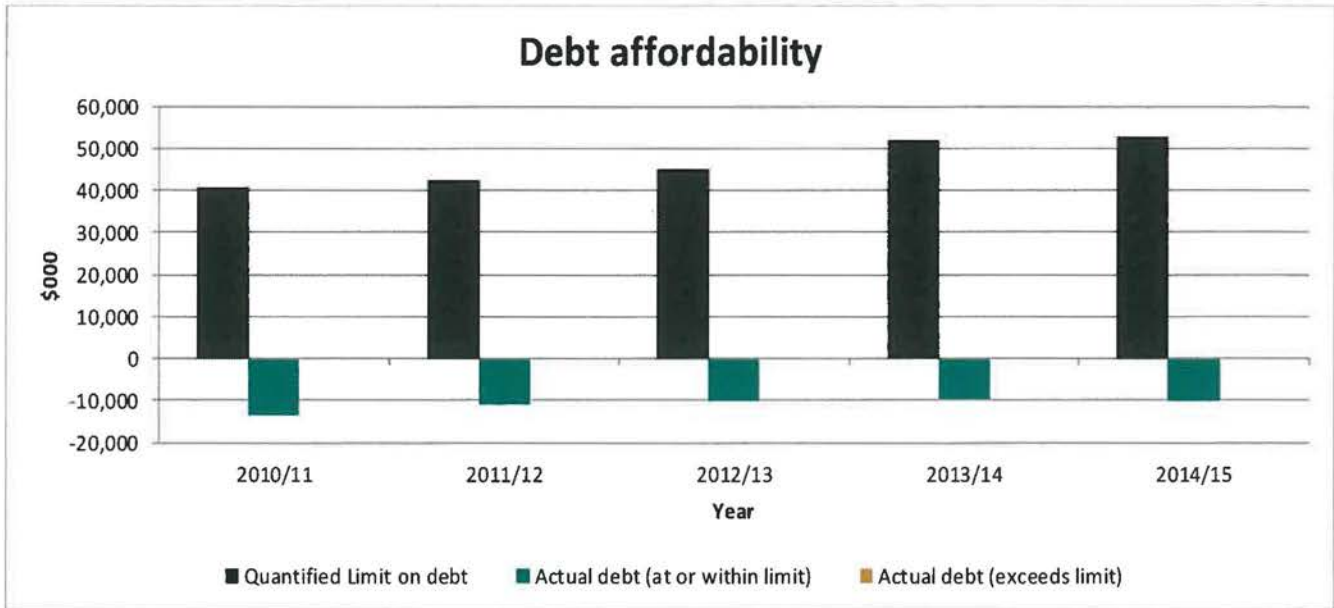
Note: Benchmarks are only available from the 2012/13 year.

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

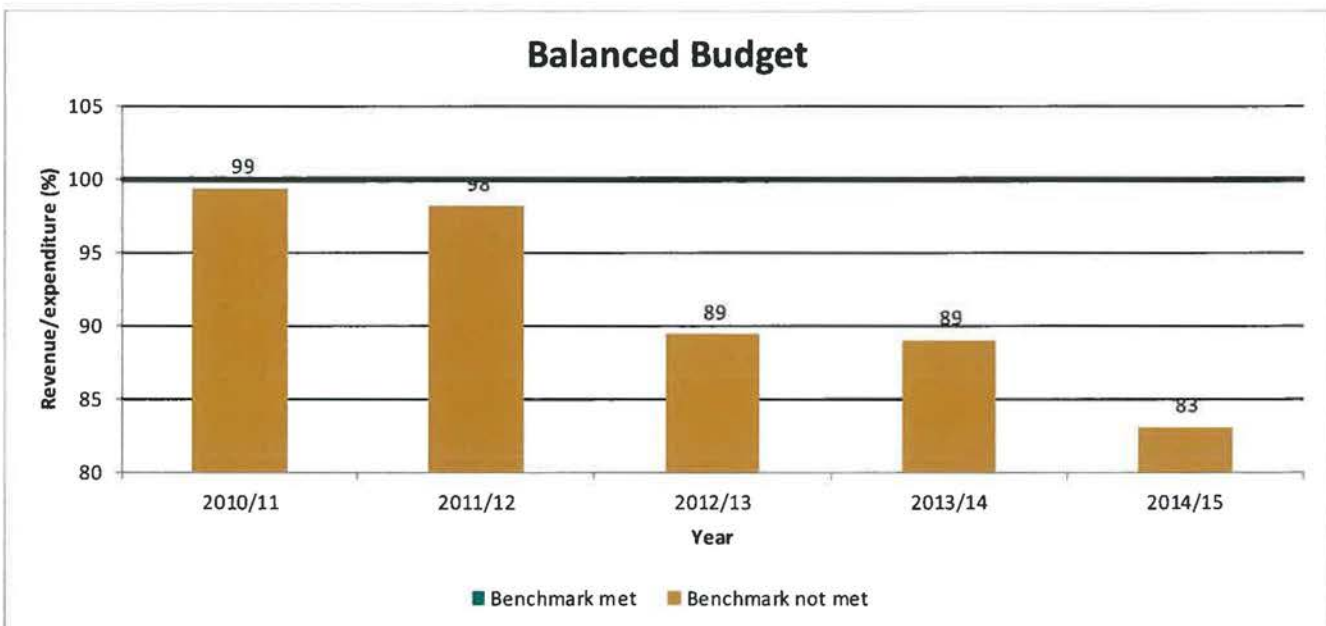
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net debt is less than 20% of equity.



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.

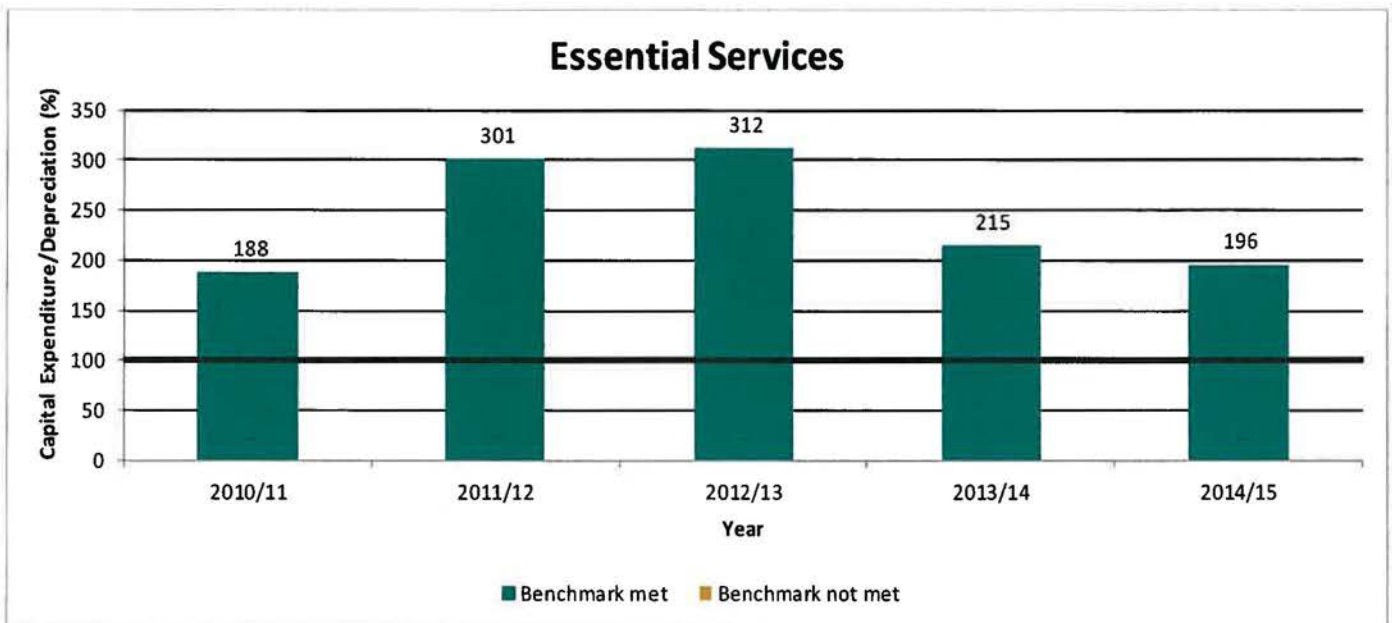


The 2014/15 figure includes the impact of transferring Mahia and Opoutama Wastewater Scheme cost from capital into operational costs. Unadjusted the Balanced Budget benchmark would be met with a revenue against expenditure index of 101%.

Essential services benchmark

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

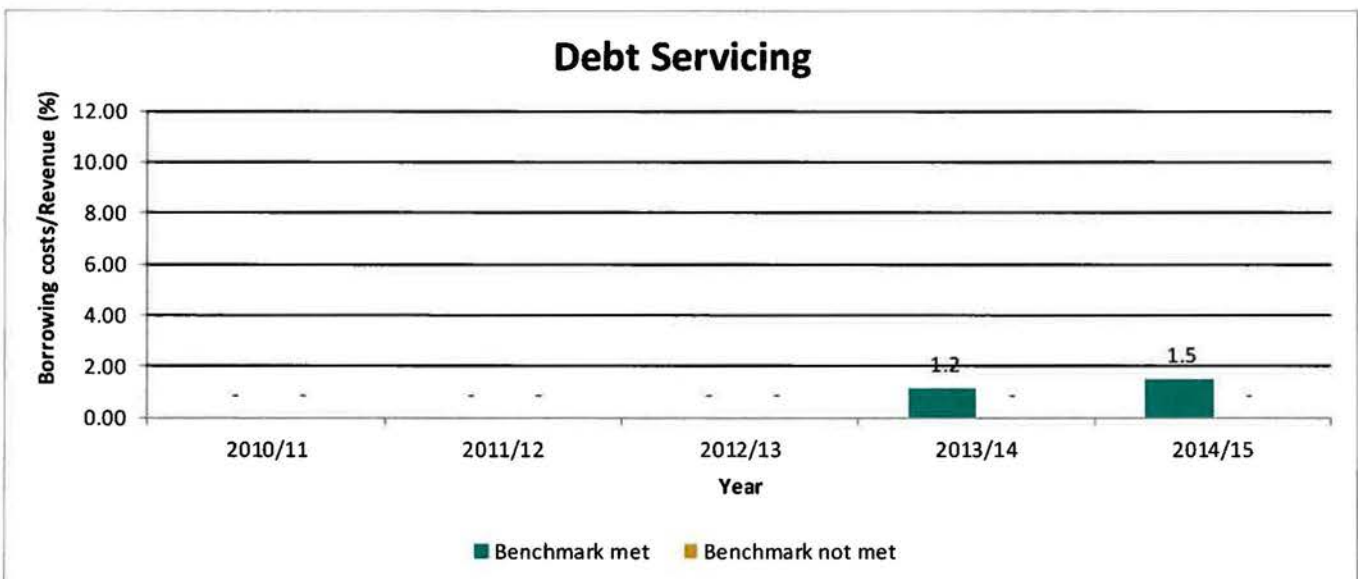
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



The essential services benchmarks for 2010/11 to 2013/14 have been adjusted from the figures disclosed within the Annual Report 2014 to reflect the accepted interpretation of the benchmark. (The prior year interpretation included only Capital spend funded from Reserves, not total Capital spending).

Debt servicing benchmark

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

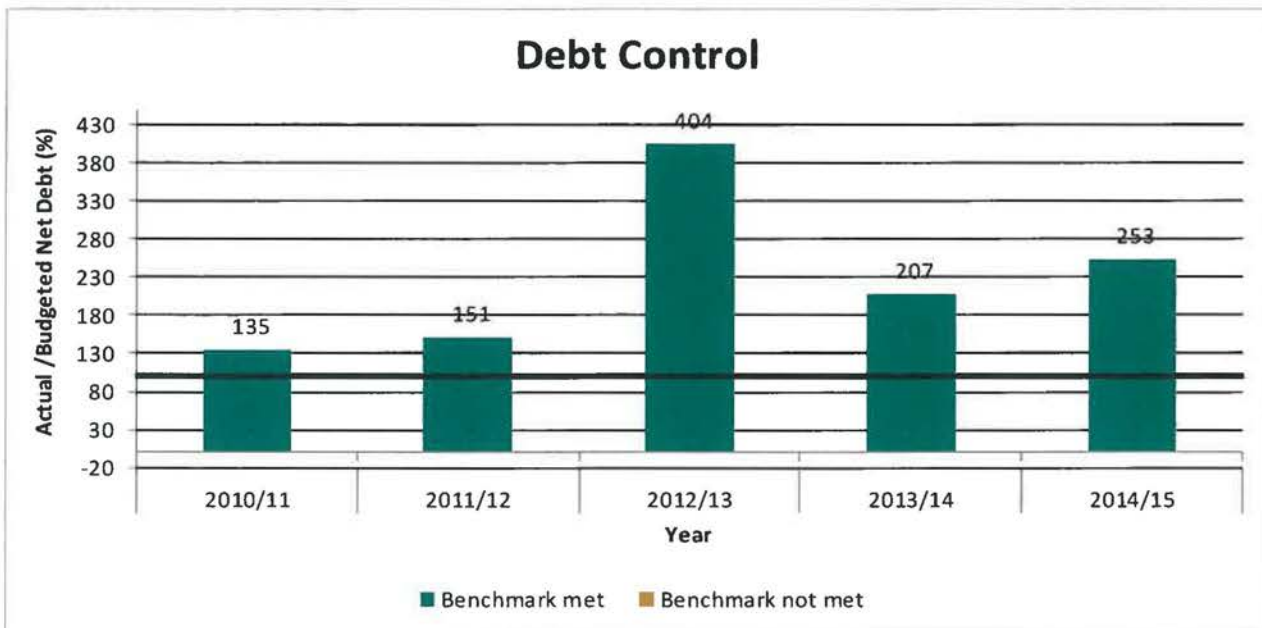


Note: No borrowing costs have been incurred during the period 2010/11 to 2012/13 as Council did not hold any debt during this period.

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 2010/11 to 2014/15 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 2015

EXECUTIVE STAFF

Chief Executive Officer
Corporate Services Manager
Engineering Manager
Chief Financial Officer
Regulatory Manager

F Power
J. Baty
J. Cox
A. Morton
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 2015

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 2015 on page 72;
 - the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ending 30 June 2015 on pages 70 to 73;
 - the funding impact statement of the District Council on page 101;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 16 to 68; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 74 to 114;
- the statement of service provision made up of Activity Group One through to Activity Group Seven of the District Council on pages 16 to 68 and the funding impact statements in relation to each group of activities of the District Council on pages 16 to 68; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 116 to 119.

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 83;
 - council-controlled organisations on page 69;
 - reserve funds on pages 91 to 92;
 - each group of activities carried out by the District Council on pages 16 to 68;
 - remuneration paid to the elected members and certain employees of the District Council on page 94;
 - employee staffing levels and remuneration on page 94;
 - severance payments on page 94;
 - rating base units on page 102; and
 - insurance of assets on page 102;
- 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 70 to 114:
 - present fairly, in all material respects:
 - the District Council and group's financial position as at 30 June 2015;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand.
- the funding impact statement of the District Council on page 101, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 16 to 68, present fairly, in all material respects, 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 68:
 - presents fairly, in all material respects, the District Council's levels of service for the year ended 30 June 2015, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan;
 - the reasons for any significant variances between the actual service and the expected service; and
 - complies with generally accepted accounting practice in New Zealand.
- the funding impact statements in relation to each group of activities of the District Council on pages 16 to 68, present fairly, in all material respects, 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 116 to 119 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

Compliance with the other requirements of schedule 10

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 18 December 2015. 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 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 the 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 believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit 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;
 - present fairly the District Council and group's financial position, financial performance and cash flows;
 - present fairly its service performance, including achievements compared to forecast;
- a funding impact statement that presents fairly 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 presents fairly 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 presents fairly 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's responsibilities arise under 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.

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.

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 Roding 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