

ANNUAL REPORT

FOR THE YEAR ENDING
30 JUNE 2018



TE WAIROA
WAIROA DISTRICT

2017-2018 ANNUAL REPORT

CONTENTS	PAGE
JOINT STATEMENT FROM THE MAYOR AND THE CHIEF EXECUTIVE OFFICER	3
ANNUAL REPORT HIGHLIGHTS.....	5
RELATIONSHIP BETWEEN COUNCIL'S POLICIES AND PLANS.....	6
WAIROA DISTRICT COUNCIL 30 JUNE 2018	7
MANAGEMENT STRUCTURE AS AT 30 JUNE 2018	8
STATEMENT OF COMPLIANCE AND RESPONSIBILITY.....	9
COMMUNITY OUTCOMES.....	10
REPORT ON DEVELOPMENT OF MĀORI CAPACITY TO CONTRIBUTE TO THE DECISION-MAKING PROCESS	15
ACTIVITY GROUP ONE - WATER SERVICES	17
ACTIVITY GROUP TWO - WASTE MANAGEMENT.....	35
ACTIVITY GROUP THREE - TRANSPORT	41
ACTIVITY GROUP FOUR - COMMUNITY FACILITIES.....	48
ACTIVITY GROUP FIVE - PLANNING & REGULATORY.....	60
ACTIVITY GROUP SIX - LEADERSHIP & GOVERNANCE	75
ACTIVITY GROUP SEVEN - CORPORATE FUNCTIONS.....	84
FINANCIAL STATEMENTS	95
STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS	99
FINANCIAL PRUDENCE BENCHMARKS	138
OFFICIAL INFORMATION	144
COUNCIL DIRECTORY AS AT 30 JUNE 2018	145
AUDIT REPORT	146

JOINT STATEMENT FROM THE MAYOR AND THE CHIEF EXECUTIVE OFFICER

Kia ora tātou and welcome to the Wairoa District Council's 2017/2018 Annual Report. The past year can be characterised by two main themes for the Wairoa District Council: the achievement of goals, and looking to the future. We are pleased to share with you the highlights of another busy and challenging year. Council has continued the process of examining opportunities for Wairoa to prosper as a district, as well as maintaining infrastructure and core levels of service in an affordable way. This report is a summary of the Council's activities, performance and financial situation.

The year's most significant milestone came in February, when we appointed Steven May as Chief Executive Officer of the Wairoa District Council. Mr May has a wealth of knowledge and experience, which we are sure, will serve our district well as we head into the future. We would also like to pay tribute to the service of outgoing CEO Fergus Power for the dedication and hard work he put into the district and community in the time that he was here. Mr Power leaves a legacy that our new Chief Executive and Council will continue to build on. We would also like to acknowledge Interim CEO John Freeman, for stepping in while we undertook a robust recruitment process for our new CEO.

Accelerating infrastructure developments and investment into the district's future were the key themes of the 2017/2018 Annual Plan released in June. The Annual Plan represented a need to look at options to invest in Wairoa's future. Options that allowed us to maintain our current infrastructure and levels of service as well as investing in opportunities for Wairoa's future in an affordable way.

Council also initiated a significant body of work to engage the community on the future of wastewater management now and into the future. The upgrade of Wairoa's wastewater network is a significant project and alongside this the wastewater consent is up for renewal. Rather than engage the community on a consent renewal process, Council undertook an extensive community engagement process which took just over eight months to investigate the best options for future wastewater management. This process was deemed best practice for community engagement and was a finalist in both the SOLGM and LGNZ awards. I am extremely proud of the work undertaken and wish to commend all those involved in this process. It will help us inform our practice now and into the future.

Council also sought to initiate a conversation with the community regarding its Revenue and Finance Policy earlier in the year. This process clearly demonstrated the complexity of our rating system and the need for us to seriously consider how we do this better to ensure a fairer and more equitable system for our community. These conversations are difficult, but they show us that it is important to really engage with our community. We know that we have a complex rating system and it is clear that we have a lot more work to do to make sure that we get this right.

One of our proudest moments, was the adoption of our te reo Māori policy. We are one of the first Councils in the country to have a policy like this and the Wairoa District Council is a proud partner of the Reo Rua Strategy which seeks to make Wairoa a bilingual community by 2040. I want to commend the work of the Māori Standing Committee for leading this and the support they received from our staff.

We reflect on 2017/2018 with a great sense of pride and achievement, but understand that there are challenges still ahead of us. This Annual Report provides insight into the activities of Council and is a review of the work undertaken on behalf of the people of the Wairoa District. On behalf of Council and the management team we wish to acknowledge the contribution of staff and contractors for the achievements outlined in this Annual Report. We are pleased to be associated with the Wairoa District Council as it continues to maintain infrastructure, deliver core services and plan for Wairoa's future in an affordable and meaningful way.



C Little
MAYOR



S May
CHIEF EXECUTIVE OFFICER

Annual Report Highlights

Wairoa District

	30 June 2018	30 June 2017	30 June 2016
The number of rating units within the district.	7,226	7,279	7,330
The total capital value of rating units within the district.	\$1,948,140,550	\$1,971,995,700	\$1,895,797,600
The total land value of rating units within the district.	\$1,136,757,900	\$1,159,145,900	\$1,070,101,650

Wairoa District Council

Specific measures in the results are:

Measure	2017/18	2016/17	Change	Commentary
Operating Surplus / (Deficit)	\$(3,351,341)	\$(1,288,567)	↓	Emergency response costs classified as expenses \$1.2m higher. Write down of \$0.75m of infrastructure at the time of replacement.
Rates Revenue Increase	\$505,253 (4.3%)	\$249,748 (2.2%)	↑	As consulted in the Annual Plan 2017-18
Fees and Charges	\$3,277,334	\$2,516,286	↑	Lump sum contributions for Mahia wastewater, including previous years now recognised as revenue. Increased landfill revenue
Investment Income	\$686,171	\$843,593	↓	Result of lower investment holdings – increased capital expenditure
Investments Held (including cash)	\$13,767,465	\$17,924,904	↓	Increased expenditure on infrastructure renewals
Working Capital	\$86,103	\$9,023,375	↓	Term debt became part of this Term debt became part of this calculation as payable within one year, and reduced investments.
Cash flow from Operations	\$3,062,578	\$4,149,681	↓	Higher emergency response expenses.
Capital Expenditure	\$7,255,132	\$4,696,642	↑	Wastewater \$1 million (reticulation renewals, commencement of Wairoa treatment reconstituting) Transport \$1.3 million – bridge renewal works.

Performance Management

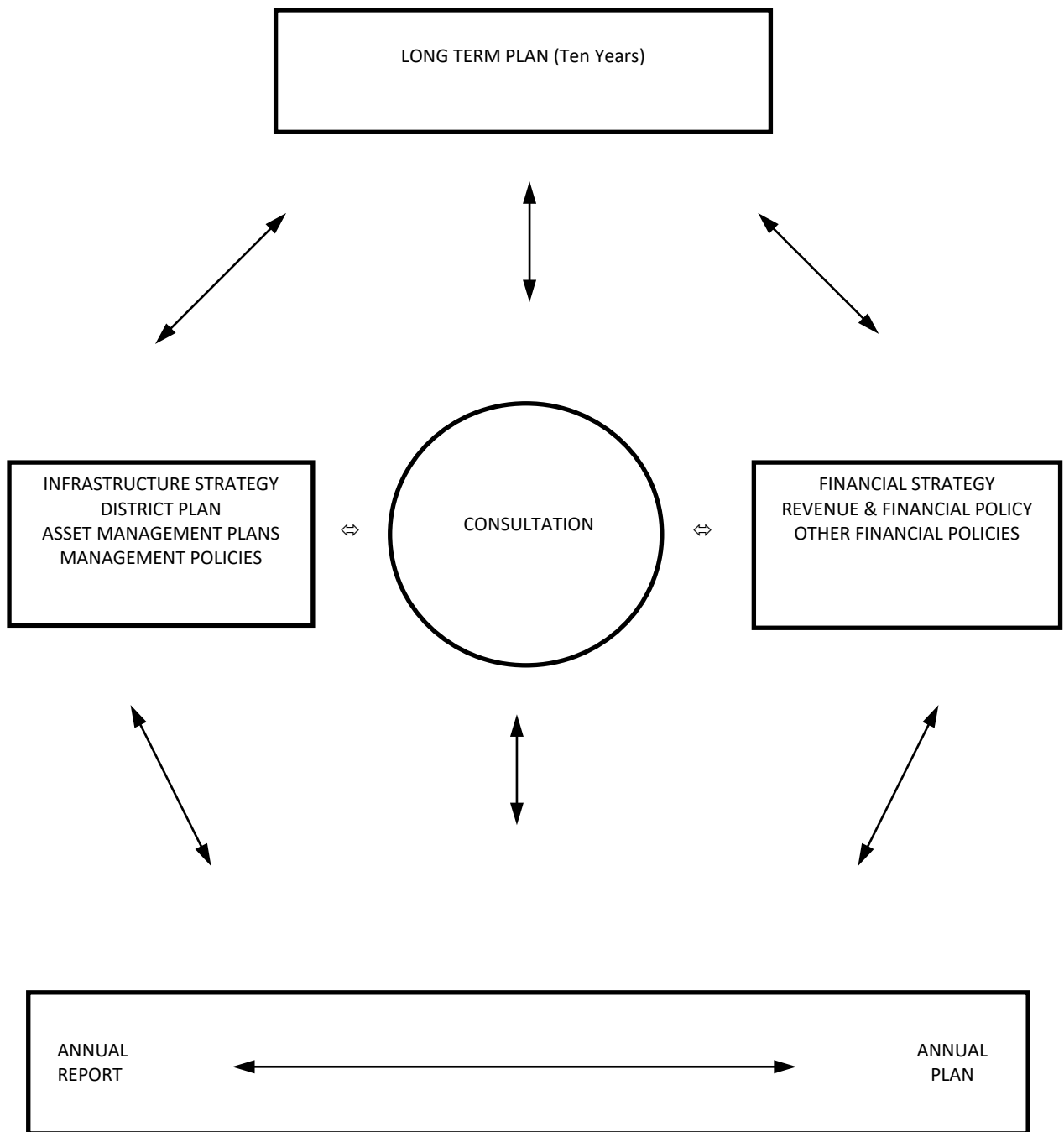
	2017/18	2016/17	Change
Total Number of Measures	271*	230	↑
Achieved	185 (68%)	180 (79%)	↑ (↓)

*A number of measures with multiple targets reported as single targets in 2016/17

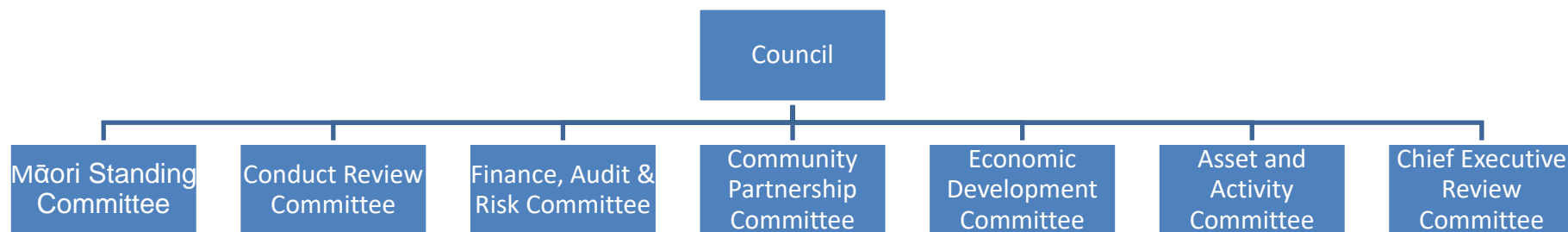
Quality Roding and Services (Wairoa) Limited

Measure	2017/18	2016/17	Change	Commentary
Operating Surplus / (Deficit)	\$368,077	\$(210,254)	↑	2016/17 Includes a non-cash write down of stock of \$260,000.
After Tax Profit / (Loss)	\$262,956	\$(151,661)	↑	
Return on Equity After Tax	4.59%	(2.52)%	↑	
Total Equity	\$5.94 Million	\$5.73 Million	↑	
Cash Dividend Paid to Council	\$50,000 interim paid	\$140,000	↓	Dividend paid in 2016/17 includes declared and paid from 2015/16 Result \$60,000 final dividend for 2017/18 was declared and paid in September 2018

RELATIONSHIP BETWEEN COUNCIL'S POLICIES AND PLANS



WAIROA DISTRICT COUNCIL 30 JUNE 2018



<p>His Worship the Mayor Mr. Craig Little</p>	<p>Councillors: Denise Eaglesome-Karekare (Deputy Mayor) Mike Bird Charles Lambert Hine Flood Jeremy Harker Min Johansen</p>
---	--

MĀORI STANDING COMMITTEE MEMBERS

<p>Chairperson: Mr. Kiwa Hammond</p>	<p>His Worship the Mayor, Mr Craig Little (Ex-Officio) Councillor Jeremy Harker (Council Representative) Councillor Charles Lambert (Council Representative) Mr Paul Kelly (Deputy Chair) Mrs Here Nissen Ms Whaiora Maindonald Mr Henare Mita Ms Sharon Cooper Mr Adrian Manuel Ms Fiona Wairau Ms Theresa Thornton</p>
--------------------------------------	--

MANAGEMENT STRUCTURE AS AT 30 JUNE 2018

Chief Executive Officer

Steven May

OFFICE OF THE CHIEF EXECUTIVE	ECONOMIC DEVELOPMENT AND ENGAGEMENT	ENGINEERING SERVICES	FINANCIAL SERVICES	CORPORATE SERVICES	OPERATING AND REGULATORY SERVICES
STEVEN MAY	KITEA TIPUNA	JAMIE COX	GARY BORG	DONNA MOORCOCK	HELEN MONTGOMERY
CEO	ECONOMIC DEVELOPMENT AND ENGAGEMENT MANAGER	ENGINEERING MANAGER	CHIEF FINANCIAL OFFICER	ACTING CORPORATE SERVICES MANAGER	CHIEF OPERATING OFFICER
<ul style="list-style-type: none"> • Transformation • Human Resources • Stakeholder Relations 	<ul style="list-style-type: none"> • Communications • Economic Development • Information Centre • Tourism & Events • 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 • Property Administration • Pensioner Housing 	<ul style="list-style-type: none"> • Accounting Services • Information Services • Financial Management • Revenue Collection • Rating • Risk Management 	<ul style="list-style-type: none"> • Secretarial Services • Social Services • Library • Public Halls • Recreational • Official Information • Records and Archives • Elections • Work Health and Safety 	<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 and non-financial reporting.
- 3 In the opinion of the Council and management of Wairoa District Council, the Annual Financial Statements for the year ended 30 June 2018 fairly reflect the financial position and operations of Wairoa District Council.



Mayor

Chief Executive

C Little

S May

31 October 2018

31 October 2018

COMMUNITY OUTCOMES

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

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

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



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

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

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

Council Activities

Council activities are divided into two strategic goal areas being:

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

These are in turn supported by management services and investments.

KEY ACTIVITY AREAS

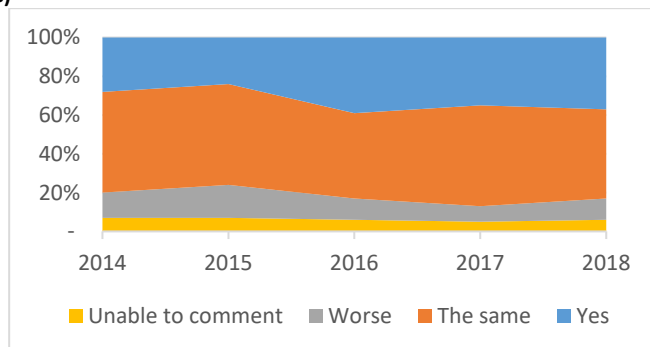
ACTIVITIES GROUP	ACTIVITY	ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
		1 A strong prosperous and thriving economy.	2 A safe and integrated transport system.	3 A community that values and promotes its culture and heritage.	4 Safe and accessible recreational facilities.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

As part of its commitment to public accountability, Council reports measures taken and progress made towards achieving the community outcomes stated in the LTP. Council undertakes an annual customer satisfaction survey to measure its progress in some of these areas. Survey results relating to outcomes (rounded to whole numbers):

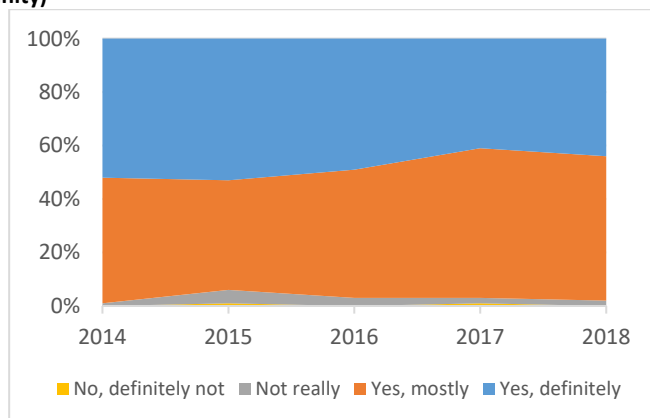
Is Wairoa a better place to live than it was three years ago? (All outcomes)

	2014	2015	2016	2017	2018
Yes	28%	24%	39%	35%	37%
The same	52%	52%	44%	52%	46%
Worse	13%	17%	11%	8%	11%
Unable to comment	7%	7%	6%	5%	6%



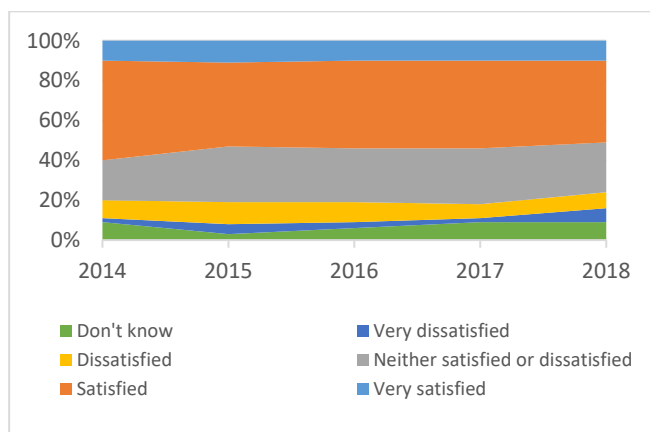
Is Wairoa District generally a safe place to live? (A safe and secure community)

	2014	2015	2016	2017	2018
Yes, definitely	52%	53%	49%	41%	44%
Yes, mostly	47%	41%	48%	56%	54%
Not really	1%	5%	3%	2%	2%
No, definitely not	-	1%	-	1%	-
Unsure	-	-	-	-	-



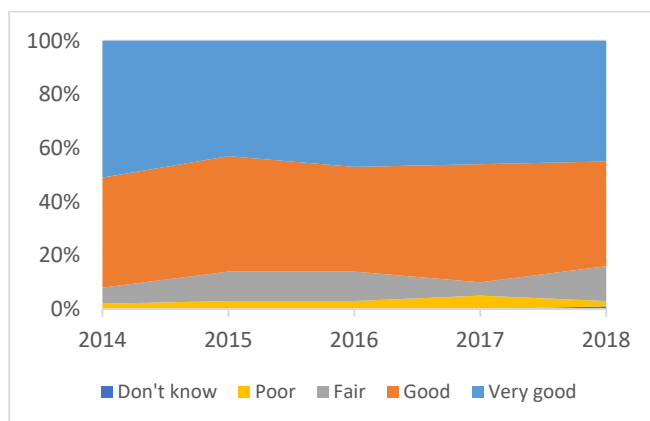
Satisfaction with the way Council involves the public in the decisions it makes (Strong district leadership and a sense of belonging; Supportive, caring and valued communities)

	2014	2015	2016	2017	2018
Very satisfied	10%	11%	10%	10%	10%
Satisfied	50%	42%	44%	44%	41%
Neither satisfied or dissatisfied	20%	28%	27%	28%	25%
Dissatisfied	9%	11%	10%	7%	8%
Very dissatisfied	2%	5%	3%	2%	7%
Don't know	9%	3%	6%	9%	9%



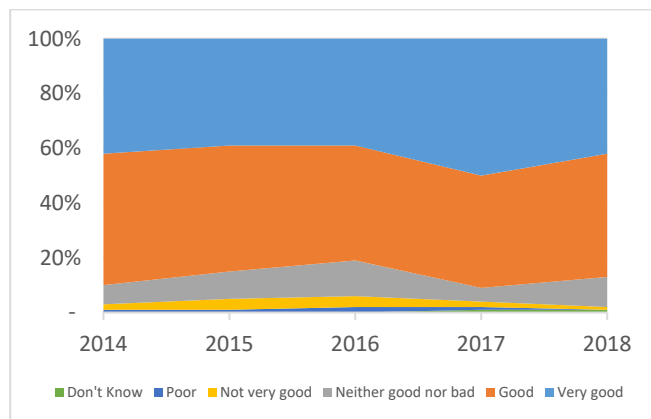
Quality of Life (All outcomes)

	2014	2015	2016	2017	2018
Very good	51%	43%	47%	46%	45%
Good	41%	43%	39%	44%	39%
Fair	6%	11%	11%	5%	13%
Poor	2%	3%	3%	5%	2%
Don't know	-	-	-	-	1%



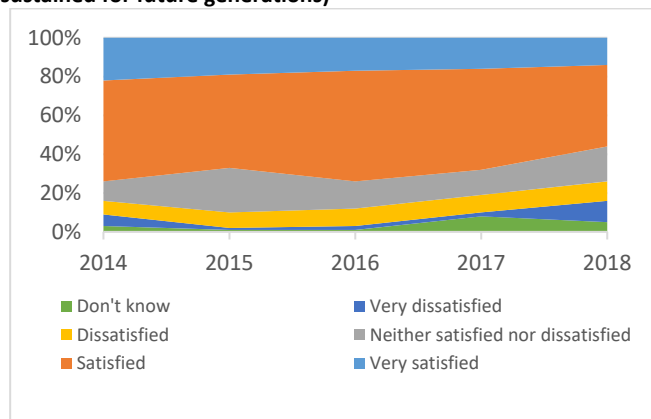
Community Spirit (Supportive, caring and valued communities)

	2014	2015	2016	2017	2018
Very good	42%	39%	39%	50%	42%
Good	48%	46%	42%	41%	45%
Neither good nor bad	7%	10%	13%	5%	11%
Not very good	2%	4%	4%	2%	1%
Poor	1%	1%	2%	1%	-
Don't Know	-	-	-	1%	1%



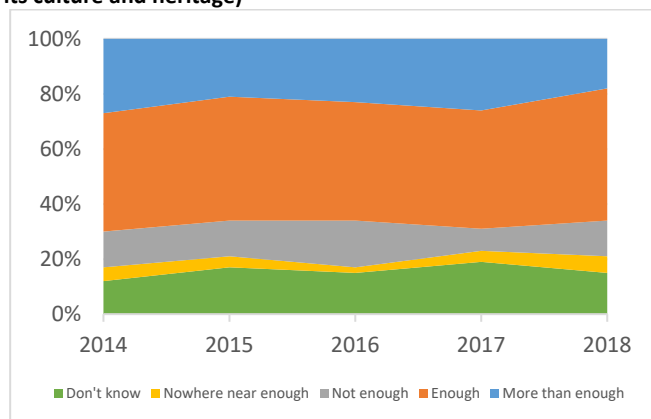
Natural Environment (An environment that is appreciated, protected and sustained for future generations)

	2014	2015	2016	2017	2018
Very satisfied	22%	19%	17%	16%	14%
Satisfied	52%	48%	57%	52%	42%
Neither satisfied nor dissatisfied	10%	23%	14%	13%	18%
Dissatisfied	7%	8%	9%	9%	10%
Very dissatisfied	6%	1%	2%	2%	11%
Don't know	3%	1%	1%	8%	5%



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

	2014	2015	2016	2017	2018
More than enough	27%	21%	23%	26%	18%
Enough	43%	45%	43%	43%	48%
Not enough	13%	13%	17%	8%	13%
Nowhere near enough	5%	4%	2%	4%	6%
Don't know	12%	17%	15%	19%	15%



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

The annual survey's assessment of Very Good/Fairly Good levels, for the 13 key activity areas, identified that 4 have improved over 2016/17 whilst 9 have reduced and 0 remained the same. The movement in all Very Good/Fairly Good assessments was a reduction of -90% points, which represents a -7% reduction in overall satisfaction on the prior year from 79% to 72%.

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

PARTICIPATION IN DECISION MAKING

Legislative background

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

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

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

Section 81 of the Act specifically requires Council to:

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

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

Position statement

The Wairoa community is nearly 60% Māori compared to about 16% in New Zealand as a whole. This means that Māori are well represented at most levels within the community.

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

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

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

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

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

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

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

- Council has a commitment to work with Māori at a variety of levels to both raise awareness of issues and hear their voice before making decisions.
- During the year Council continued to emphasise the importance of its Māori Policy and its Te Reo Māori Policy, which includes bilingual signage and the participation of Council representatives in whakangahu ki e ao Māori.

Monitoring our effectiveness

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

- The degree to which Māori participate in Council/community consultation.
- The attendance of elected representatives at meetings of the Māori Standing Committee.
- The number of culturally important issues referred to the Māori Standing Committee.

ACTIVITY GROUP ONE - WATER SERVICES

1. **Water Supply**
2. **Stormwater**
3. **Wastewater**

Water Supply

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

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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will own, operate and maintain reliable drinking water systems serving Wairoa, Frasertown, Tuai and Mahanga, protecting public health	All domestic householders and non-domestic premises connected to the water supply systems will be provided with a service that delivers a reliable supply of drinking water	Council will have in place, at all times, suitable water supply operation and maintenance contracts and arrangements to provide the services outlined Minimum 24 hours' daily consumption storage capacity to be maintained	2017/18: Achieved: Contracts in place with Fulton Hogan for this year. Only complaints received related to emergency water supply. (2016/17: Achieved) 2017/18: Achieved [September 2017]: Work was completed on the Tawhara Reservoir which brought storage up to the requirement level. (2016/17: Not Achieved)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through Annual Plan process	2017/18: Achieved: The Annual Plan process considers the cost of service. There were no submissions on the cost of water supply. (2016/17: Achieved)
	The provision of facilities shall be adequate for current and foreseeable demand	Mahanga supply assessment to continue in consultation with local community	2017/18: Achieved: The binding referendum was completed in 2017/18. The referendum supported the development of Mahanga supply. (2016/17: Achieved)

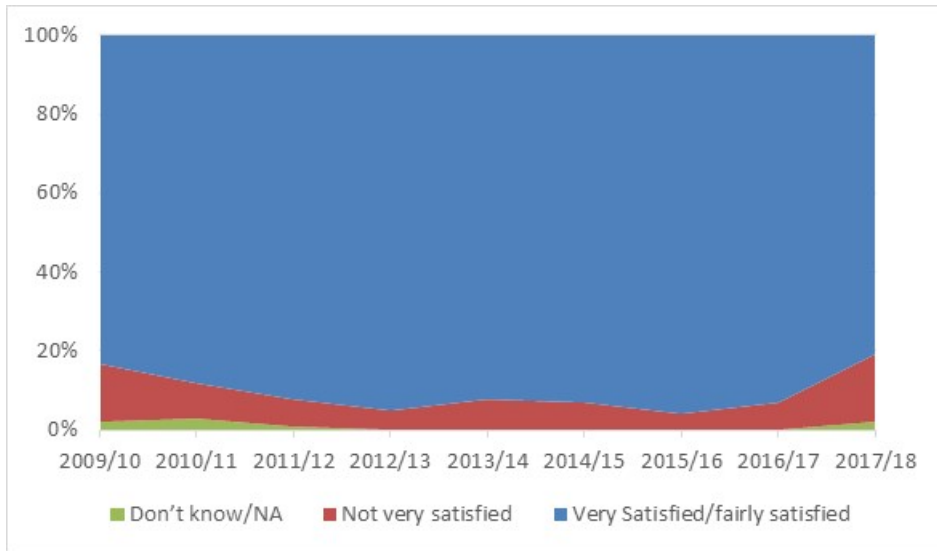
LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	Customers' water pressure will be maintained	No valid CSRs regarding inadequate water pressure	2017/18: Achieved (2016/17: Achieved)
Council will comply with current standards, legislation and Council bylaws	Council shall meet all legislative requirements	Annual review of current legislation for compliance	2017/18: Achieved: Wairoa, Frasertown and Tuai supplies are all compliant with the (NZDWS). Frasertown (also supplies Wairoa) and Tuai Water Treatment Plants (WTP) are also NZDWS compliant. Frasertown WTP supplies New Zealand Drinking Water Standards Wairoa drinking water. 2017/18: Not Achieved: Mahanga currently has no water treatment facility however a Water Safety Plan for Mahanga has been approved. (2016/17: Achieved) (2016/17: Not Achieved: Mahanga)
	Council shall comply with Fire Fighting Standards	Council shall comply with Fire Fighting Standards	2017/18: Achieved: Fire hydrants are inspected as part of maintenance contract. (2016/17: Achieved)
	Council's Water Supply Bylaw shall be enforced	Council shall provide for monitoring of the bylaw	2017/18: Achieved: All new building consents are reviewed by the Utilities Engineer to ensure compliance with the WDC Water Supply Bylaw. (2016/17: Achieved)
		All known breaches of the bylaw shall be addressed as provided for in the bylaw	2017/18: Achieved: No breaches have been identified in 17/18. (2016/17: Not Measured)
Council shall meet the requirements of the Drinking Water Standards (NZDWS)	Bacterial compliance shall be monitored in accordance with part 4 of the Drinking Water Standards Protozoal compliance shall be monitored in accordance with part 5 of the Drinking Water Standards	2017/18: Not Achieved: All Water Treatment Plants and supplies met the NZDWS except Mahanga which is currently being managed through a Water Safety Plan. Water is currently chlorinated. Mahanga is on a permanent boil water notice and the supply is only to top up the residents' water tank in emergency situations. As a result of the binding referendum Mahanga is going to have a reticulated drink water supply installed. (2016/17: Not Achieved)	

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	Customers will have water service available to them except during planned maintenance or an emergency	No CSRs regarding unplanned or emergency shutdowns Planned shutdowns are advertised	2017/18: Achieved: No CSR complaints received indicating a lack of water service. (2016/17: Not Achieved) 2017/18: Achieved. Note no planned shutdowns were undertaken. (2016/17: Not Measured)
	The taste, smell and look of the water are monitored	Compliance with the Drinking Water Standards in accordance with requirements of the Health Act in relation to taste, smell and look (aesthetic determinants)	2017/18: Not Achieved: No complaints received relating to taste or smell in the Wairoa Supply. However, only 1 complaint was received for murky water. (2016/17: Not Achieved)
	Council shall comply with conditions of consent for all systems.	There shall be no abatement notices, infringement notices, enforcement orders or convictions in relation to resource consents	2017/18 Achieved: HBRC Consent for Frasertown and Tuai Water Treatment Plants are complied with. Mahanga Consent and Water Permit conditions were Achieved. (2016/17: Achieved)
Council will maintain water supplies to ensure long-term sustainability	Asset database to be maintained	Asset database to be maintained up to date including all additions and disposals Critical assets identified Develop programme for condition assessments of the reticulation	2017/18: Achieved: The Engineering Department maintains the Asset Finda Database with all associated contractor and council works. (2016/17: Achieved) 2017/18: Achieved: The Critical Assets are identified in section 4.6.2 of the 3 Waters AMP. (2016/17: Not measured) 2017/18: Not Achieved: The development of a programme of condition assessment is part of the improvement plan in the 3 Waters AMP. (2016/17: Not measured)
	% of water loss from the reticulation systems through leakage, shall reduce with time	% water loss* shall not exceed 20% <i>*calculated as difference between quantity of water produced and that consumed based on per capita standard consumption</i>	2017/18: Not Achieved: This was assessed for the first time for Wairoa township by determining the minimum night flows. This shows that % water loss is approximately 50% of water supplied. The loss is high but not unusual for small communities. The investigations are underway to identify the strategy for reducing the losses. (2016/17: Not Measured)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	The average consumption of drinking water per day per resident shall reduce with time (due to system leakage, estimated 2014 consumption is 1,400m ³ /person/day)	The average consumption of drinking water per day per resident shall be less than 1,200m ³ - <i>Please Note: This figure should read in Litres and will be amended in the LTP 2018</i>	2017/18: Achieved: Average Water Consumed per resident in Wairoa township per Day Is 535 litres or 0.535m ³ . (2016/17: Achieved).
	All maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process Works to be within budget +/- 5%	2017/18: Achieved (2016/17: Achieved) 2017/18: Achieved (2016/17: Achieved)
	Operational and maintenance activities are undertaken in a safe and healthy manner	No health and safety non compliances are received or issued. Annual Review of hazards register.	2017/18: Achieved (2016/17: Achieved) 2017/18: Achieved (2016/17: Achieved)
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	2017/18: Achieved; 81% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction Survey. (2016/17: Achieved: 92%)
	Council shall respond to faults / interruptions in the network reticulation	The median response time to attend a fault/interruption to the network reticulation from receiving notification to the time that service personnel reach the site shall not exceed 4 hours for URGENT call-outs. The median response time to confirm resolution of the blockage or other fault from receiving notification shall not exceed 4 hours for URGENT call-outs. The median response time to attend a fault/interruption to the network reticulation from receiving notification to the time that service personnel reach the site shall not exceed 4 hours for NON-URGENT call-outs. The median response time to confirm resolution of the blockage or other fault from receiving notification shall not exceed 4 hours for NON-URGENT call-outs.	2017/18: Achieved 2017/18: Achieved Urgent Median response time to resolution: 3.52 Hours (2016/17: Achieved) Note the arrival time on site has not been recorded in the CRS database. However the target for arrival is the same as resolution target. The resolution time frame has been achieved so the arrival on site target must also have been achieved. (2016/17: Achieved) 2017/18: Achieved Non-urgent Median response time to resolution: 3 Hours.

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	Complaints received annually shall not exceed: 20 for drinking water clarity 20 for drinking water taste 20 for drinking water odour 40 for drinking water pressure or flow 40 for continuity of supply 20 for response to issues Expressed per 1000 connections.	Complaints received annually shall not exceed: 20 for drinking water clarity 20 for drinking water taste 20 for drinking water odour 40 for drinking water pressure or flow 40 for continuity of supply 20 for response to issues Expressed per 1000 connections.	2017/18: Achieved; Complaints received through the CSR system in regard to: <ul style="list-style-type: none"> • 1 drinking water clarity • 0 drinking water taste • 0 drinking water odour • 10 drinking water pressure • 16 continuity of supply • 7 Response to issues NB: Values expressed are the total complaints received, not expressed as complaints per 1,000 connections. (2016/17: Achieved)
Council will implement systems/processes to ensure continued service delivery in emergency events	Contingency plans shall be implemented for emergency events such as earthquake, tsunami, fire which result in the inability to provide the service	Annual meeting with civil defence team Contingency plans shall be developed	2017/18: Achieved: Programmed Earthquake actuation valves have been placed on at risk reservoirs. Council has Civil Defence Contingency Plans in place for earthquake, tsunami and fire events. Also the Water Supply Plan details responses issues specific to the water supply service. (2016/17: Achieved)
	There shall be a minimum of 24-hours' storage of potable water at all times	There shall be a minimum of 24-hours' storage of potable water at all times	2017/18: Achieved: Capacity The new Reservoir was commissioned in late 2017. (2016/17: Not Achieved)

COMMUNITY SURVEY - PERFORMANCE RATING									
Water Supply (Users)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Very Satisfied/fairly satisfied	84%	88%	92%	95%	92%	93%	96%	93%	81%
Not very satisfied	14%	9%	7%	5%	8%	7%	4%	7%	17%
Don't know/NA	2%	3%	1%						2%



FUNDING IMPACT STATEMENT - WATER SUPPLY

For the year ending 30 June 2018

	ACTUAL 2017/18 (\$ 000)	BUDGET 2017/18 (\$ 000)	LTP 2017/18 (\$ 000)	LTP 2016/17 (\$ 000)
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	1,070	1,062	1,144	1,054
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	358	1,051	1,122	1,134
Local authorities fuel tax, fines, infringement fees, and other receipts	-	50	127	134
Total Operating Funding	1,428	2,163	2,393	2,322
Applications of Operating Funding				
Payments to staff and suppliers	1,055	1,413	1,574	1,585
Finance costs	(3)	14	119	113
Internal Charges and overheads applied	338	295	317	298
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,390	1,722	2,010	1,996
Surplus (Deficit) of operating funding	38	441	383	326
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	484	1,000
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	241	107	104
Gross proceeds from sale of assets	-	-	10	10
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	241	601	1,114
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	10	-	-
- to improve the level of service	77	231	107	104
- to replace existing assets	559	883	1,714	1,801
Increase (Decrease) in reserves	(598)	(442)	(837)	(465)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	38	682	984	1,440
Surplus (Deficit) of capital funding	(38)	(441)	(383)	(326)
Funding Balance	-	-	-	-

Stormwater

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

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

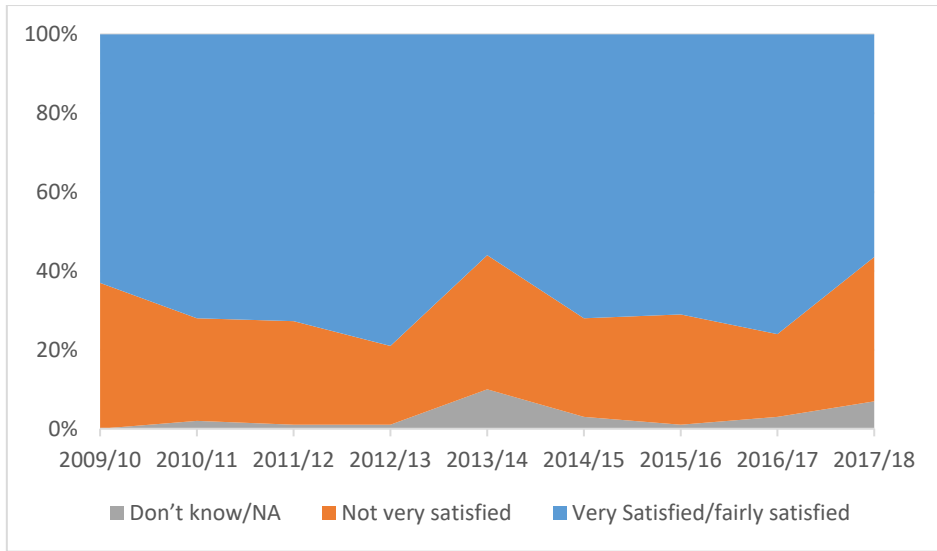
Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will own, operate and maintain a storm water system within the town limits of Wairoa, Tuai and Mahia that will protect properties from flooding events	All domestic households and non-domestic premises connected to the storm water system will be provided with a service that removes storm water from their properties	Council will have in place at all time, suitable storm water system operation and maintenance contracts and arrangements to provide the services outlined	2017/18: Not Achieved; Fulton Hogan are contracted for the year to provide all required services, however CSR's associated with concerns over storm water issues were raised covering a wide area from open rural drains being blocked to domestic property owners. All CSR's addressed and closed off. (2016/17: Not Achieved)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through the Annual Plan process	2017/18: Achieved; No reports received indicating any concerns with associated costs specific to this activity. Long-term Plan and Annual Plan consultation processes provide opportunity for community to raise willingness to pay issues. (2016/17: Achieved)
	The storm water system shall be managed to limit the number of flooding events where 'flooding event' means an overflow of storm water from the storm water system and the impact of those flooding events on properties	There shall be no more than 10 flooding events For each flooding event, the number of habitable floors affected shall not exceed 50 per 1000 properties connected to the system	2017/18: Not Achieved: There were 14 flooding events in the year. (2016/17: Achieved) 2017/18: Achieved: In the 14 flood events total habitable floors recorded as flooded was 3. (2016/17: Not measured)
Council will comply with current legislation and Council bylaws	Council shall meet all legislation requirements	Annual review of current legislation for compliance	2017/18: Achieved: Council is compliant with all Acts impacting this activity. However no consents have been obtained for Stormwater outfalls. (2016/17: Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	Council shall comply with conditions of consent for any systems	There shall be no abatement notices, infringement notices, enforcement orders or convictions in relation to resource consents	2017/18: Not assessed. (2016/17: Not assessed)
	Council's Stormwater Bylaw shall be enforced (once adopted)	Council shall provide for monitoring of the bylaw All known breaches of the bylaw shall be addressed as provided for in the bylaw	2017/18: Not Achieved: The bylaw has not been adopted by Council. (2016/17: Not Achieved) 2017/18: Not measured. (2016/17: Not measured)
Council will maintain storm water systems to ensure long-term sustainability	Asset database to be maintained	Asset database to be maintained up to date including all additions and disposals	2017/18: Achieved: Assetfinda maintains the Asset Database. (2016/17: Achieved)
		Condition assessment of assets 50% of assets	2017/18: Not Achieved: Condition assessment work is focused on the sewer network. (2016/17: Not Achieved)
		Critical assets identified	2017/18: Achieved: Note no critical assets have been identified. See section 4.6.2 of the 3 Waters AMP. (2016/17: Achieved)
	Address impacts of infiltration and inflow into Wairoa system	Address impacts of infiltration and inflow into Wairoa system as they arise	2017/18: Achieved: Trial project was completed and the telemetry monitoring system shows the success of the project's achievement. (2016/17: Achieved)
	All maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process Works to be within budget +/- 5%	2017/18: Achieved (2016/17: Achieved) 2017/18: Achieved: Targets were achieved with respect to piping open drains. The project to renew the Crarer – Carroll Street pipeline is absorbed into this programme, and CCTV installation project was superseded. (2016/17: Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	Operational and maintenance activities are undertaken in a safe and healthy manner	No health and safety non compliances are received or issued. Annual Review of hazard register.	2017/18: Achieved: No reported Health & Safety incidences or non-compliances. (2016/17: Achieved) 2017/18: Achieved: Hazard Register was reviewed on 30 June 2018. (2016/17: Not Achieved)
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	2017/18: Not Achieved; 61% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' In the annual public satisfaction survey. (2016/17: Not Achieved: 76%)
	Council shall respond to faults / interruptions in the network reticulation	The median response time to attend a flooding event from receiving notification to the time that service personnel reach the site shall not exceed 4 hours	2017/18: Not Achieved. (2016/17: Not Achieved)
	The total number of complaints received shall not exceed 50 per 1000 connections	The total number of complaints received shall not exceed 50 per 1000 connections	2017/18: Achieved: Total number received is 40. (2016/17: Achieved - 44 CSRs received.)
Council will implement systems/processes to ensure continued service delivery in emergency events	Contingency plans shall be implemented for emergency events such as flooding, earthquake, tsunami, fire which result in the inability to provide the service	Annual meeting with civil defence team Contingency plans shall be reviewed.	2017/18: Achieved (2016/17: Achieved) 2017/18: Achieved: Council has Civil Defence Contingency Plans in place for events. (2016/17: Achieved)

COMMUNITY SURVEY - PERFORMANCE RATING									
Stormwater (those connected)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Very Satisfied/fairly satisfied	63%	72%	72%	79%	56%	72%	71%	76%	57%
Not very satisfied	37%	26%	27%	20%	34%	25%	28%	21%	36%
Don't know/NA		2%	1%	1%	10%	3%	1%	3%	7%



FUNDING IMPACT STATEMENT - STORMWATER

For the year ending 30 June 2018

	ACTUAL 2017/18 (\$ 000)	BUDGET 2017/18 (\$ 000)	LTP 2017/18 (\$ 000)	LTP 2016/17 (\$ 000)
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	435	451	418	393
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	19	65	74
Total Operating Funding	435	470	483	467
Applications of Operating Funding				
Payments to staff and suppliers	102	138	114	110
Finance costs	102	18	85	79
Internal Charges and overheads applied	105	126	124	117
Other operating funding applications	-	-	-	-
Total applications of operating funding	309	282	323	306
Surplus (Deficit) of operating funding	126	188	160	161
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	307	107	104
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	307	107	104
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	368	307	107	104
- to replace existing assets	39	430	407	472
Increase (Decrease) in reserves	(281)	(242)	(247)	(311)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	126	495	267	265
Surplus (Deficit) of capital funding	(126)	(188)	(160)	(161)
Funding Balance	-	-	-	-

Wastewater

The wastewater activity primarily contributes to the following community outcomes:

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

Service Levels and Performance Measures

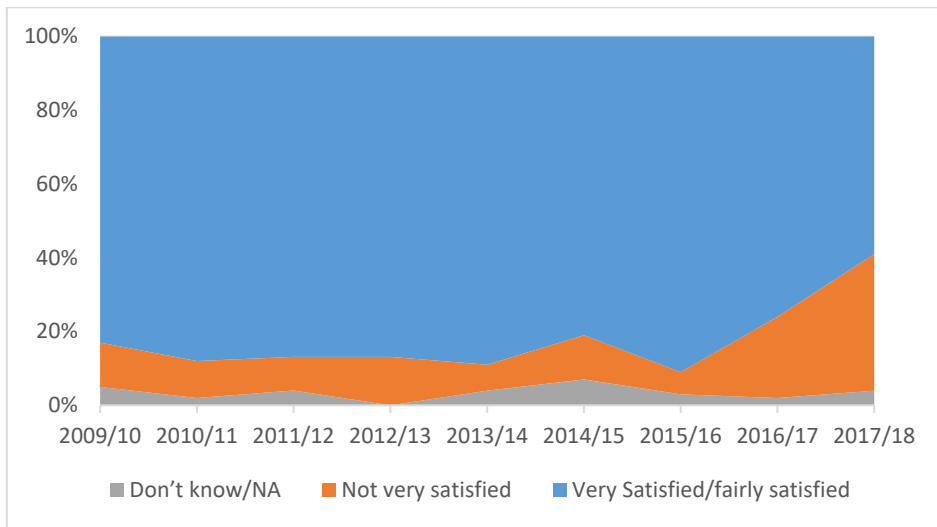
LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will own, operate and maintain a sewer system to Wairoa, Tuai, Mahia and Opoutama that removes wastewater from properties and protects public health and the environment	All domestic householders and non-domestic premises connected to the sewer system will be provided with a service that removes wastewater from their properties	Council will have in place at all time, suitable wastewater system operation and maintenance contracts and arrangements to provide the services outlined	2017/18: Not Achieved: Fulton Hogan are contracted to supply wastewater system maintenance, renewal and capital work. Wairoa, Tuai, Mahia and Opoutama have operational centralized wastewater schemes. Failures of the system do and have occurred, failures mainly associated with wet weather events and power outages. (2016/17: Not Achieved)
	Council will provide, operate and maintain treatment facilities to enable appropriate disposal/discharge of wastewater	Council will have in place at all time, suitable wastewater system operation and maintenance contracts and arrangements to provide the services outlined	2017/18: Achieved: All operational and maintenance work completed through the council Three Waters Contract. (2016/17: Achieved)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through the Annual Plan process	2017/18: Achieved: There were no reports received indicating any concerns with associated costs specific to this activity. Long-term Plan and Annual Plan consultation processes provide opportunity for community to raise willingness to pay Issues. (2016/17: Achieved)
	The provision of facilities shall be adequate for current and foreseeable demand	Implementation of programme towards renewal of the Wairoa consent	2017/18: Achieved. The process towards renewal of the discharge consent for the Wairoa Treatment Plant has started. (2016/17: Achieved)
Council will comply with current legislation and Council bylaws	Council shall meet all legislative requirements	Annual review of current legislation for compliance	2017/18: Not Achieved: The Council meets all legislative requirements through the Building Act and Council Bylaws except the Wairoa Wastewater Discharge Consent during and immediately after heavy rain events due to infiltration and inflow.

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
			(2016/17: Not Achieved)
	Council shall comply with conditions of consent for all systems	There shall be no abatement notices, infringement notices, enforcement orders or convictions in relation to resource consents for the Wairoa, Mahia, Opoutama or Tuai systems Council shall report 6-monthly to HBRC on progress in relation to the inflow and infiltration study and associated renewals/rehabilitation	2017/18: Not Achieved: There have been multiple breaches of the Wairoa Wastewater discharge consent due to infiltration and inflow during and immediately after heavy rain events. The measures to address these issues have been agreed with the HBRC and to-date no enforcement orders or convictions have been issued related to this consent. (2016/17: Not Achieved) 2017/18: Achieved: by ongoing communication to HBRC. (2016/17: Not Measured)
	There shall be no dry weather sewerage overflows	There shall be no dry weather sewerage overflows for the Wairoa, Mahia, Opoutama or Tuai systems	2017/18: Not Achieved: There is 1 report in the CSR system of sewerage on properties which was not associated with a rain event. (2016/17: Achieved)
	Council's Trade Waste and Wastewater Bylaw shall be enforced	Council shall provide for monitoring of the bylaw All known breaches of the bylaw shall be addressed as provided for in the bylaw	2017/18: Not Assessed: All new building consents are reviewed by the Utilities Engineer. Note none reviewed in the current year required compliance with the bylaw. There is no active monitoring of the current connections. (2016/17: Achieved) 2017/18: Not Assessed. (2016/17: Not Assessed)
Council will maintain wastewater facilities to ensure long-term sustainability	Asset database to be maintained	Asset database to be maintained up to date including all additions and disposals Critical assets identified	2017/18: Achieved: Asset Finda is maintained as an Asset Database recording all wastewater assets. (2016/17: Achieved) 2017/18: Achieved: The Critical Assets are identified in section 4.6.2 of the 3 Waters AMP. (2016/17: Not Measured)
	Address infiltration and inflow into the Wairoa system	Infiltration and inflow physical investigations and remedial works – set program and budget for Annual Plan	2017/18: Achieved: The programme to address inflow and infiltration is identified in section 6.7 of the 3 Waters AMP. (2016/17: Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	All maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process Works to be within budget +/- 5%	2017/18: Achieved (2016/17: Achieved) 2017/18: Achieved: All maintenance, programmed and reactive works have been completed on time. Renewal expenditure was within the stated tolerance. (2016/17: Achieved)
	Operational and maintenance activities are undertaken in a safe and healthy manner	No health and safety non compliances are received or issued. Annual Review of hazard register.	2017/18: Achieved: There are no reported or recorded incidences of Health & Safety non-compliance) (2016/17: Achieved) 2017/18: Achieved: (2016/17: Achieved)
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	2017/18: Not Achieved; 62% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2016/17: Not Achieved: 76%)
	Council shall respond to sewerage overflows resulting from a blockage or other fault in the sewerage system	The median response time to attend an overflow from receiving notification to the time that service personnel reach the site shall not exceed 4 hours The median response time to confirm resolution of the blockage or other fault from receiving notification shall not exceed 4 hours	2017/18: Not Assessed: The response time to site has not been recorded in the CSR system. (2016/17: Not Achieved) 2017/18: Not Achieved: 20 hrs was the median CSR. Note: this result has been skewed by a number of CSR's related to Mahia alarms going off due to house holder operation which has not related to any sewage overflow. Additionally blockage jobs that were identified have been kept open until a permanent solution was achieved. (2016/17: Not Measured)
	The total number of complaints received shall reduce each year	Complaints received shall not exceed: <ul style="list-style-type: none"> • 20 for sewerage odour • 20 for sewerage system faults • 20 for sewerage system blockages • 20 for response to issues with sewerage system Per annum and expressed per 1000 connections.	2017/18: Achieved: <ul style="list-style-type: none"> •1 for sewerage odour •20 for sewerage system faults •31 for sewerage system blockages •2 for response to issues with sewerage system. for all 2288 connections (2016/17: Not Achieved)
Council will implement systems/processes to ensure continued service delivery in emergency events	Contingency plans shall be implemented for emergency events such as flooding, earthquake, tsunami, fire which result in the inability to provide the service	Annual meeting with civil defence team	2017/18: Achieved: Note Civil defence is now managed by a Hawke's Bay Emergency Response Group. (2016/17: Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
		Contingency plans shall be reviewed	2017/18: Achieved: The Hawke's Bay Emergency Response Group has developed new documents. (2016/17: Achieved)

COMMUNITY SURVEY - PERFORMANCE RATING									
Sewerage (Users)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Very Satisfied/fairly satisfied	83%	88%	86%	87%	89%	81%	91%	76%	59%
Not very satisfied	12%	10%	10%	13%	7%	12%	6%	22%	37%
Don't know/NA	5%	2%	4%		4%	7%	3%	2%	4%



FUNDING IMPACT STATEMENT - WASTEWATER

For the year ending 30 June 2018

	ACTUAL 2017/18 (\$ 000)	BUDGET 2017/18 (\$ 000)	LTP 2017/18 (\$ 000)	LTP 2016/17 (\$ 000)
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	1,285	1,404	1,462	1,391
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	42	3	8	8
Local authorities fuel tax, fines, infringement fees, and other receipts	-	58	105	124
Total Operating Funding	1,327	1,465	1,575	1,523
Applications of Operating Funding				
Payments to staff and suppliers	1,348	743	696	669
Finance costs	397	315	100	90
Internal Charges and overheads applied	502	373	239	225
Other operating funding applications	-	-	-	-
Total applications of operating funding	2,247	1,431	1,035	984
Surplus (Deficit) of operating funding	(920)	34	540	539
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	254	171	83
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	634	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	634	254	171	83
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	7	318	214	104
- to replace existing assets	1,442	1,614	914	884
Increase (Decrease) in reserves	(1,735)	(1,644)	(417)	(366)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	(286)	288	711	622
Surplus (Deficit) of capital funding	920	(34)	(540)	(539)
Funding Balance	-	-	-	-

FUNDING IMPACT STATEMENT - WATER SERVICES

For the year ending 30 June 2018

	ACTUAL 2017/18 (\$ 000)	BUDGET 2017/18 (\$ 000)	LTP 2017/18 (\$ 000)	LTP 2016/17 (\$ 000)
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	2,790	2,917	3,024	2,838
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	401	1,054	1,130	1,141
Local authorities fuel tax, fines, infringement fees, and other receipts	-	126	297	333
Total Operating Funding	3,191	4,097	4,451	4,312
Applications of Operating Funding				
Payments to staff and suppliers	2,505	2,295	2,384	2,364
Finance costs	496	347	305	283
Internal Charges and overheads applied	945	793	680	640
Other operating funding applications	-	-	-	-
Total applications of operating funding	3,946	3,435	3,369	3,287
Surplus (Deficit) of operating funding	(755)	662	1,082	1,025
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	484	1,000
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	802	385	291
Gross proceeds from sale of assets	-	-	10	10
Lump sum contributions	634	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	634	802	879	1,301
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	10	-	-
- to improve the level of service	453	855	428	311
- to replace existing assets	2,038	2,926	3,034	3,158
Increase (Decrease) in reserves	(2,612)	(2,327)	(1,501)	(1,143)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	(121)	1,464	1,961	2,326
Surplus (Deficit) of capital funding	755	(662)	(1,082)	(1,025)
Funding Balance	-	-	-	-

ACTIVITY GROUP TWO - WASTE MANAGEMENT

1. Waste Management

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

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

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

Service Levels and Performance Measures

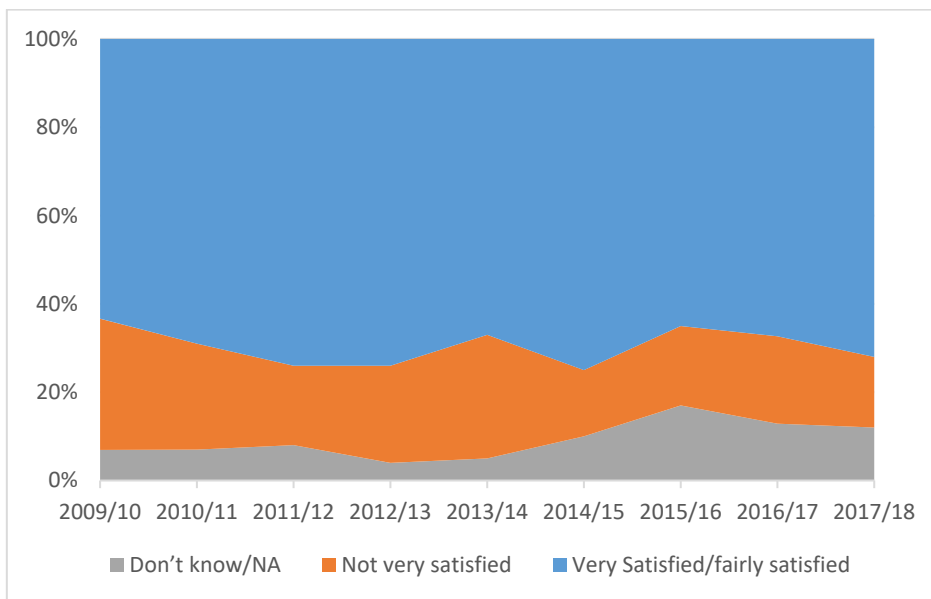
LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will continue to own and deliver the waste management activity to ensure protection of public health and the environment	All domestic households and non-domestic premises have access to a disposal method for their waste, whether this is a kerbside collection, drop-off point or landfill disposal	Council will have in place at all time, suitable waste management contracts and arrangements to provide the services outlined	2017/18: Achieved: Council's contractor carries out weekly kerbside refuse collections in Wairoa, Nuhaka, Mahia and Frasertown. Council's contractor operates the Wairoa Landfill seven days a week, which is open to both domestic and non-domestic users. No evidence of changes to collections by contractor. (2016/17: Achieved)
	A reliable recyclables service will be provided: <ul style="list-style-type: none"> weekly from the kerbside in Wairoa & Frasertown fortnightly at specified drop-off points from Mahia, Nuhaka and Mohaka 	Council will have in place at all time, suitable waste management contracts and arrangements to provide the services outlined	2017/18: Achieved: Council's contractor carries out weekly kerbside recycling collections No evidence of changes to collections by contractor. (2016/17: Achieved)
	Council will operate and maintain the Wairoa landfill for the disposal of domestic and commercial refuse, being open for the public at least: <ul style="list-style-type: none"> 5 hours per day 359 days per year 	Council will have in place at all time, suitable waste management contracts and arrangements to provide the services outlined	2017/18: Achieved: Wairoa Landfill is open 6 hours per day, closing only on the following days: 1, 2 January, Good Friday, Easter Sunday, 25/26 December and closed for two hours on ANZAC day. No evidence of variations to opening times by contractor except as advertised for public holiday closures. (2016/17: Achieved)
	Council shall continue to provide for the community-run waste disposal and recycling service in Waikaremoana and Raupunga	Council will have in place at all time, suitable waste management contracts and arrangements to provide the services outlined	2017/18: Achieved: Waste management in the Waikaremoana and Raupunga areas are community-run services facilitated by Council in partnership with local organisations. (2016/17: Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	Council will provide for the disposal of hazardous waste	Council will have in place at all time, suitable waste management contracts and arrangements to provide the services outlined	2017/18: Achieved: Council and contractor have procedures in place to deal with Asbestos and other hazardous waste. This is done by GPS recording locations in the landfill in accordance with resource consent. (2016/17: Achieved)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through the Annual Plan process	2017/18: 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. (2016/17: Achieved)
	Most appropriate form of service delivery to be provided	New contract implemented.	2017/18: Achieved: No change in circumstances have warranted change for Council's service delivery. A new contract was put out for tender in May 2018, retaining the same levels of service. (2016/17: Achieved)
Council will comply with current legislation and Council bylaws	Council shall meet all legislative requirements, in particular the Litter Act 1979	Review current legislation for compliance	2017/18: Achieved: Council provides numerous litter bins around the district in particular in urban and other high traffic areas in accordance with the Litter Act. The Act is monitored and reviewed regularly for any changes. (2016/17: Achieved)
	Council will comply with all resource consent conditions	There shall be no breaches of consent conditions	2017/18: Achieved: No breaches of resource consents. Monitoring undertaken on behalf of Council. (2016/17: Achieved)
	Review and update current bylaws to support effective and efficient waste minimisation; addressing issues such as illegal dumping, litter, private waste collections and community-based services	Council shall provide for monitoring of the bylaw All known breaches of the bylaw shall be addressed as provided for in the bylaw	2017/18: Not Achieved: Bylaws have not been changed from previous year. No change in circumstances have warranted change for Council's service delivery. Any breaches are recorded in the CSR system or infringement fines and managed as provided for in the bylaw. (2016/17: Not achieved)
Council will maintain the landfill to ensure long-term sustainability	Asset database to be maintained including additions and disposal as well as condition information	Detailed condition assessment of all assets	2017/18: Partially achieved: Progress on asset database under development. (2016/17: Partially achieved.)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	Council will undertake a continual improvement approach with the aim of continually reducing the amount of waste going into the landfill	Waste going into the landfill is reducing Implement waste education programme Develop programme of implementation Audit to measure the types and amounts of waste into the landfill	2017/18: Not achieved, slight increase in volume of waste going to landfill. (2016/17: Achieved) 2017/18: Not measured (2016/17: Achieved) 2017/18: Not measured (2016/17: Not measured) 2017/18: Not measured (2016/17: Not measured)
Council will undertake operational, maintenance and renewals activities in a cost-effective manner	All maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process Works to be within budget +/- 5%	2017/18: Achieved: as per contractor schedule. (2016/17: Achieved) 2017-18: Achieved (2016/17: Not measured)
	Landfill and recycling area will be well maintained, clean and tidy at all times	No complaints regarding the tidiness of the landfill area.	2017/18: Achieved: Duty to maintain the Landfill and Recycling area is detailed in the contract and monitored by council staff, working with the contractor. No complaints were received. (2016/17: Achieved)
	Council shall implement measures to control the spread of litter in Wairoa, Mahia and on reserves	Litter bins shall be serviced and maintained in accordance with the Litter Act 1979 CSR reports of litter and fly dumping will be cleared	2017/18: Achieved: Contractors regularly review all areas to ensure compliance. (2016/17: Achieved) 2017-18: Not measured (2016/17: Not measured)
	Operational and maintenance activities are undertaken in a safe and healthy manner	No health and safety non compliances are received or issued. Annual Review of hazard register.	2017/18: Not achieved: Customer Service Requests (CSR) received, dealt with via meeting and change in work practices... (2016/17: Not Achieved.) 2017-18: Not measured (2016/17: Not measured)
Customers will receive a prompt and efficient service	Council will monitor opening and closing times to ensure people are satisfied	Review CSR/Annual Plan submissions regarding landfill opening and closing times Set program for public consultation in opening and closing times	2017/18: Achieved: No CSRs received in regards to the landfill's opening and closing times. Section 17a stage 2 review will consider future options. No evidence of variations to opening times by contractor except as advertised for public holiday closures. Additional hours provided on weekends around peak holiday season. Consulted upon for Long-term Plan 2018-28. (2016/17: Achieved)
	Level of customer satisfaction through annual survey indicates 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	2017/18: Not Achieved. Satisfaction result of very and fairly satisfied was 68%. (2016/17: Not Achieved: 68%.)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	Analysis of CSR complaints to enable issues to be addressed	Number of complaints shall reduce	2017/18: Not Achieved: 23 CSRs were received and dealt with via contractors to remedy issues. Largely around non-collection of recycling. (2016/17: Not Achieved 17 CSRs, up from 2 in 2015/16)
Council will implement systems/processes to ensure continued service delivery in emergency events	Contingency plans shall be implemented for emergency events e.g. pandemics where additional collection services are required or where access is prevented due to flooding	Annual meeting with civil defence team Contingency plans shall be reviewed.	2017/18: Achieved. Contingency plans are developed and adopted, contingency plans were not required to have been implemented during this time period. (2016/17: Achieved.)

COMMUNITY SURVEY - PERFORMANCE RATING									
Waste Management	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Very Satisfied/fairly satisfied	64%	69%	74%	74%	67%	75%	65%	68%	72%
Not very satisfied	29%	24%	18%	22%	28%	15%	18%	19%	16%
Don't know/NA	7%	7%	8%	4%	5%	10%	17%	13%	12%



FUNDING IMPACT STATEMENT - WASTE MANAGEMENT

For the year ending 30 June 2018

	ACTUAL 2017/18 (\$ 000)	BUDGET 2017/18 (\$ 000)	LTP 2017/18 (\$ 000)	LTP 2016/17 (\$ 000)
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	772	809	847	823
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	451	362	368	359
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	1,223	1,171	1,215	1,182
Applications of Operating Funding				
Payments to staff and suppliers	1,196	903	909	886
Finance costs	70	6	47	47
Internal Charges and overheads applied	228	165	174	164
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,494	1,074	1,130	1,097
Surplus (Deficit) of operating funding	(271)	97	85	85
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	95	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	95	-	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	95	-	-
- to replace existing assets	19	133	63	10
Increase (Decrease) in reserves	(290)	(36)	22	75
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	(271)	192	85	85
Surplus (Deficit) of capital funding	271	(97)	(85)	(85)
Funding Balance				
Group depreciation and amortisation	80	99	95	95

WASTE MANAGEMENT*Statement of Cost of Service for the year ended 30 June 2018*

	COSTS	REVENUE	NET COST	BUDGETED	LTP	ACTUAL
	2017/18	2017/18	2017/18	NET COST	NET COST	NET COST
	(\$ 000)	(\$ 000)	(\$ 000)	2017/18	2017/18	2016/17
				(\$ 000)	(\$ 000)	(\$ 000)
Waste Management	1,574	451	1,123	811	847	878
	<u>1,574</u>	<u>451</u>	<u>1,123</u>	<u>811</u>	<u>847</u>	<u>878</u>
Projects	COSTS	REVENUE	NET COST	BUDGETED	LTP	ACTUAL
	2017/18	2017/18	2017/18	GROSS COST	GROSS COST	GROSS COST
	(\$ 000)	(\$ 000)	(\$ 000)	2017/18	2017/18	2016/17
				(\$ 000)	(\$ 000)	(\$ 000)
Waste Management	19	-	19	228	63	-
	<u>19</u>	<u>-</u>	<u>19</u>	<u>228</u>	<u>63</u>	<u>-</u>
Application of capital funding						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	-	-	-	95	-	-
- to replace existing assets	19	-	19	133	63	-
	<u>19</u>	<u>-</u>	<u>19</u>	<u>228</u>	<u>63</u>	<u>-</u>

ACTIVITY GROUP THREE - TRANSPORT

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

Land Transport (district funded & NZ Transport Agency subsidised)

The land transport activity contributes to the following community outcomes:

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

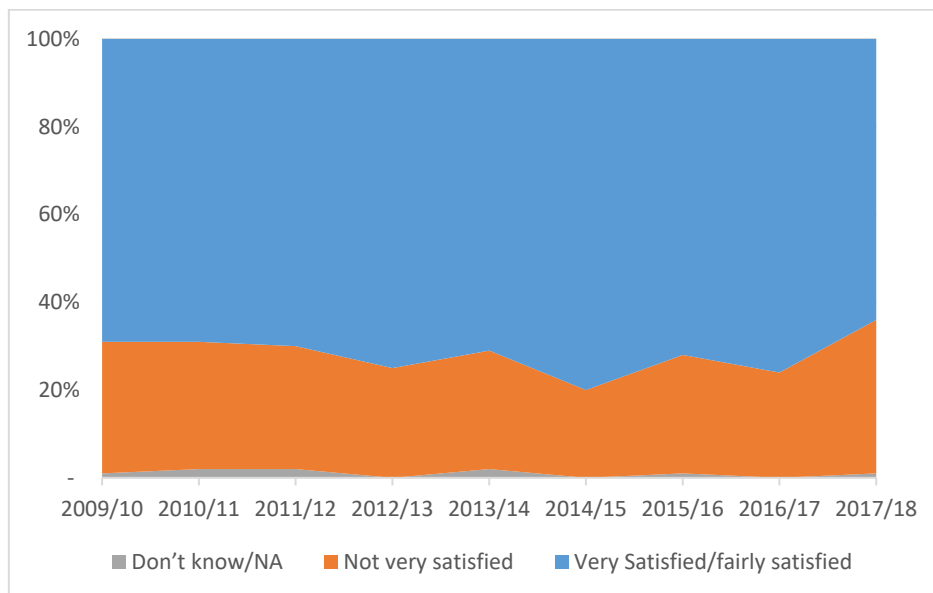
Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ASSESSMENT
Council delivers a land transport system to the community	The land transport network is trafficable at all times, other than when affected by natural events (e.g. slips) and notified planned road closures	The land transport network is trafficable at all times (excluding natural events or notified road closures)	2017/18: Not Achieved – Mahia East Coast Road (2016/17: Not Achieved: Kinikini Road-loss of traction HV.)
	Road closures for planned events (e.g. rallies, bridge repairs etc.) are notified through public notices and residents of affected roads informed.	Road closures for planned events are publically notified	2017/18: Achieved (2016/17: Achieved.)
Council will manage the land transport system in a sustainable manner, sufficient to meet the current and projected demand	The percentage of the sealed local road network that is resurfaced, expressed as a number (<i>new mandatory performance measure</i>)	The percentage of the sealed local road network that is resurfaced, expressed as a number	2017/18: 8.609km/300.844 = 2.8% (2016/17: 16.4km/300.844 = 5.45%)
Customers will receive a prompt and efficient service	The public and other road users satisfied with the overall level of service provided. Target is to have no less than 75% of respondents consider the land transport service to be 'fairly good, very good, or better', as measured by the annual public satisfaction survey.	75% satisfaction rating	2017/18: Not Achieved. 64% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2016/17: Achieved. 76% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey.)
	All requests for service and complaints are dealt with properly and promptly. Appropriate Council staff contact and discuss complaints received with complainants (subject to contact details being provided) in an effort to improve relationships and responsiveness to customers. 90% of all CSRs and complaints are dealt with within the prescribed timeframes (<i>new mandatory performance measure</i>)	90% of CSRs are dealt with within the prescribed timeframes	2017/18: Not achieved: : 79% (350 of 441) CSRs were completed within the prescribed timeframe (2016/17: Not achieved: 80% (381 of 474) CSRs were completed within the prescribed timeframe.)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ASSESSMENT
The district-funded footpaths will be maintained in good order	Not more than the number of footpath complaints and CSRs received than the previous year	Not more than the number of footpath CSRs received than the previous year	2017/18: Achieved, 4 received (2016/17: Achieved: 14 footpath related CSRs for 2016/17 compared to 18 in 2015/16.)
	The percentage of footpaths that fall within the level of service or standard of condition of footpaths set out in Council's relevant document, expressed as a number (<i>new mandatory performance measure</i>)	The percentage of footpaths that fall within the level of service or standard of condition of footpaths set out in Council's relevant document	2017/18: Not Measured. (2016/17: Not Achieved: Condition data not obtained.)
The district-funded land transport activity will contribute to overall road safety by adequately catering for pedestrians, cyclists and other non-motorised road users	Walking & Cycling Strategy programme to be implemented. (<i>Note that general road safety and vehicular safety in particular is dealt with in the NZTA-funded activities</i>)	Walking & Cycling Strategy programme implemented	2017/18: Achieved. Construction of new footpaths. (2016/17: Achieved: Whakamahia walkway construction completed and construction of new footpaths as per the strategy. Other works are ongoing as per the strategy.)
The district-funded streetlights will be maintained in good order	Not more than the number of streetlight complaints and CSRs received than the previous year (<i>Note that most streetlights are covered by the NZTA-subsidised activities. Non-subsidised streetlights are those in place for amenity or not specifically related to road safety</i>)	Not more than the number of streetlight CSRs received than the previous year	2017/18: Achieved: 66. (2016/17: Not Achieved: 88 streetlight-related CSRs for 2016/17 compared to 71 in 2015/16.)
Council provides car parking that is sufficient to meet the current and projected demand	The Wairoa Township and Mahia Beach car parking facilities will be accessible at all times, other than when affected by natural events (e.g. flooding) and notified planned road closures	Public car parking facilities will be accessible at all times (excluding natural events and notified road closures)	2017/18: Achieved: No reported or recorded instances. (2016/17: Achieved: No reported or recorded blocked parking for 2016/17.)
	Not more than the number of parking complaints and CSRs received than the previous year	Not more than the number of parking CSRs received than the previous year	2017/18: Achieved 1 Parking related CSR received. (2016/17: Achieved: 1 Parking related CSR received for 2016/17 compared to 1 in 2015/16)
The service is provided at a reasonable cost (value for money)	The costs of these services are consulted on annually	Annual Plan delivered to the community	2017/18: Achieved. Consultation undertaken on 2017/18 Annual Plan. (2016/17: Not Achieved. No consultation undertaken on 2016/17 Annual Plan.)
	Local supplier opportunities to be considered prior to engagement of an external supplier to reduce overhead costs and increase in-house efficiency	Local suppliers are engaged in roading related contracts	2017/18: Achieved: Tender/procurement process utilised incorporates consideration of local supplier score in non-essential criteria. (2016/17: Achieved: Tender process utilised incorporates consideration of local supplier score in non-essential criteria)
Council endeavours to programme, provide, develop and manage the land transport network in a manner that assists the economic development of the district	Physical works and professional engineering services' procurement options directed to best reflect the local resources where possible, to sustain the district's economy, and to promote local knowledge and technical expertise within the community	Procurement options directed to best reflect the local resources where possible	2017/18: Achieved: Tendering undertaken as per approved procurement strategy that includes these indicators. (2016/17: Achieved: Procurement Strategy document updated Nov 2012 resulting in various local suppliers engaged in the publically

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ASSESSMENT
			tendered roading contract process.)
When using the network, all road users will experience a "fair" ride quality on a well-maintained and managed asset (qualified to the extent that it has to be appreciated that over 66% of the network is unsealed)	Council's target is to provide a "fair" ride quality i.e. average sealed road NAASRA <110 for 'fair' ride quality (new mandatory performance measure)	Average NAASRA of the sealed road network <110	2017/18: Achieved. Average NAASRA for 17/18 is 95 (2016/17: Achieved: 2016/17 NAASRA = 100) (2015/16: NAASRA = 102)
Council works with NZ Police and NZTA to promote the safe use of the land transport network by motorists and others	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number (new mandatory performance measure)	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	2017/18: Not Achieved: 1 fatal, 6 severe crashes (2016/17: Achieved: 2016/17: Nil fatal, 1 severe crash vs 2015/16: 6 total fatal and/or severe crashes.)
	No accidents attributed to engineering aspects of the road network (e.g. loose chip from reseals)	No accidents attributed to engineering aspects of the road network	2017/18: Achieved. No reported incidents or accidents attributed to engineering or site works Traffic Management Plan deficiencies for 2017/18. (2016/17: Achieved.)

COMMUNITY SURVEY - PERFORMANCE RATING									
Roads	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Very Satisfied/fairly satisfied	69%	69%	71%	75%	71%	80%	72%	76%	64%
Not very satisfied	30%	29%	28%	25%	27%	20%	27%	24%	35%
Don't know/NA	1%	2%	2%		2%		1%		1%



Airport

The airport activity primarily contributes to the following community outcomes:

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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will continue to provide the Wairoa Airport service to meet the current and foreseeable demand of the community	Council shall continue to provide the service at Wairoa Airport to standards appropriate for its use.	Council will have in place, at all times, a suitable maintenance contract	2017/18: Achieved: Maintenance contracts in place to maintain acceptable LoS. (2016/17: Achieved)
	The community's willingness to pay for the service will be considered.	Monitor for complaints of cost of service through the Annual Plan process	2017/18: Achieved No reports received indicating any concerns with associated costs. Long term and annual plan consultation processes provide opportunity for community to raise willingness to pay issues. Monthly landing charges invoiced based on landing schedules generated by airport users. (2016/17: Achieved.)
	The provision of the service shall be adequate for current and foreseeable demand.	Monitor usage of airport against results of survey and current services Survey key stakeholders/users to determine likely future demand for the service	2017/18: Achieved: (2016/17: Achieved: extensive customer/stakeholder consultation and feedback sought, development of airport management plan completed to respond to future demand.)
Council will comply with current legislation and Council bylaws	Council shall meet all legislative requirements	Review current legislation for compliance	2017/18: Achieved: The council meets all legislative requirements through the relevant Acts. (2016/17: Achieved.)
	Facilities shall meet all relevant safety standards.	Facilities shall be maintained in a safe condition, in accordance with relevant standards	2017/18: Achieved: Meets current status as non-certified. (2016/17: Achieved.)
Council will maintain the airport and associated facilities to ensure long term sustainability	Asset database to be maintained	Detailed condition assessment of all airport assets	2017/18: Not Achieved; asset database to be set up in asset finda. However, asset management plan & airport plan identifies programme for asset renewal/maintenance. (2016/17: N/A – change of measure.)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will undertake operational, maintenance and renewal activities in a cost-effective manner	All maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process Works to be within budget +/- 5%	2017/18: Achieved (2016/17: Achieved.) 2017/18: Not Achieved. Runway not resurfaced as budgeted for. (2016/17: Achieved.)
	Operational and maintenance activities are undertaken in a safe and healthy manner	No health and safety non compliances are received or issued. Annual Review of hazard register.	2017/18: Achieved (2016/17: Not Achieved: PAL not activating in low cloud or misty conditions.) 2017/18: Not measured (2016/17: Not measured)
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	2017/18: Not Measured. Not included in the communitrak survey. Feedback from key stakeholders/users included in Airport Plan. (2016/17: Not Measured in Survey)
	Analysis of CSR complaints to enable issues to be addressed	Number of complaints shall reduce	2017/18: Achieved 2 CSRs in system. (2016/17: Not Achieved 3 CSRs in system relate to airport security and gate being open.)
Council will implement systems/processes to ensure continued service delivery in emergency events	Contingency plans shall be implemented for emergency events such as earthquake and flooding where services may be affected or facilities damaged	Annual meeting with civil defence team Contingency plans shall be developed	2017/18: Achieved (2016/17: Achieved.) 2017/18: Achieved - Airport is available for emergency events with contingency plans in place. Also identified as a lifeline with CDEM (2016/17: Achieved: Airport is available for emergency events with contingency plans in place. Also identified as a lifeline with CDEM.)

FUNDING IMPACT STATEMENT - TRANSPORT
For the year ending 30 June 2018

	ACTUAL 2017/18 (\$ 000)	BUDGET 2017/18 (\$ 000)	LTP 2017/18 (\$ 000)	LTP 2016/17 (\$ 000)
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	256	60	58
Targeted rates (other than a targeted rate for water supply)	3,254	3,496	3,624	3,545
Subsidies and grants for operating purposes	5,933	4,482	5,008	4,938
Fees and charges	-	82	876	850
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	9,187	8,316	9,568	9,391
Applications of Operating Funding				
Payments to staff and suppliers	9,194	6,090	7,436	7,341
Finance costs	18	75	3	3
Internal Charges and overheads applied	1,320	1,486	1,261	1,188
Other operating funding applications	-	-	-	-
Total applications of operating funding	10,532	7,651	8,700	8,532
Surplus (Deficit) of operating funding	(1,345)	665	868	859
Sources of capital funding				
Subsidies and grants for capital expenditure	2,267	4,537	4,846	4,727
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	1,254	-	-
Gross proceeds from sale of assets	-	-	10	10
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	2,267	5,791	4,856	4,737
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	469	1,853	386	535
- to replace existing assets	2,875	6,234	6,070	6,294
Increase (Decrease) in reserves	(2,422)	(1,631)	(732)	(1,233)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	922	6,456	5,724	5,596
Surplus (Deficit) of capital funding	1,345	(665)	(868)	(859)
Funding Balance	-	-	-	-

ACTIVITY GROUP FOUR - COMMUNITY FACILITIES

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

Cemeteries

The cemeteries activity primarily contributes to the following community outcomes:

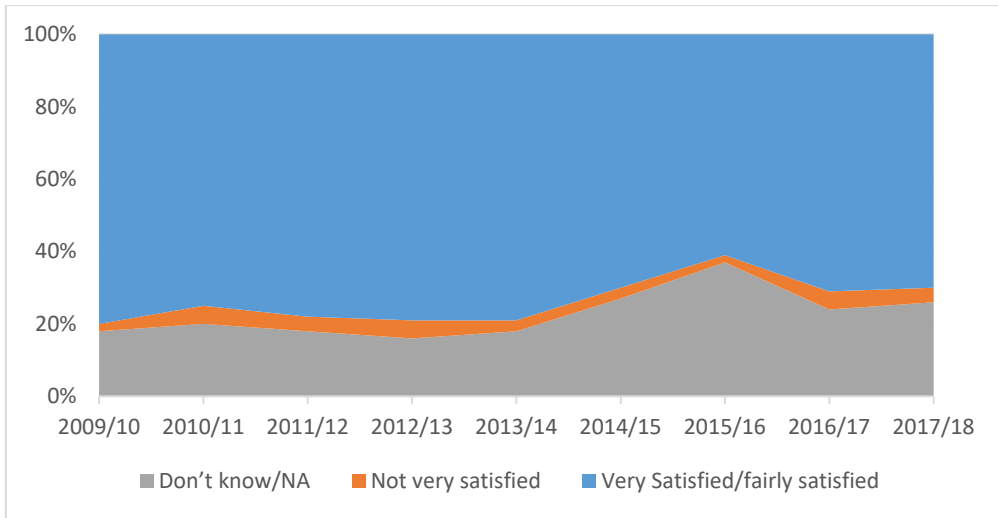
ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will continue to own and deliver a cemetery service suitable for the current and foreseeable needs of the community	The provision of cemetery land shall be adequate for current and foreseeable demand	Monitor adequacy of land available in relation to earlier assessment of capacity for Wairoa Implementation of contingency plan as required	2017/18: Achieved, New ashes berm established. (2016/17: Achieved, different target) 2017/18: Achieved – not required (2016/17: Achieved – not required)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through the Annual Plan process	2017/18: Achieved: No reports received indicating any concerns with associated costs specific to this activity. Long term and annual plan consultation processes provide opportunity for community to raise willingness to pay issues. (2016/17: Achieved)
Council will comply with current legislation and Council bylaws	Council shall meet all legislative requirements	Review current legislation for compliance	2017/18: Achieved: The Council meets all legislative requirements through the relevant Acts and Council Bylaws. (2016/17: Achieved)
	Council's Public Safety Bylaw shall be enforced	Council shall provide for monitoring of the bylaw All known breaches of the bylaw shall be addressed as provided for in the bylaw	2017/18: Achieved: Enforced by By-law compliance officer. Cemeteries are regularly monitored by Police, community patrol, cemeteries contractor and council staff. (2016/17: Achieved) 2017/18: Not Assessed. (2016/17: Not Assessed)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council shall provide an up-to-date records and enquiry service	Cemetery interment records are updated and maintained	Cemetery interment records are updated monthly in accordance with the maintenance contract	2017/18: Achieved: Records maintained for council's cemeteries electronically. Including vacant, reserved and occupied plots. (2016/17: Achieved)
Council will maintain any public cemeteries to ensure long term sustainability	Asset database to be maintained	Maintain an up-to-date asset database	2017/18: Achieved: Records maintained for council's cemeteries electronically. Including vacant, reserved and occupied plots. (2016/17: Achieved, different measure)
Council will undertake operational, maintenance and renewals activities in a cost-effective manner	All preventative maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process Works to be within budget +/- 5%	2017/18: Achieved (2016/17: Achieved) 2017/18: Achieved: All programmed work scheduled has been delivered on time and within budget. (2016/17: Achieved)
	Operational and maintenance activities are undertaken in a safe and healthy manner	No health and safety non compliances are received or issued. Annual Review of hazard register.	2017/18: Achieved: No issues with health and safety or compliance have been reported for this year. Health and safety processes in place that ensure all incidents and near misses are reported and appropriate mitigation measures are put in place. (2016/17: Achieved) 2017/18: Not measured (2016/17: Not measured)
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	2017/18: Not Achieved: 70% (2016/17: Not Achieved 71%)
	How the service is delivered to the community will be monitored through the CSR system	Number of complaints for inadequate service shall reduce	2017/18: Not Achieved: 4 received. Issues actioned by Council and remedied by contractor. (2016/17: Achieved: 4) (2015/16: 7)

COMMUNITY SURVEY - PERFORMANCE RATING									
Cemetery	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Very Satisfied/fairly satisfied	80%	75%	78%	79%	79%	70%	61%	71%	70%
Not very satisfied	2%	5%	4%	5%	3%	3%	2%	5%	4%
Don't know/NA	18%	20%	18%	16%	18%	27%	37%	24%	26%



Parks & Reserves

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

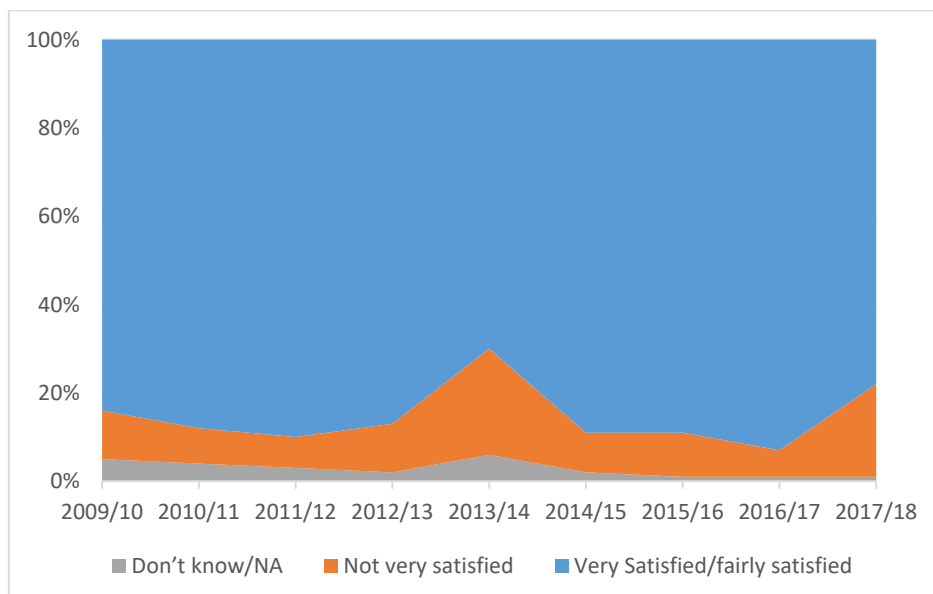
ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will continue to provide parks and reserves with associated facilities to meet the current and foreseeable desires of the community	The provision of land and facilities shall be adequate for current and foreseeable demand	Monitor use of parks, reserves, sports grounds and associated facilities available	2017/18: Achieved: Status quo – no current change in demand. (2016/17: Achieved: Different measure.)
	Council shall implement development projects from Reserve Management Plans (RMP)	Implementation of Reserve Management Plans Programme	2017/18: Achieved: Projects undertaken from Reserve Management Plan include planting. (2016/17: Achieved)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through the Annual Plan process	2017/18: Achieved: No reports received indicating any concerns with associated costs specific to this activity. Long term and annual plan consultation processes provide opportunity for community to raise willingness to pay issues. (2016/17: Achieved)
Council will comply with current legislation and Council bylaws	Council shall meet all legislative requirements	Review current legislation for compliance	2017/18: Achieved: The council meets all legislative requirements through the relevant Acts. (2016/17: Achieved)
	Council's Public Safety Bylaw shall be enforced	Council shall provide for monitoring of the bylaw All known breaches of the bylaw shall be addressed as provided for in the bylaw	2017/18: Achieved: Enforced by By-law compliance officers. Any breaches addressed as per the bylaw. (2016/17: Achieved) 2017/18: Achieved – no known breaches. (2016/17: Achieved)
	Facilities shall meet all relevant safety standards	Facilities shall be maintained in a safe condition, in accordance with relevant standards Safety assessment of facilities with action plan of remedial works as appropriate	2017/18: Achieved: Equipment certified and maintained to specified standards contractually. Additionally, no issues with health and safety or compliance have been reported for this year. (2016/17: Achieved)
Council will maintain parks and reserves and associated facilities to ensure long term sustainability	Asset database to be maintained	Maintain an up-to-date asset database	2017/18: Achieved. (2016/17: Achieved – different measure)
	All maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process Works to be within budget +/- 5%	2017/18: Achieved. (2016/17: Achieved) 2017/18: Not Achieved: Work undertaken by contractors is managed closely, all work

			undertaken has been delivered on time, but total costs are over budget. (2016/17: Not achieved)
	Operational and maintenance activities are undertaken in a safe and healthy manner	No health and safety non compliances are received or issued. Annual Review of hazard register.	2017/18: Achieved: No issues with health and safety or compliance have been reported for this year. Health and safety processes in place that ensure all incidents and near misses are reported and appropriate mitigation measures are put in place. (2016/17: Achieved) 2017/18: Not measured (2016/17: Not measured)
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	2017/18: Achieved: 89%. (2016/17: Achieved: 89%)
	How the service is delivered to the community will be monitored through the CSR and Annual Plan systems	Number of complaints for inadequate service shall reduce	2017/18: Not Achieved: 33 CSR complaints responded to and actioned by contractors under instruction from Council. (2016/17: Achieved 4 CSRs)
Council will implement systems/processes to ensure continued service delivery in emergency events	Contingency plans implemented for emergencies such as earthquake & flooding where services may be affected or damaged	Annual meeting with civil defence team Contingency plans shall be reviewed.	2017/18: Achieved (2016/17: Achieved) 2017/18: Achieved: Covered within plans for a Civil Defence event. (2016/17: Achieved)

COMMUNITY SURVEY - PERFORMANCE RATING									
Parks and Reserves (Users)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Very Satisfied/fairly satisfied	84%	88%	90%	87%	70%	89%	89%	93%	78%
Not very satisfied	11%	8%	7%	11%	24%	9%	10%	6%	21%
Don't know/NA	5%	4%	3%	2%	6%	2%	1%	1%	1%



Library

The library activity primarily contributes to the following community outcomes:

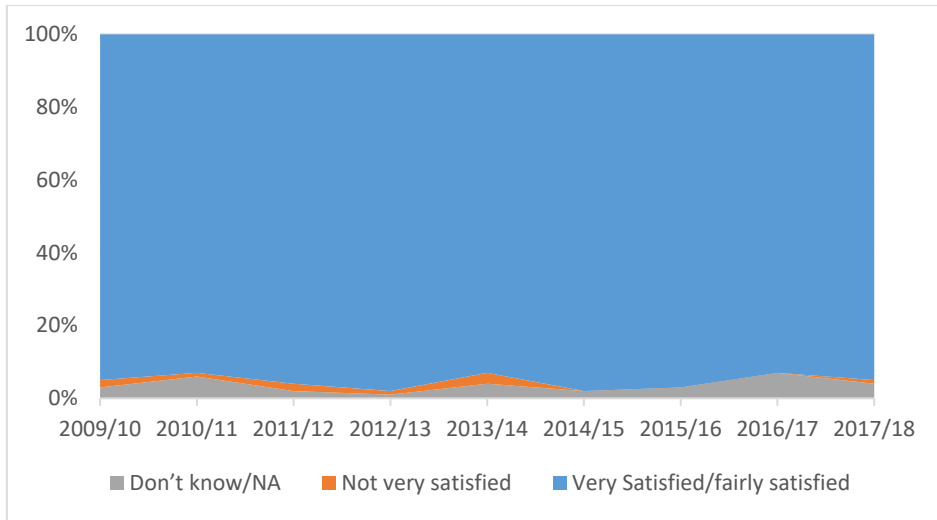
ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Demand and Capacity Council will continue to provide library services for the district through the Wairoa Centennial Library.	A regular pattern of new member enrolments is demonstrated. An increase in the number of eBook issues. Library visits exceed benchmark of 60,000.	Achieve measure Reports of library visits (both physical and virtual) reflect significant use by the Wairoa community	2017/18 Achieved: 217 new members (2016/17: Achieved: 267) 2017/18 Not achieved: 1,048 eBooks issues vs 1,097 in 2016/17 2017/18 Not Achieved: Recorded visits = 40,811 (11 months) (2016/17: Not Achieved: Recorded visits = 47,146)
Accessibility Excluding statutory and public holidays, the Wairoa Centennial Library will be open during the times displayed.	The library building is accessible during the displayed opening hours and there is 24/7 online access to eBooks and EPIC reference information sources.	Achieve measure Encourage and promote use of/visits to library facilities (physical and virtual)	2017/18 Achieved: Library was open all advertised hours. (2016/17: Achieved) 2017/18 Achieved: Promotion of library visits included: Wairoa Star monthly "At the Library", SWTT promotions including YouTube video https://www.youtube.com/watch?v=mtDpNZFI5Bw , Adult Reading Programmes (2016/17: Achieved)
Quality and Reliability The services provided will include: <ul style="list-style-type: none"> events and programmes for all ages: preschool, school age, teen and adult loan and in-house collections of print materials that reflect the community access to electronic resources and eBooks both in the library and via the internet at home support services to schools and organisations 	Increased awareness of EPIC collections through advertising, targeted sessions and one-on-one support. Opportunities to participate in the annual Eastern &	Achieve measure Develop accurate reporting of holdings and /or deletions of stock Develop and maintain access to past, current and future	2017/18 Achieved: EPIC promoted via: <ul style="list-style-type: none"> 'At the Library' in Wairoa Star Reading Together parent workshops with schools Facebook Website (2016/17: Achieved) 2017/18 Achieved: Improved reporting available, improvements will continue to be implemented during the 2018/2019 year. (2016/17: Not Achieved.

<p>promoting lifelong learning</p> <ul style="list-style-type: none"> • APNK public computers with software and internet access • a regional and national inter-library loan system • printing, photocopying, fax and scanning facilities • skilled staff to assist customers to find resources to meet their needs. 	<p>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>published materials unique to the Wairoa District.</p> <p>Report on and recommend future staff development in stock maintenance and repair</p> <p>Report on and recommend adequate staffing levels</p> <p>The cataloguing and reference database is operational to the satisfaction of library staff</p>	<p>2017/18 Achieved: Continuing work on the Salute Wairoa Touch Table. (2016/17: Achieved).</p> <p>2017/18 Not Achieved (2016/17: Not achieved)</p> <p>2017/18 Achieved: staffing levels are continually monitored to ensure adequate coverage during busy times. (2016/17: Achieved)</p> <p>2017/18 Achieved: The cataloguing and reference database meets the basic requirements of users (2016/17: Achieved)</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>Achieve measure</p> <p>Annual maintenance and renewal programmes are identified.</p>	<p>2017/18: Achieved: (2016/17: Achieved)</p> <p>2017/18: Achieved: (2016/17: Achieved)</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>Achieve measure</p> <p>With the exception of public holidays, the Wairoa Centennial Library will be open: Monday to Thursday: 10:00 am – 5:00 pm Friday: 9.30 am – 6:00 pm Saturday 10:00 am – 12:00 pm (noon) Closed: Sundays and Statutory Public Holidays</p>	<p>2017/18: Achieved - 95% (2016/17: Achieved - 93%)</p> <p>2017/18: Achieved. The library was open during all of the indicated hours. (2016/17: Achieved)</p>

COMMUNITY SURVEY - PERFORMANCE RATING									
Library (Users)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Very Satisfied/fairly satisfied	95%	93%	96%	98%	93%	98%	97%	93%	95%
Not very satisfied	2%	1%	2%	1%	3%	-	-	-	1%
Don't know/NA	3%	6%	2%	1%	4%	2%	3%	7%	4%



Community Support

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

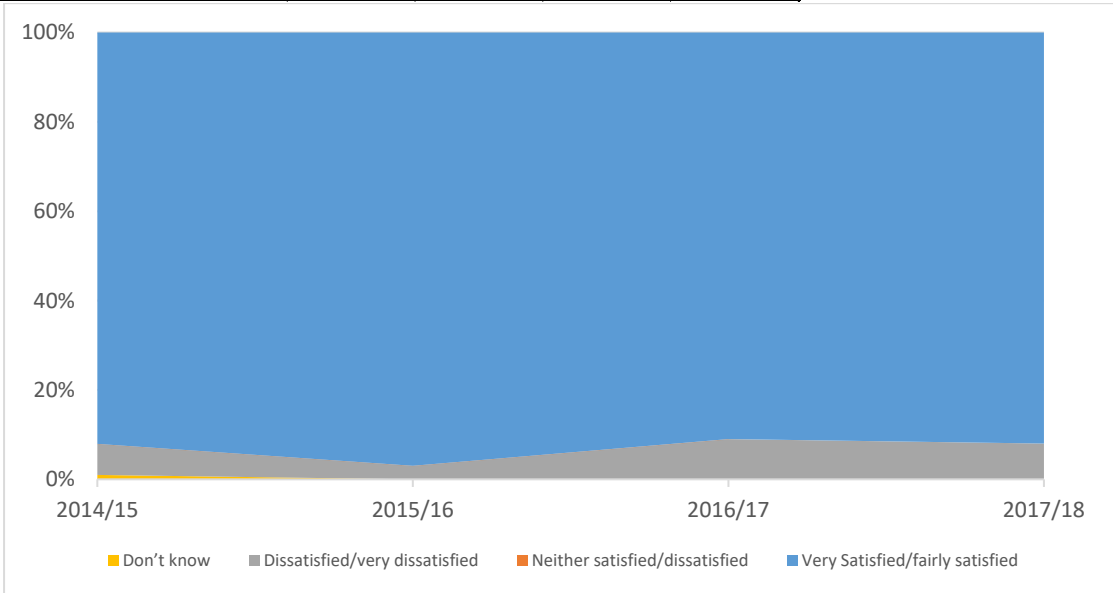
ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
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.	Achieve measure Community facilities are user focused, reviewed, and improved/changed in direct response to feedback from the local community through: <ul style="list-style-type: none"> • Consultation • Needs analysis • Surveys 	2017/18 Not achieved: Wairoa Community Centre 90% very/fairly satisfied. (2016/17: Not Achieved: 94%) 2017/18: Not achieved: Wairoa Museum 92% very/fairly satisfied. (2016/17: Achieved: 96%)
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%.	Achieve measure Councillors, Managers, and staff will have a broad level of awareness of local needs and ensure these are well represented in policy, plans, and provision of community facilities provided of funded by the Council Reports are received from the Wairoa Community Centre, Wairoa Museum and Sport's Hawkes Bay in accordance with funding contracts/agreements Monthly reports are received from the Visitor Information Centre.	2017/18 Achieved: 92% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. Reports have been received as required. (2016/17: Achieved: 91%)
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.	Achieve measure Funding is made available for distribution to community facilities and organisations within allocated timeframes Funded organisations achieve/exceed agreed service provision targets as specified in funding contracts/agreements Community organisations are assisted to build capabilities, resources, and structures Council to review and approve the annual/triennial renewal of	2017/18 Achieved: All grants paid in accordance with contracts/agreements. Funding was available within allocated timeframes. (2016/17: Achieved) 2017/18 Achieved All agreements reviewed. Funding supports building of capabilities, access to support provided, including use of Communications staff to promote new business' and owners in the District. (2016/17: Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	Residents are satisfied with value for money through rates on supporting community facilities and organisations with an approval rating of not less than 80%.	existing funding contracts/agreements Achieve measure	2017/18 Not Achieved: 55%. (2016/17: Not Achieved: 63 %.)

COMMUNITY SURVEY - PERFORMANCE RATING				
Community Facilities Satisfaction	2014/15	2015/16	2016/17	2017/18
Very Satisfied/fairly satisfied	93%	96%	91%	92%
Neither satisfied/dissatisfied	-	-	-	-
Dissatisfied/very dissatisfied	7%	3%	9%	8%
Don't know	-	1%	-	-



FUNDING IMPACT STATEMENT - COMMUNITY FACILITIES

For the year ending 30 June 2018

	ACTUAL 2017/18 (\$ 000)	BUDGET 2017/18 (\$ 000)	LTP 2017/18 (\$ 000)	LTP 2016/17 (\$ 000)
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	1,126	945	1,106	1,076
Targeted rates (other than a targeted rate for water supply)	935	986	743	705
Subsidies and grants for operating purposes	54	62	49	48
Fees and charges	74	148	59	58
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	2,189	2,141	1,957	1,887
Applications of Operating Funding				
Payments to staff and suppliers	1,645	1,665	1,565	1,528
Finance costs	156	63	59	54
Internal Charges and overheads applied	296	336	236	222
Other operating funding applications	-	-	-	-
Total applications of operating funding	2,097	2,064	1,860	1,804
Surplus (Deficit) of operating funding	92	77	97	83
Sources of capital funding				
Subsidies and grants for capital expenditure	56	100	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	1,045	85	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	56	1,145	85	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	182	1,187	131	45
- to replace existing assets	473	435	-	10
Increase (Decrease) in reserves	(507)	(400)	51	28
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	148	1,222	182	83
Surplus (Deficit) of capital funding	(92)	(77)	(97)	(83)
Funding Balance	-	-	-	-

COMMUNITY FACILITIES

Statement of Cost of Service for the year ended 30 June 2018

	COSTS	REVENUE	NET COST	BUDGETED	LTP	ACTUAL
	2017/18	2017/18	2017/18	NET COST	NET COST	NET COST
	(\$ 000)	(\$ 000)	(\$ 000)	2017/18	2017/18	2016/17
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Cemeteries	94	25	69	98	109	69
Parks & Reserves	1,091	93	998	1,006	761	911
Library - Operating	412	11	401	428	406	359
Community Support	702	56	646	509	596	768
	<u>2,299</u>	<u>185</u>	<u>2,114</u>	<u>2,041</u>	<u>1,872</u>	<u>2,107</u>
				BUDGETED	LTP	ACTUAL
	COSTS	REVENUE	NET COST	GROSS COST	GROSS COST	GROSS COST
	2017/18	2017/18	2017/18	2017/18	2017/18	2016/17
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Projects						
Cemeteries	-	-	-	15	-	-
Parks & Reserves	594	-	594	1,445	-	391
Library - Operating	47	-	47	161	131	62
Community Support	14	-	14	-	-	-
	<u>655</u>	<u>-</u>	<u>655</u>	<u>1,621</u>	<u>131</u>	<u>453</u>
Application of capital funding						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	182	-	182	1,186	131	229
- to replace existing assets	473	-	473	435	-	224
	<u>655</u>	<u>-</u>	<u>655</u>	<u>1,621</u>	<u>131</u>	<u>453</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:

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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED	
<p>Legislative Obligations:</p> <p>a) As required by the Resource Management Act 1991, the Council will maintain an Operative District Plan to guide the future development of the District.</p> <p>The present District Plan became operative in June 2005. It does not have to be reviewed again until 2015.</p> <p>The Council will also formulate development policies and strategies.</p> <p>b) The Council will ensure that all subdivision and development in the district takes place in conformity with all of the requirements of the District Plan.</p>	<p>Council is committed to processing all applications within the statutory timeframes as set under the Resource Management Act.</p>	Achieve measure	<p>2017/2018: Achieved all consents were issued within statutory time frames.</p> <p>(2016/17: Achieved.)</p>	
	<p>No situations where inadequate conditions were imposed relating to roading, water supply, wastewater or storm water 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>	No Council resource consent or land use consent decisions subsequently overturned by the Environment Court	2017/2018 Achieved: No situations where inadequate conditions were imposed have been reported.	(2016/17: Achieved.)
	<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>	Achieve measure	2017/2018 Achieved: No instances where legal proceedings have succeeded against Council have been reported.	(2016/17: Achieved.)
	<p>The number of actual or potential claims that have had to be notified to the Council's insurers.</p>	Target – none.	2017/18: Achieved: There have been no actual or potential claims notified to the Council's insurers.	(2016/17: Achieved.)

<p>Costs and Funding:</p> <p>a) The services will be provided at a cost that will be publicly consulted on annually – via either the LTP or Annual Plan preparation process.</p> <p>b) The Council will fund this activity by a combination of user charges and the general rate. The following table shows the approximate share of the cost from each source.</p> <table border="1" data-bbox="108 510 501 869"> <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>Expenditure to be within budget +/- 5%</p>	<p>2017/18: Not Achieved: Due to the deferral of the District Plan Review net costs of \$185,586 were less than the budgeted net costs of \$913,278.</p> <p>(2016/17: Not Achieved.)</p>
	General Rate	User Fees and Charges																
Policy Development	100%																	
Consent Applications		100%																
Consent Monitoring		100%																
Environmental Monitoring	100%																	
<p>Customer Service:</p> <p>a) 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>b) All applications for consent will be responded to within the following timeframes:</p> <p>i) If not required to be notified – within 20 working days.</p> <p>ii) If required to be notified – notified, and notice served within 10 working days.</p> <p>The Council will aim to ensure that the users of the services and the general public will be satisfied with the overall level of service that is being provided.</p>	<p>a) 100% of applications for consent dealt with within specified timeframes.</p>	<p>Achieve measure</p>	<p>2017/18: Achieved: All applications were processed in the relevant timeframes.</p> <p>(2016/17: Achieved.)</p>															

Environmental Health

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

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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Legislative Obligations: (a) The Council will inspect all premises that are required to be registered under the Health Act 1956, the Food Act 2014, and the Food Hygiene Regulations 1974, for compliance every year, e.g.: <ul style="list-style-type: none"> • food premises • hairdressers • funeral directors • camping grounds. 	100% of all registered premises inspected during the year.	Achieve measure	2017/18: Achieved: 100% of all premises registered under the Health Act 1956 and its Regulations, the Food Hygiene Regulations 1974 and the Food Act 2014 were visited for inspection or auditing, or registration of Risk Based Measures (2016/17: Achieved.)
And it will take steps to ensure that all food workers are aware of their obligations. (b) It will also: i) monitor the community's water, wastewater, storm water and sanitary services to ensure that they are being satisfactorily managed, and are performing satisfactorily, from the health point of view ii) maintain a general overview of the public health of the district and respond to public health complaints.	Any illness will be investigated with the cause of illness to be identified and measures instituted to minimise or eliminate the risk of it reoccurring.	Achieve measure	2017/18: Achieved - no reported cases of illness requiring investigating. Food control Plans promoted and registered. Water sampling monitored and planned and carried out. Liaison with Engineering on storm water, sewage disposal etc. (2016/17: Achieved.)
	100% of all complaints about unreasonable noise are responded to in accordance with legislation, regulations and Council policy.	Achieve measure	2017/18: Achieved: All complaints regarding noise were attended, as required A total of 143 noise complaints were recorded and attended during the year. (2016/17: Achieved: 134 complaints received.)
Health and Safety: All of the above responsibilities will be carried out safely.	No health or safety incidents	Achieve measure	2017/18: Achieved: The Environmental Health Officer experienced no Health and Safety incidents or near misses during the year. (2016/17: Achieved.)
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.	The cost related to this activity did not exceed the approved budget.	Expenditure to be within budget +/- 5%	2017/18: Not Achieved: Net Costs of \$123,897 were higher than the budgeted net costs of \$99,137 (2016/17: Not Achieved.)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
<p>Customer Service: All complaints will be responded to within the following timeframes:</p> <ul style="list-style-type: none"> • verbal complaints – emergencies – 1 hour • other – 1 working day • written complaints – 10 working days. <p>b) The Council will aim to ensure that the users of the service and the general public will be satisfied with the overall level of service that is being provided.</p> <p>c) Maintain 'approval' status as organisation and Environmental Health Officer.</p>	<p>Target: Not less than 95% of all complaints dealt with within the specified timeframes.</p>	<p>Achieve measure</p>	<p>2017/18: Achieved: More than 95% of all complaints received were attended within the council's specified timeframes.</p> <p>(2016/17: Achieved.)</p>

Building Control

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

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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Legislative Obligations: (a) Council will monitor and exercise control over all building work that is undertaken in the district in accordance with its role as a Building Consent Authority. (b) Council processing, inspection and certification of buildings meet the requirements of the Building Act 2004. (c) Ensure that all building work will be monitored and addressed to the extent that offers assurance that people, places and property will not be significantly harmed. (d) Council will monitor and enforce the requirements of the Fencing of Swimming Pools Act 1977.	Accreditation as a Building Consent Authority (as required by the Building Act) obtained and continued to be maintained with each International Accreditation New Zealand (IANZ) assessment.	Achieve measure	2017/18: Achieved: The BCA still maintains its accreditation status. (2016/17: Achieved)
	Number of historic building consents, still needing code compliance certificates, is to be reduced annually.	Achieve measure	2017/18: Achieved. 70 as of 30/06/18 (2016/17 Achieved: 78 as at 30/06/17)
	Any unfenced or non-complying swimming pool fences identified during the year are addressed.	Achieve measure	2017/18: Not achieved: Council is implementing a new aerial mapping pool identification protocol. (2016/17: Achieved)
	Council responds to 100% of all known illegal or unauthorised buildings (or instances of illegal or unauthorised building work identified during the year).	Achieve measure	2017/18: Achieved: 1 Dangerous Building notice issued. (2016/17: Achieved: Zero)
	No instances where legal proceedings have been taken against, or have been threatened to be taken against Council, alleging that it has acted unlawfully or has been negligent in the exercise of its responsibilities.	Achieve measure	2017/18: Achieved: No legal proceedings during the year. (2016/17: Achieved)
	Operations and associated capital investments (vehicles) are undertaken cost effectively.	Expenditure to be within budget +/- 5%	2017/18: Not Achieved: Net Costs of \$314,176 were higher than the budgeted net costs of \$97,877 (2016/17: Not 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).	The number of consents, inspections, etc. are processed within the prescribed times. Target: 100%.	Achieve measure	2017/18: Not Achieved: <ul style="list-style-type: none"> • Building Consents - 96.96% <ul style="list-style-type: none"> • 93 Building Consents • Project information memoranda (PIM) - 100%. <ul style="list-style-type: none"> • 0 PIM
Customer Service of Building Consent Authority and Territorial Authority:			

<p>All applications for consent or other information will be processed within the following timeframes:-</p> <ul style="list-style-type: none"> i) Building consents – 20 working days ii) Project information memoranda – 20 days iii) Code of compliance certificates – 20 days iv) Certificates of acceptance – 20 days v) Certificates of public use – 20 days 			<ul style="list-style-type: none"> • Code of compliance certificates (CCC) – 98.2%. <ul style="list-style-type: none"> • 56 Code of compliance certificates • Certificates of acceptance – 100%. <ul style="list-style-type: none"> • 2 Certificate of acceptance • Certificates of public use - 100%. <ul style="list-style-type: none"> • 2 Certificate of public use <p>(2016/17: Not achieved)</p>
---	--	--	---

Liquor Control

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

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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
<p>Legislative Obligations:</p> <p>The District Licensing Committee will issue 'on, off and club' licenses that allow the sale and supply of liquor. Inspections will be carried out as required.</p> <p>It will also process applications for renewal licences and for special licences (which are licences that allow the sale and supply of liquor at events such as sporting occasions, street parties and other functions).</p>	100% of all 'on, off and club' licensed premises monitored during the year.	Achieve measure	2017/18: Achieved: All liquor licenced premises monitored by a variety of means including inspection, administrative attention and inter-agency activities. 2016/17: 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 and Supply of Alcohol Act 2012.	Achieve measure	2017/18: Achieved: A "sting" operation was conducted involving the Wairoa Licensing Inspectorate, the NZ Police and the Hawkes Bay District Health Board. One premises received a warning letter. 2016/17: Achieved
	Council responds in accordance with legislation to 100% of all situations where licences have to be suspended or revoked during the year.	Achieve measure	2017/18: Achieved - There were no instances in which liquor licences were revoked or suspended. 2016/17: Achieved.
<p>Costs and Funding:</p> <p>The services will be provided at a cost that will be publicly consulted on annually – via either the LTP or Annual Plan preparation process.</p> <p>The Council will fund the activity by a combination of user fees and charges and the general rate.</p>	The cost related to this activity did not exceed the approved budget.	Expenditure to be within budget +/- 5%	2017/18: Not Achieved: Net Revenue of \$2,066 versus budgeted net costs of \$68,025. 2016/17: Not Achieved.
<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.	Achieve measure	2017/18: Achieved: No Complaints regarding liquor licencing received. No adverse comments regarding the level of service by the liquor licencing team. (2016/17: Achieved)

Bylaw Compliance:
Dog Control
Livestock Control
General Bylaw Enforcement

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

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

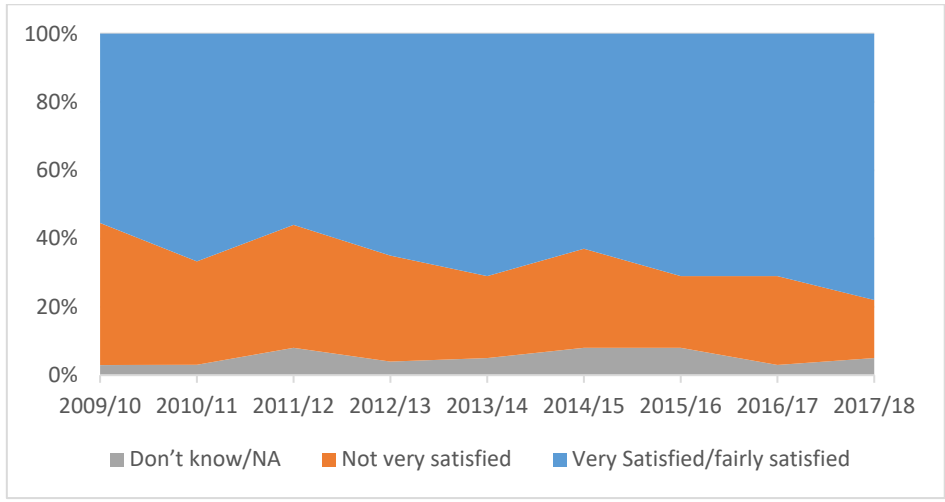
Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
<p>Legislative Obligations – DOG CONTROL:</p> <p>The Council will exercise its responsibilities under the Dog Control Act 1996 and the Dog Control Amendment Act 2003, including:</p> <p>a) the maintenance and regular review of a Dog Control Policy and of a Dog Control Bylaw</p> <p>b) the maintenance of a register of all known dogs in the district and National Dog Database</p> <p>c) the promotion of responsible dog ownership</p> <p>d) impounding (and, if not claimed, destroying) stray dogs</p> <p>e) responding to complaints about dangerous stray/barking/nuisance dogs etc.</p> <p>Council will issue a public report annually about the administration of its policy and dog control practices, including information relating to:</p> <p>i) the number of registered dogs in the district (currently about 3,580)</p> <p>ii) the number of probationary owners and disqualified owners within the district</p>	a) All known dogs registered by 30 June each year.	Achieve measure	2017/18 Achieved: 3394 registered dogs. (2016/17: Achieved: 3107 Registered Dogs.)
	b) Annual Report about the administration of the Council’s policy and dog control practices adopted by 30 August each year.	Achieve measure	2017/18 Achieved (2016/17: Achieved)
	c) Council responds in accordance with legislation to 100% of complaints in relation to instances of: i) dogs attacking persons or animals ii) dogs rushing at persons, animals, or vehicles iii) dogs causing serious injury iv) dogs at large and an immediate disturbance or threat to wildlife.	Achieve measure	2017/18 Achieved: All complaints were responded to within the legislative time frames: i) 19 Reported cases of attacks on people, 47 reported cases of attacks on other animals ii) 7 rushing reported cases. iii) 0 reported cases of serious injuries. iv) 0 reported disturbance threat to wildlife. (2016/17: Achieved)
			2017/18: i) There are currently 3394 registered dogs. ii) Probationary owners NIL

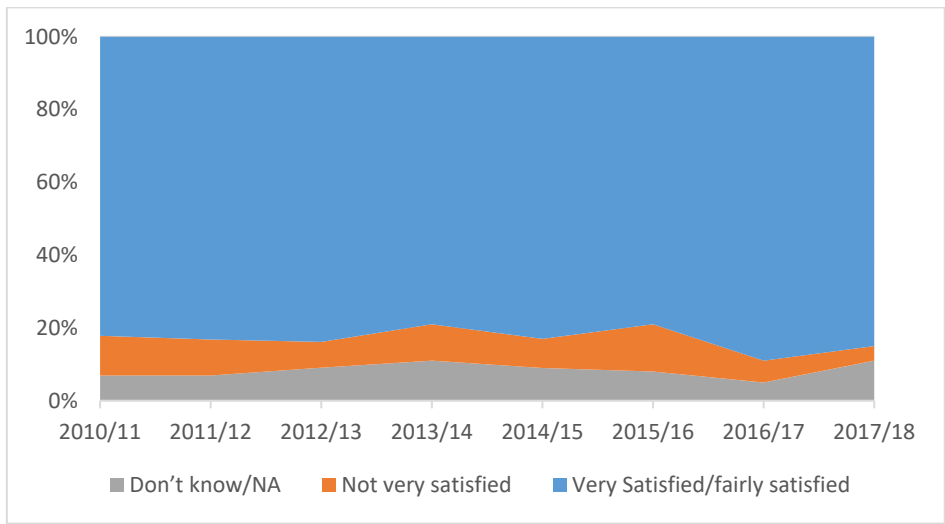
<ul style="list-style-type: none"> iii) the number of dogs classified as dangerous and menacing iv) the number of infringement notices issued v) the number of complaints received, and the number of prosecutions taken. 			<ul style="list-style-type: none"> iii) Menacing: 68 Dangerous: Nil iv) 161 Infringements Issued. v) 367 reported complaints received, 7 prosecutions taken.
<p>Legislative Obligations – LIVESTOCK CONTROL:</p> <p>The Council will provide a stock ranging service for the retrieval and impounding of roaming animals on roads other than state highways.</p> <p>It will also respond to complaints relating to animal nuisances.</p>	<ul style="list-style-type: none"> a) The extent to which wandering stock poses a danger to traffic in the district as measured by: <ul style="list-style-type: none"> i) The number of complaints received about wandering stock. ii) The number of times stock has had to be impounded during the year. b) No complaints about the manner in which the Council has carried out its livestock control responsibilities. 	Achieve measure	<p>2017/18: Achieved:</p> <ul style="list-style-type: none"> i) 188 reported complaints about stock incidents ii) 24 times stock has been impounded. <p>2017/18 Achieved: No complaints received about the manner in which Council has carried out its livestock control responsibilities Achieved.</p> <p>(2016/17: Achieved: 99 reported incidents. There were no complaints about the manner in which Council carried out its responsibilities.)</p>
<p>Legislative Obligations – GENERAL BYLAWS ENFORCEMENT:</p> <ul style="list-style-type: none"> (a) The Council will maintain bylaws for a variety of purposes relating to community well-being. (b) The Council will enforce compliance with its bylaws as and when necessary. 	<ul style="list-style-type: none"> a) The number of occasions when the Council has had to formally enforce compliance with any of its bylaws, or institute a legal action under them during the year. b) Target: No court decisions against the Council on the basis that any Council bylaw is, or the Council's enforcement of it has been, unreasonable or ultra vires. 	Achieve measure	<p>2017/18 Achieved: 112 Freedom Camping infringements issued in accordance with the bylaw. (2016/17 Achieved: 223 infringements were issued relating to Freedom Camping.)</p> <p>2017/18: Achieved: no court action taken against Council. Achieved (2016/17: Achieved: No court actions against council.)</p>
<p>Costs and Funding – DOG CONTROL:</p> <p>The services will be provided at a cost that will be publicly consulted on annually via the LTP or Annual Plan process. 90% of the cost of this activity will be funded from dog control fees, with the balance of 10% being met from the general rate.</p>	The cost related to this activity does not exceed the approved budget.	Expenditure to be within budget +/- 5%	<p>2017/18: Not Achieved: The budgets net costs for Dog Control, Livestock Control and General Bylaw Compliance are not separated for reporting or budgetary purposes. Net costs of \$328,920 for all services was more than the budgeted net costs of \$284,522. (2016/17: Achieved)</p>
<p>Costs and Funding – LIVESTOCK CONTROL:</p> <p>The services will be provided at a cost that will be publicly consulted on annually – via either the LTP or Annual Plan process.</p> <p>The activity will be funded by fines and pound charges,</p>	The cost related to this activity did not exceed the approved budget.	Expenditure to be within budget +/- 5%	Refer above, not separately reported

supplemented by an input from the general rate.			
<p>Costs and Funding – GENERAL BYLAWS:</p> <p>The services will be provided at a cost that will be publicly consulted on annually – via either the LTP or Annual Plan process.</p> <p>The activity will be funded by fines and supplemented by an input from the general rate.</p>	The cost related to this activity did not exceed the approved budget.	Expenditure to be within budget +/- 5%	Refer above, not separately reported.
<p>Health and Safety:</p> <p>All of the above responsibilities will be carried out safely.</p>	The number of reported health or safety incidents is the same or less than the previous year.	Achieve measure	2017/2018 Achieved 0 reported incidents (2016/17: Achieved: 0 reported incidents.)
<p>Customer Service:</p> <p>The Council will aim to ensure that the users of the service and the general public will be satisfied with the overall level of service that is being provided.</p>		Achieve measure	No target
<p>Customer Service - DOG & LIVESTOCK CONTROL:</p> <p>All complaints will be responded to within the following timeframes:</p> <ul style="list-style-type: none"> • urgent complaints – immediately. • non-urgent verbal complaints – 1 working day. • written complaints – 3 working days. 	a) Not more than the number of complaints received in the previous year – in total and by type.	Achieve measure	2017/18 Not Achieved: 367 complaints. (2016/17: Achieved: 99 complaints)
	b) Not less than 95% of all complaints dealt with within the specified timeframes.	Achieve measure	2017/18: Achieved: all complaints dealt with in the specified time frames. (2016/17: Achieved: Required timeframes for complaints was met.)
	c) Not less than 70% of the respondents rate the service as 'fairly good or better' in the annual public satisfaction survey.	Achieve measure	2017/18: Achieved: Dog Control 78%, Livestock Control: 85% customer satisfaction as shown in the communitrak survey. (2016/17: Achieved.)
<p>Customer Service - ENFORCEMENT</p> <p>All complaints will be responded to within the following timeframes: -</p> <ul style="list-style-type: none"> • urgent complaints – 1 working day. • non-urgent verbal complaints – 1 working day. • written complaints – 10 working days. 	Not less than 95% of all complaints dealt with within the specified timeframes.	Achieve measure	2017/18 Achieved: Required timeframes for complaints was met. (2016/17: Achieved: Required timeframes for complaints was met.)

COMMUNITY SURVEY - PERFORMANCE RATING									
Dog Control	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Very Satisfied/fairly satisfied	56%	66%	56%	65%	71%	63%	71%	71%	78%
Not very satisfied	41%	31%	36%	31%	24%	29%	21%	26%	17%
Don't know/NA	3%	3%	8%	4%	5%	8%	8%	3%	5%



COMMUNITY SURVEY - PERFORMANCE RATING								
Livestock Control	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Very Satisfied/fairly satisfied	83%	84%	83%	79%	83%	79%	89%	85%
Not very satisfied	10%	9%	8%	10%	8%	13%	6%	4%
Don't know/NA	7%	7%	9%	11%	9%	8%	5%	11%



**Emergency Management:
Civil Defence
Rural Fire**

Movements in Civil Defence Operations during the Year

Effective 1 January 2017, management of Civil Defence operations was transferred to Hawkes Bay Regional Council Civil Defence Management Group (CDEM). Wairoa District Council continues to support this group by participating in the programme but does not retain the budgets, assets or performance obligations.

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

On 1 July 2017 all assets and responsibility for the delivery of Rural Fire services was transferred to Fire and Emergency New Zealand (FENZ), which is a central government department.

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

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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED:
Council will work with residents, tangata whenua, businesses, industry, and stakeholders to develop initiatives that promote emergency management preparedness.	Warden groups are established in civil defence sectors.	Achieve measure	2017/18: Not measured 2016/17: Achieved: Warden groups maintained.
	Public awareness of rural fire and civil defence through liaison with community groups, volunteers and the media is maintained.	Achieve measure	2017/18: Not measured 2016/17 Achieved: Public awareness maintained.
Council will ensure emergency management resources are available to all ratepayers, residents, stakeholders, and visitors to the district when required.	Rural Fire Plan maintained and meets statutory and local requirements.	Achieve measure	2017/18: Not measured 2016/17: Achieved: Rural fire plan is in place and has met all statutory and local requirements.
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. 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.	Achieve measure	2017/18: Not measured 2016/17 Achieved: All SOP'S and response plans are current and reflect perceived threats

	Appropriately trained personnel are identified for the position of controller		
<p>Response/Recovery:</p> <p>Council will provide resources to effectively manage emergency management incidents</p>	<p>Non-declared and declared events are responded to and recovered from efficiently and effectively in accordance with Hawke's Bay Civil Defence Emergency Management Plans.</p> <p>The procedures described in the Adverse Events Plan and the Civil Defence Emergency Management Group Plan pertaining to warning systems, co-ordination, and management, of response and recovery activities are complied with.</p> <p>Rural fire prevention and suppression activities are administered effectively and efficiently in accordance with Council's Rural Fire Plan 2014</p>	Achieve measure	<p>2017/18: Not measured</p> <p>2016/17 Achieved: compliance met, no declared events.</p> <p>2017/18: Not measured</p> <p>2016/17 Achieved. WDC rural fire plan has been complied with.</p>
<p>Cost and Funding:</p> <p>Council will deliver an effective, efficient and economical emergency management service, which meets the needs and expectations of our communities.</p>	<p>All preventative maintenance, renewals and other programmed works are completed on time and within budget</p> <p>90% rural firefighting costs recovered.</p> <p>100% of claims on the National Rural Firefighting Fund are successful.</p>	Achieve measure	<p>2017/18: Not measured</p> <p>2016/17 Achieved: Preventative maintenance and renewals are under contract with Professional Fire and Fleet Maintenance.</p> <p>2017/18: Not measured</p> <p>2016/17: Not Achieved:</p>
<p>Customer Service:</p> <p>Council will provide timely response, information, advice and support to the local community.</p>	<p>A Duty Officer is on-call 24/7 for 365 days of the year.</p> <p>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). 	Achieve measure	<p>2017/18: Not measured (2016/17 Achieved)</p> <p>2017/18: Not measured (2016/17 Achieved)</p>

FUNDING IMPACT STATEMENT - PLANNING AND REGULATORY

For the year ending 30 June 2018

	ACTUAL 2017/18 (\$ 000)	BUDGET 2017/18 (\$ 000)	LTP 2017/18 (\$ 000)	LTP 2016/17 (\$ 000)
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	297	386	448	326
Targeted rates (other than a targeted rate for water supply)	476	346	396	383
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	440	559	540	527
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	1,213	1,291	1,384	1,236
Applications of Operating Funding				
Payments to staff and suppliers	1,275	1,677	1,786	1,379
Finance costs	35	4	8	10
Internal Charges and overheads applied	395	521	422	401
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,705	2,202	2,216	1,790
Surplus (Deficit) of operating funding	(492)	(911)	(832)	(554)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	65	-	-
Gross proceeds from sale of assets	-	-	20	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	65	20	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	1	65	-	-
- to replace existing assets	74	60	95	10
Increase (Decrease) in reserves	(567)	(971)	(907)	(564)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	(492)	(846)	(812)	(554)
Surplus (Deficit) of capital funding	492	911	832	554
Funding Balance	-	-	-	-

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:

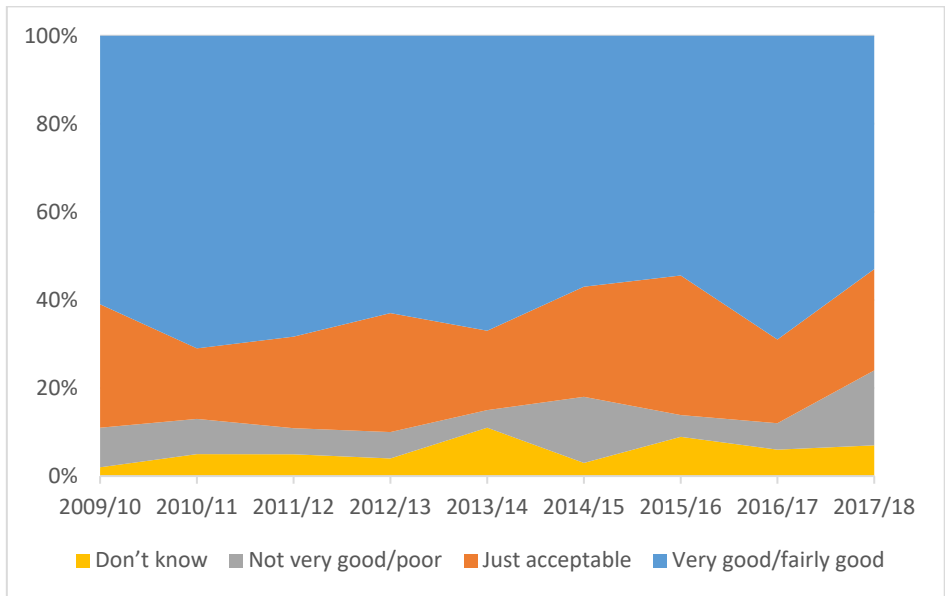
ECONOMIC WELL-BEING		SOCIAL AND CULTURAL WELL-BEING				ENVIRONMENTAL WELL-BEING		
A strong, prosperous and thriving economy.	A safe and integrated transport system.	A community that values and promotes its culture and heritage.	Safe and accessible recreational facilities.	Supportive, caring and valued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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
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.	Achieve measure Meetings of Council are scheduled, advertised, and conducted in the advertised day. Elected representatives attend all meetings of Council, and where they are absent, a formal leave of absence has been applied for prior to the meeting.	2017/18: Achieved: <ul style="list-style-type: none"> • Confidential items kept to a minimum • Meetings of Council are scheduled, advertised, and conducted on the advertised day • Apologies were sent in prior to meetings for absent elected members (2016/17: 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.	Achieve measure Council's Governance Statement is clear, understandable, and in line with current practice. Codes and policies cover all legal requirements and standards for councillors, staff, and contractors. Council's policy manual is up to date. Council formally adopts significant changes and/or amendments to policy following review.	2017/18: Achieved: <ul style="list-style-type: none"> • All policies provided on the website/available on request. • Policy manual is up to date. • All changes following reviews are formally adopted by Council. (2016/17: Achieved)
Leadership The services provided will include: Council will demonstrate leadership to the community as	Executive Officer and all other officers of the Council are clearly defined. Lines of accountability and	Achieve measure Corporate structures ensure that planning, standards, performance management, internal controls and	2017/18: Achieved: Lines of accountability and delegation are clearly defined. Corporate planning, standards, performance management, internal controls and

<p>a whole, to its electors, stakeholders, and within the organisation.</p>	<p>delegation are defined.</p>	<p>communications are consistently applied across the Council.</p> <p>Council’s vision acknowledges both community priorities and Council’s strategy.</p> <p>Leadership is open to self-criticism, challenge, and review via mechanisms such as surveys.</p> <p>Potential problems between politics and management, councillors and officers, and clients and contractors, are minimised.</p> <p>Senior managers engage openly and honestly with staff and internal communication is regular.</p> <p>Staff meetings.</p>	<p>communications are consistently applied across the Council.</p> <p>As contained in LTP 2015-25.</p> <p>Participated in the LGNZ Excellence Programme.</p> <p>Participated in the PWC LG Performance Excellence program</p> <p>Regular internal communication undertaken both within departments and across the council, and staff meetings held regularly.</p> <p>(2016/17: Achieved)</p>
<p>Consultation</p> <p>Council will communicate clearly and informatively with, and on behalf of, the ratepayers, Tangata Whenua, and stakeholders of the Wairoa district.</p> <p>The interests of the district will be represented at all levels, including government, its agencies, and other local authorities.</p> <p>Council will make decisions openly, in a timely manner, and communicate decisions effectively.</p>	<p>No complaints are upheld against Council for not publicly consulting via the special consultative procedure when it was legally required to do so.</p> <p>Opportunities are provided for community groups, ratepayers, Tangata Whenua and stakeholders to fully participate in consultation and the development and fostering of community outcomes.</p>	<p>Achieve measure</p> <p>Continue to develop and maintain a strong relationship with Tangata Whenua by providing for the ongoing support and involvement of the Māori Standing Committee.</p> <p>Consultation provides understanding of the needs of the different and diverse communities of the district.</p>	<p>2017/18: Achieved:</p> <p>Ongoing support and involvement of the MSC in building strong relationships with tangata whenua.</p> <p>(2016/17: Achieved)</p>
<p>Costs and Funding</p> <p>Council will manage community representation activities in a financially viable manner.</p>	<p>The cost related to this activity did not exceed the approved budget.</p>	<p>Achieve measure</p>	<p>2017/18: Not Achieved: Net costs of \$1,715,013 exceeds the budgeted net costs of \$1,670,918.</p> <p>(2016/17: Achieved)</p>
<p>Customer Service and Satisfaction</p> <p>Council will respond to all enquiries, requests, complaints, and customers are happy with the Mayor and councillors, and Council staff performance.</p>	<p>Mayor and councillors ‘not very good or poor’ rating in annual survey is less than 10%.</p> <p>Council staff ‘not very good or poor’ rating in annual survey is less than 10%.</p>	<p>Achieve measure</p> <p>With the exception of public holidays, Council offices will be open Monday through Friday 9:00am – 4:30pm</p> <p>Response times to customer enquiries will be as follows:</p> <ul style="list-style-type: none"> • telephone calls (1 working day) • reception (15 minutes) • letters, faxes, e-mail, submissions (8 working days). 	<p>2017/18: Not Achieved. “Not very good” or “poor” performance rated at 17%.</p> <p>(2016/17: Achieved)</p> <p>2017/18: Not Achieved. “Not very good” or “poor” performance rated at 10%.</p> <p>(2016/17: Achieved)</p> <p>2017/18 Achieved</p> <p>(2016/17: Achieved)</p>

COMMUNITY SURVEY - PERFORMANCE RATING									
Mayor and Councillors	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Very good/fairly good	61%	71%	69%	63%	67%	57%	55%	69%	53%
Just acceptable	28%	16%	20%	27%	18%	25%	31%	19%	23%
Not very good/poor	9%	8%	6%	6%	4%	15%	5%	6%	17%
Don't know	2%	5%	5%	4%	11%	3%	9%	6%	7%



Māori Relationships

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

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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
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.	Achieve measure Vacancies on the Māori Standing Committee are filled. Council to nominate two councillors as representatives on the Māori Standing Committee.	2017/18: Achieved: The MSC has been at full complement, however, one takiwā representative resigned due to health issues. Two Councillors and His Worship the Mayor regularly attend monthly meetings (2016/17: 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.	Achieve measure	2017/18: Achieved: Meetings held monthly alternating between marae and Council chambers. The Māori Standing Committee have been asked to provide feedback to a new Remission of Rates for Land Used for Papa Kāinga policy. Māori Standing Committee representatives also attend Ordinary Council meetings and Council forum. (2016/17: 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.	Achieve measure Tangata Whenua are actively involved in the design, implementation and evaluation of the consultation process. Advice and analysis is provided in a timely manner and can be supported by appropriate sources/references.	2017/18: Achieved: Māori Standing Committee has been active in nominating tangata whenua representation on the CBD enhancement project, as well as nominated a member to sit on the Economic Development Committee of Council. (2016/17: Achieved)
Costs and Funding Council will manage Māori liaison activities in a financially viable manner.	Agreed levels of service are Achieved within budget.	Achieve measure Budgets clearly defined and accounted for.	2017/18: Achieved: Net operating costs of \$167,024 is less than budget of \$206,677. (2016/17: Achieved)
Customer Service and Satisfaction Council will respond to all enquiries, requests, complaints, and identified	Council offices are open during the hours displayed.	Achieve measure With the exception of public holidays, Council	2017/18: Achieved: Council offices have been open Monday through Friday each

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
issues in a timely manner.	All complaints are responded to within established timeframes.	<p>offices will be open Monday through Friday 9:00am – 4:30pm.</p> <p>Response times to customer enquiries will be as follows:</p> <ul style="list-style-type: none"> • telephone calls (1 working day) • reception (15 minutes) • letters, faxes, e-mail (8 working days). 	<p>week except for public holidays.</p> <p>(2016/17: Achieved)</p> <p>2017/18: Achieved: Complaints received via the CSR process have been dealt with in the directed timeframes...</p> <p>(2016/17: Achieved)</p>

Economic Development

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

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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Strategy planning & policy:	Development of Economic Development Plan.	Completed – Action Plan to be developed	2017/18: Achieved: Economic Development Plan signed off and approved 5 December 2017 (2016/17: Achieved: Draft WDC Economic Development Strategy developed and ready to be signed off.)
	Number of actions completed in the Economic Development Plan – Action Plan.	80% of actions completed.	2017/18: Partially Achieved: In progress. Council has aligned its Economic Development Plan with Matariki – the Hawke’s Bay Regional Economic Development Plan and is involved in a number of regional working groups including driver licencing, digital enablement, infrastructure and roading developments through the Regional Land Transport Committee and the Great Things Grow Here Brand Champions programme. (2016/17: Partially Achieved: Draft plan ready to be signed off, and REDS actions still underway. Action 6.1 of the Regional Economic Development Plan, which WDC leads, is underway but not yet complete.)
District Promotion Promoting economic development of the district.	Number of tourism focused events	Achieve measure	2017/18: Achieved: 47 events. Council has lead, partnered or contributed to a number of tourism focused events including hosting the Ngati Kahungunu Regional Kapa Haka competition, rocket launch events, hosting the Wairoa Cultural Tourism Symposium and the Wairoa Māori Film Festival. (2016/17: Achieved: 21 events Feb Jun 2017)
	Number of business promotion events.	Achieve measure	2017/18: Achieved 45 events. Council has lead, partnered or contributed to a number of business

			<p>promotion events including the East Coast Farming Expo, the AUT App Lab, Te Matare o Te Wairoa Trust Business Week, Great Things Grow Here Brand Champions event, business mentoring and support facilitated through Te Matare o Te Wairoa Trust, JMP Consulting and The Icehouse.</p> <p>(2016/17: Achieved: 13 events Feb Jun 2017)</p>
	The number of businesses that have been established in the district annually.	Achieve measure	2017/18: Achieved: 18 (2016/17: Achieved: 21)
	The number of registered unemployed in the district.	Annual reduction in, or at least no increase, in the number of unemployed compared with the same period of the previous year.	2017/18: Achieved 545 Unemployed. (2016/17: Not Achieved: 570 Unemployed)
Visitor Centre	The number of visitors to the Visitor Information Centre.	Increase of 5% more visitors per annum.	<p>2017/18: Not Achieved: Due to a reporting error 2016/17 should have been 18,552 which was still a great increase of 25% rather than 46% There was an increase of 2.24% in 2017/2018. 18,968.</p> <p>(2016/17: Achieved: 21,643 Visitors. An increase of 46%)</p>
	Number of visitors who stay overnight in the district.	Achieve measure	<p>2017/18: Achieved: 48,769</p> <p>(2016/17: 61,475 (1 June 2016 – 31 May 2017))</p>
Funding of the net cost of the activity (after any financial assistance that may be available from the government or other sources) by way of the general rate.	The cost related to this activity did not exceed the approved budget.	Achieve measure	<p>2017/18: Not Achieved: Net operating costs of \$727,345 exceeds budget net costs of \$468,063.</p> <p>(2016/17: Achieved)</p>
Customer complaints will be dealt with promptly and properly.	Verbal complaints within 1 working day.	Achieve measure	<p>2017/18: Achieved: Any verbal complaints are dealt with using prescribed procedures at time that the complaint is made.</p> <p>(2016/17: Achieved)</p>
	Written complaints within 3 working days.	Achieve measure	<p>2017/18: Achieved: Any written complaints are dealt with using prescribed procedures at time that the complaint is made.</p> <p>(2016/17: Achieved)</p>

FUNDING IMPACT STATEMENT - LEADERSHIP AND GOVERNANCE

For the year ending 30 June 2018

	ACTUAL 2017/18 (\$ 000)	BUDGET 2017/18 (\$ 000)	LTP 2017/18 (\$ 000)	LTP 2016/17 (\$ 000)
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	2,857	2,523	2,114	2,036
Targeted rates (other than a targeted rate for water supply)	-	184	149	145
Subsidies and grants for operating purposes	15	-	-	-
Fees and charges	4	115	129	128
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	2,876	2,822	2,392	2,309
Applications of Operating Funding				
Payments to staff and suppliers	1,305	1,422	1,110	1,133
Finance costs	15	5	11	11
Internal Charges and overheads applied	1,408	1,385	1,290	1,206
Other operating funding applications	-	-	-	-
Total applications of operating funding	2,728	2,812	2,411	2,350
Surplus (Deficit) of operating funding	148	10	(19)	(41)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	89	-	103
Gross proceeds from sale of assets	-	-	10	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	89	10	103
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	151	136	-	103
- to replace existing assets	5	-	25	-
Increase (Decrease) in reserves	(8)	(37)	(34)	(41)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	148	99	(9)	62
Surplus (Deficit) of capital funding	(148)	(10)	19	41
Funding Balance	-	-	-	-

LEADERSHIP & GOVERNANCE
Statement of Cost of Service for the year ended 30 June 2018

	COSTS	REVENUE	NET COST	BUDGETED	LTP	ACTUAL
	2017/18	2017/18	2017/18	NET COST	NET COST	NET COST
	(\$ 000)	(\$ 000)	(\$ 000)	2017/18	2017/18	2016/17
				(\$ 000)	(\$ 000)	(\$ 000)
Community Representation	1,715	-	1,715	1,671	1,610	1,538
Maori Governance	166	(1)	167	207	192	156
Economic Development	754	26	728	599	338	453
Visitor Information Centre	158	(7)	165	236	149	252
Total	2,793	18	2,775	2,713	2,289	2,399
				BUDGETED	LTP	ACTUAL
	COSTS	REVENUE	NET COST	GROSS COST	GROSS COST	GROSS COST
	2017/18	2017/18	2017/18	2017/18	2017/18	2016/17
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Projects						
Community Representation	5	-	5	13	-	96
Maori Governance	-	-	-	-	25	17
Economic Development	151	-	151	123	-	-
Visitor Information Centre	-	-	-	-	-	-
	156	-	156	136	25	113
Application of capital funding						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	151	-	151	136	-	113
- to replace existing assets	5	-	5	-	25	-
	156	-	156	136	25	113

ACTIVITY GROUP SEVEN - CORPORATE FUNCTIONS

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

Property

The property activity primarily contributes to the following community outcomes:

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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will continue to provide property services to meet the current and foreseeable demand of the community including: <ul style="list-style-type: none"> • Commercial • Corporate • Halls • Staff & Pensioner housing • Campgrounds and • The Wairoa Community Centre 	The listed facilities will be provided and maintained to enable continued service provision	Council will have in place, at all times, suitable maintenance contract/s and / or arrangements to enable provision of the services	2017/18: Achieved: Maintenance is undertaken at all facilities. All facilities are available for use by the public. (2016/17: Achieved)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through Annual Plan process	2017/18: Achieved: No reports received indicating any concerns with associated costs specific to this activity. Long Term and Annual Plan consultation processes provide opportunity for community to raise willingness to pay issues. (2016/17: Achieved)
	The provision of the services shall be adequate for current and foreseeable demand	Future Development / Disposal Plans to be prepared for all property facilities	2017/18: Achieved, assessment of properties underway. (2016/17: Achieved – different target)
Council will comply with current legislation and Council bylaws	Council shall meet all legislation requirements	Review current legislation for compliance	2017/18: Achieved: Legislative requirements are factored into management of the properties. (2016/17: Achieved)
	Council's 'Public Safety Bylaw' shall be enforced	Council shall provide for monitoring of the bylaw	2017/18: Achieved: Council enforcement officers check for the adherence to the Bylaw and take appropriate action where required. (2016/17: Achieved)
	Facilities shall meet all relevant safety standards	Facilities shall meet all relevant safety standards	2017/18: Achieved: No known breaches (2016/17: Achieved)
	Facilities shall meet all relevant safety standards	Facilities shall meet all relevant safety standards	2017/18: Achieved: Buildings comply with standards and are certified, health and safety plans are in place as appropriate. (2016/17: Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will maintain the facilities to ensure long term sustainability	Asset database to be maintained	Maintain asset database up-to-date	2017/18: Not achieved, asset data has been developed, interim database is used in Council's current IntraMaps system, set up of Assetfinda property database is awaiting release of software module from Assetfinda (2016/17: Not Achieved, different target)
Council will undertake operational, maintenance and renewals activities in a cost-effective manner	All maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process Works to be within budget +/- 5%	2017/18: Achieved: Planned maintenance program and breakages were addressed in time and within budget. (2016/17: Achieved) 2017/18 Not achieved. This relates to the ongoing reconfiguration of the community centre. (2016/17: Achieved)
	Operational and maintenance activities are undertaken in a safe and healthy manner	No health and safety non compliances are received or issued. Annual Review of hazard register.	2017/18: Achieved: No Health and Safety related accidents have been reported for this year. Policies are being further developed to meet the new legislative requirements. (2016/17: Achieved) 2017/18: Not measured (2016/17: Not measured)
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better	80% satisfaction rating	2017/18: Achieved: User satisfaction results from the Communitrak survey are: <ul style="list-style-type: none"> • Community Centre: 90% • Halls: 92% (2016/17: Achieved: Community Centre: 94% Halls: 91%)
	Analysis of CSR complaints to enable issues to be addressed	Number of complaints shall reduce	2017/18: Not Achieved: 65 CSR's received in regards to property during the year. (2016/17: Not Achieved 61 CSR's.)
Council will implement systems / processes to ensure continued service delivery in emergency events	Contingency plans shall be implemented for emergency events such as earthquake and flooding where services may be affected or facilities damaged	Annual meeting with civil defence team Contingency plans shall be reviewed	2017/18: Not required (2016/17: Not required) 2017/18: Not required. Contingency plans have been prepared. No instances occurred where the plans needed to be implemented. (2016/17: Not required)

FUNDING IMPACT STATEMENT - PROPERTY

For the year ending 30 June 2018

	ACTUAL 2017/18 (\$ 000)	BUDGET 2017/18 (\$ 000)	LTP 2017/18 (\$ 000)	LTP 2016/17 (\$ 000)
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	134	107	267	256
Targeted rates (other than a targeted rate for water supply)	-	46	19	19
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	124	129	304	285
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	258	282	590	560
Applications of Operating Funding				
Payments to staff and suppliers	377	340	374	345
Finance costs	24	9	131	131
Internal Charges and overheads applied	(124)	(151)	27	26
Other operating funding applications	-	-	-	-
Total applications of operating funding	277	198	532	502
Surplus (Deficit) of operating funding	(19)	84	58	58
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	155	-	768
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	155	-	768
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	205	155	-	768
- to replace existing assets	70	386	51	53
Increase (Decrease) in reserves	(294)	(302)	7	5
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	(19)	239	58	826
Surplus (Deficit) of capital funding	19	(84)	(58)	(58)
Funding Balance	-	-	-	-

PROPERTY

Statement of Cost of Service for the year ended 30 June 2018

	COSTS	REVENUE	NET COST	BUDGETED	LTP	ACTUAL
	2017/18	2017/18	2017/18	NET COST	NET COST	NET COST
	(\$ 000)	(\$ 000)	(\$ 000)	2017/18	2017/18	2016/17
				(\$ 000)	(\$ 000)	(\$ 000)
Corporate Property	163	163	-	19	13	-
Staff Housing	13	27	(14)	(23)	-	(4)
Camping Grounds	12	-	12	17	17	12
Commercial Property	78	8	70	20	(1)	(2)
Information Centre Property	54	-	54	31	25	25
Library Property	16	-	16	-	-	17
Community Centre	490	-	490	442	637	465
Community Halls	32	-	32	43	25	38
Pensioner Housing	67	89	(22)	(9)	(9)	(32)
Sundry Property	-	-	-	-	3	-
Forestry	1	-	1	10	13	-
	926	287	639	550	723	519

	COSTS	REVENUE	NET COST	BUDGETED	LTP	ACTUAL
	2017/18	2017/18	2017/18	GROSS COST	GROSS COST	GROSS COST
	(\$ 000)	(\$ 000)	(\$ 000)	2017/18	2017/18	2016/17
				(\$ 000)	(\$ 000)	(\$ 000)
Projects						
Corporate Property	42	-	42	130	-	13
Staff Housing	-	-	-	-	-	15
Camping Grounds	-	-	-	5	-	-
Commercial Property	126	-	126	-	-	-
Information Centre Property	1	-	1	20	-	5
Library Property	16	-	16	-	-	9
Community Centre	70	-	70	358	47	119
Community Halls	19	-	19	-	-	6
Pensioner Housing	4	-	4	30	4	46
	278	-	278	543	51	213

Application of capital funding

- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	205	-	205	155	-	141
- to replace existing assets	70	-	70	387	51	73
	275	-	275	542	51	214

Corporate & Funds Management

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

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

FUNDING IMPACT STATEMENT - INVESTMENTS
For the year ending 30 June 2018

	ACTUAL 2017/18 (\$ 000)	BUDGET 2017/18 (\$ 000)	LTP 2017/18 (\$ 000)	LTP 2016/17 (\$ 000)
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	(381)	(362)	(25)	(130)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	26	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,300	925	808	864
Total Operating Funding	945	563	783	734
Applications of Operating Funding				
Payments to staff and suppliers	61	602	783	734
Finance costs	133	-	-	-
Internal Charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	194	602	783	734
Surplus (Deficit) of operating funding	751	(39)	-	-
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	751	(39)	-	-
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	751	(39)	-	-
Surplus (Deficit) of capital funding	(751)	39	-	-
Funding Balance	-	-	-	-

INVESTMENTS*Statement of Cost of Service for the year ended 30 June 2018*

	COSTS	REVENUE	NET COST	BUDGETED	LTP	ACTUAL
	2017/18	2017/18	2017/18	NET COST	NET COST	NET COST
	(\$ 000)	(\$ 000)	(\$ 000)	2017/18	2017/18	2016/17
				(\$ 000)	(\$ 000)	(\$ 000)
Funds Management	193	1,160	(967)	(103)	194	(549)
Dividends	-	49	(49)	(150)	(150)	(147)
Corporate	-	676	(676)	(69)	(69)	(103)
	<u>193</u>	<u>1,885</u>	<u>(1,692)</u>	<u>(322)</u>	<u>(25)</u>	<u>(799)</u>
Less Internal Reallocation						-
	<u>193</u>	<u>1,885</u>	<u>(1,692)</u>	<u>(322)</u>	<u>(25)</u>	<u>(799)</u>
Less Internal Interest Charged/Received	263	559	(296)	-	-	(144)
	<u>(70)</u>	<u>1,326</u>	<u>(1,396)</u>	<u>(322)</u>	<u>(25)</u>	<u>(655)</u>

Support Services

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

This group of activities includes finance, records and archives, administration and customer service, information services and GIS.

FUNDING IMPACT STATEMENT - SUPPORT SERVICES

For the year ending 30 June 2018

	ACTUAL 2017/18 (\$ 000)	BUDGET 2017/18 (\$ 000)	LTP 2017/18 (\$ 000)	LTP 2016/17 (\$ 000)
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	(97)	(92)	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	6	12	16	15
Interest and Dividends from Investments	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	(91)	(80)	16	15
Applications of Operating Funding				
Payments to staff and suppliers	4,349	4,387	4,024	3,709
Finance costs	103	38	55	31
Internal Charges and overheads applied	(4,630)	(4,534)	(4,090)	(3,846)
Other operating funding applications	-	-	-	-
Total applications of operating funding	(178)	(109)	(11)	(106)
Surplus (Deficit) of operating funding	87	29	27	121
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	632	421	410
Gross proceeds from sale of assets	-	-	40	10
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	632	461	420
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	100	632	421	410
- to replace existing assets	79	83	66	51
Increase (Decrease) in reserves	(92)	(54)	1	80
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	87	661	488	541
Surplus (Deficit) of capital funding	(87)	(29)	(27)	(121)
Funding Balance	-	-	-	-

Council-Controlled Organisations

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

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

Further information on QRS is available from their website www.qrs.co.nz.

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

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

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

Council's objectives for QRS are:

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

The following performance targets, as set out in the company's Statement of Intent 2017-18, are the measures by which the company's performance will be judged.

	2018		2017	
	Actual	Plan	Actual	Plan
Net profit before tax as a percentage of opening shareholder funds	6.4%	6%	(3.5)%	8.9%
Total cost of public debt servicing not to exceed 20% of operating revenue	0.7%	<20%	0.9%	<20%
Ratio of shareholder funds to total assets – not less than	57%	>45%	57.9%	>45%
Working Capital Ratio	1.5	>1	1.4	>1

The company achieved all of these targets.

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE

For the year ended 30 June 2018

	Notes	COUNCIL 2017/18 ACTUAL (\$ 000)	COUNCIL 2017/18 ANNUAL PLAN (\$ 000)	COUNCIL 2017/18 LTP (\$ 000)	COUNCIL 2016/17 ACTUAL (\$ 000)	GROUP 2017/18 ACTUAL (\$ 000)	GROUP 2016/17 ACTUAL (\$ 000)
REVENUES							
Rates	2	12,163	12,547	12,774	11,657	12,163	11,657
Subsidies and Grants	2	8,325	9,180	10,388	7,697	8,325	7,697
Petrol Tax		83	68	68	84	83	84
Construction Revenue		-	-	-	-	4,904	5,323
Fees and Charges		3,277	3,147	3,226	2,516	3,267	2,487
Investment Income	2	686	856	739	842	636	704
Miscellaneous Income		7	-	-	2	7	2
		<u>24,541</u>	<u>25,798</u>	<u>27,195</u>	<u>22,798</u>	<u>29,385</u>	<u>27,954</u>
		<u>24,541</u>	<u>25,798</u>	<u>27,195</u>	<u>22,798</u>	<u>29,385</u>	<u>27,954</u>
EXPENDITURE							
Water Services		4,624	4,463	4,585	4,637	4,624	4,637
Solid Waste		1,531	1,171	1,215	1,198	1,531	1,198
Transport		14,315	10,986	11,338	11,008	14,315	11,008
Community Facilities		2,160	2,340	1,975	2,152	2,160	2,152
Planning & Regulatory		1,780	2,273	2,268	1,747	1,780	1,747
Leadership & Governance		2,780	2,824	2,408	2,431	2,780	2,431
Investments		193	476	486	272	193	272
Property		739	543	750	637	739	637
Corporate		2	91	106	5	2	5
Expenditure - QRS		-	-	-	-	4,425	5,495
		<u>28,124</u>	<u>25,167</u>	<u>25,131</u>	<u>24,087</u>	<u>32,549</u>	<u>29,582</u>
		<u>28,124</u>	<u>25,167</u>	<u>25,131</u>	<u>24,087</u>	<u>32,549</u>	<u>29,582</u>
Net Surplus (Deficit) on Operations		(3,583)	631	2,064	(1,289)	(3,164)	(1,628)
Plus: increase (decrease) in biological asset	2	-	-	-	110	-	110
Fair Value Recognition of Loans and Asset	2	-	-	-	409	-	409
Property, Plant and Equipment - vested asset	2	-	-	-	49	-	49
Net Surplus (Deficit) before taxation		<u>(3,583)</u>	<u>631</u>	<u>2,064</u>	<u>(721)</u>	<u>(3,164)</u>	<u>(1,060)</u>
Taxation	9	-	-	-	-	(106)	59
Net Surplus (Deficit) after taxation		<u>(3,583)</u>	<u>631</u>	<u>2,064</u>	<u>(721)</u>	<u>(3,270)</u>	<u>(1,001)</u>
OTHER COMPREHENSIVE INCOME							
Increase (Decrease) in revaluation reserve	11	-	-	-	10,263	-	10,263
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		<u>(3,583)</u>	<u>631</u>	<u>2,064</u>	<u>9,542</u>	<u>(3,270)</u>	<u>9,262</u>

The accompanying notes form part of the Financial Statements

STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	Notes	COUNCIL 2017/18 ACTUAL (\$ 000)	COUNCIL 2017/18 ANNUAL PLAN (\$ 000)	COUNCIL 2017/18 LTP (\$ 000)	COUNCIL 2016/17 ACTUAL (\$ 000)	GROUP 2017/18 ACTUAL (\$ 000)	GROUP 2016/17 ACTUAL (\$ 000)
CURRENT ASSETS							
Cash and cash equivalents	5	3,432	267	106	3,032	5,149	3,644
Inventories	7	49	4	38	58	865	694
Trade & other receivables from non-exchange transactions	6	2,609	2,265	5,957	3,352	3,730	4,827
Financial assets at fair value	8	3,068	5,529	8,121	7,060	3,068	7,060
Taxation Refundable	9	-	-	-	-	-	40
Total Current Assets		9,158	8,065	14,222	13,502	12,812	16,265
LESS CURRENT LIABILITIES							
Trade & other payables	10	4,060	5,225	4,030	4,467	5,151	4,910
Term Liabilities - Current Portion	16	5,012	-	-	12	5,998	1,033
Taxation Payable		-	-	-	-	24	-
Total Current Liabilities		9,072	5,225	4,030	4,479	11,173	5,943
Working Capital		86	2,840	10,192	9,023	1,639	10,322
NON CURRENT ASSETS							
Property, Plant & Equipment	11	260,474	310,133	301,733	259,446	264,722	263,569
Loans & other receivables	8	33	60	-	90	33	90
Investments in Subsidiary	15	1,250	1,250	1,250	1,250	-	-
Investment Property	14	-	277	277	-	-	-
Biological asset - forestry	13	260	150	70	260	260	260
Available for sale financial assets	8	23	23	23	23	23	23
Intangible Assets	12	129	147	143	143	329	399
Financial assets at fair value	8	7,267	-	-	7,833	7,267	7,833
Deferred Taxation	9	-	-	-	-	351	352
		269,436	312,040	303,496	269,045	272,985	272,526
NON CURRENT LIABILITIES							
Employee Entitlements	4	115	121	148	107	160	154
Landfill Aftercare	17	750	478	860	708	750	708
Quarry Aftercare	17	-	-	-	-	156	143
Borrowings	16	-	5,000	8,012	5,012	964	5,980
		865	5,599	9,020	5,827	2,030	6,985
Net Assets		268,657	309,281	304,668	272,241	272,594	275,863
Represented by							
Equity	18	268,657	309,281	304,668	272,241	272,594	275,863

The accompanying notes form part of the Financial Statements

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2018

	COUNCIL 2017/18 ACTUAL (\$ 000)	COUNCIL 2017/18 ANNUAL PLAN (\$ 000)	COUNCIL 2017/18 LTP (\$ 000)	COUNCIL 2016/17 ACTUAL (\$ 000)	GROUP 2017/18 ACTUAL (\$ 000)	GROUP 2016/17 ACTUAL (\$ 000)
Equity at 01 July 2017	272,241	308,650	302,604	262,699	275,863	266,601
Net Surplus/(Deficit) for period	(3,583)	631	2,064	(721)	(3,270)	(1,001)
Other Comprehensive Income	-	-	-	10,263	-	10,263
Total Comprehensive Income	(3,583)	631	2,064	9,542	(3,270)	9,262
Equity at 30 June 2018	<u>268,657</u>	<u>309,281</u>	<u>304,668</u>	<u>272,241</u>	<u>272,594</u>	<u>275,863</u>
Components of Equity						
Ratepayers Equity at the beginning of the year	133,238	131,256	137,276	136,038	135,870	138,950
Net surplus/(deficit) for period	(3,583)	629	2,064	(720)	(3,269)	(1,001)
Transfers from restricted reserves	5,504	8,181	5,499	5,018	5,504	5,018
Transfers to restricted reserves	(3,899)	(2,771)	(2,969)	(7,098)	(3,899)	(7,098)
Transfer from revaluation reserve on disposal	989	-	-	-	989	-
Ratepayers Equity at 30 June 2018	<u>132,248</u>	<u>137,295</u>	<u>141,870</u>	<u>133,238</u>	<u>135,195</u>	<u>135,869</u>
Special Funds at the beginning of the year	24,480	20,232	18,177	22,400	24,480	22,400
Transfer from ratepayers equity	3,899	2,771	2,969	7,098	3,899	7,098
Transfer to ratepayers equity	(5,504)	(8,181)	(5,499)	(5,018)	(5,504)	(5,018)
Special Funds at 30 June 2018	<u>22,875</u>	<u>14,822</u>	<u>15,647</u>	<u>24,480</u>	<u>22,875</u>	<u>24,480</u>
Revaluation reserve infrastructural at the beginning of the year	114,523	157,164	147,151	104,260	115,514	105,251
Net transfer from revaluation reserve on disposal	(989)	-	-	-	(989)	-
Transfer to revaluation	-	-	-	10,263	-	10,263
Revaluation reserve infrastructural at 30 June 2018	<u>113,534</u>	<u>157,164</u>	<u>147,151</u>	<u>114,523</u>	<u>114,525</u>	<u>115,514</u>
Total Equity at 30 June 2018	<u>268,657</u>	<u>309,281</u>	<u>304,668</u>	<u>272,241</u>	<u>272,594</u>	<u>275,863</u>

The accompanying notes form part of the Financial Statements

STATEMENT OF CASH FLOWS
For the year ended 30 June 2018

	Note	COUNCIL 2017/18 ACTUAL (\$ 000)	COUNCIL 2017/18 ANNUAL PLAN (\$ 000)	COUNCIL 2017/18 LTP (\$ 000)	COUNCIL 2016/17 ACTUAL (\$ 000)	GROUP 2017/18 ACTUAL (\$ 000)	GROUP 2016/17 ACTUAL (\$ 000)
OPERATING ACTIVITIES							
Cash was provided from:							
Rates received		11,425	11,264	12,725	12,209	11,425	12,209
Other Revenue		13,223	14,224	14,524	9,788	21,566	14,080
Dividends received		50	-	-	147	-	-
Interest received		413	-	-	339	414	341
		<u>25,111</u>	<u>25,488</u>	<u>27,249</u>	<u>22,483</u>	<u>33,405</u>	<u>26,630</u>
Cash was applied to:							
Payments to Suppliers & Employees		21,262	19,649	19,533	18,165	27,242	21,655
Taxation		-	-	-	-	40	67
Interest Paid		787	548	618	294	906	413
		<u>22,049</u>	<u>20,197</u>	<u>20,151</u>	<u>18,459</u>	<u>28,188</u>	<u>22,135</u>
Net Cash Flow from Operations	19	<u>3,062</u>	<u>5,291</u>	<u>7,098</u>	<u>4,024</u>	<u>5,217</u>	<u>4,495</u>
INVESTING ACTIVITIES							
Cash was provided from:							
Sale of Property, Plant & Equipment		-	-	90	2	64	91
Repayment of Advances		57	-	-	30	51	30
Sale of Financial Assets		4,519	9,547	2,650	2,424	4,519	2,424
		<u>4,576</u>	<u>9,547</u>	<u>2,740</u>	<u>2,456</u>	<u>4,634</u>	<u>2,545</u>
Cash was applied to:							
Purchase of Intangibles		68	-	-	93	68	192
Purchase of Financial Assets		-	-	-	3,170	-	3,170
Purchase of Property, Plant & Equipment		7,157	14,676	10,752	4,697	8,227	6,137
		<u>7,225</u>	<u>14,676</u>	<u>10,752</u>	<u>7,960</u>	<u>8,295</u>	<u>9,499</u>
Net Cash Flows from Investing Activities		<u>(2,649)</u>	<u>(5,129)</u>	<u>(8,012)</u>	<u>(5,504)</u>	<u>(3,661)</u>	<u>(6,954)</u>
FINANCING ACTIVITIES							
Cash was provided from:							
Loans Raised		-	-	891	-	673	967
		<u>-</u>	<u>-</u>	<u>891</u>	<u>-</u>	<u>673</u>	<u>967</u>
Cash was applied to:							
Borrowings Repaid		12	-	-	10	724	527
		<u>12</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>724</u>	<u>527</u>
Net Cash Flows from Financing Activities		<u>(12)</u>	<u>-</u>	<u>891</u>	<u>(10)</u>	<u>(51)</u>	<u>440</u>
Net Increase/(Decrease)		<u>400</u>	<u>162</u>	<u>(23)</u>	<u>(1,490)</u>	<u>1,505</u>	<u>(2,019)</u>
Plus opening cash & cash equivalents		3,032	105	129	4,522	3,644	5,663
Cash & cash equivalents at end of year		<u>3,432</u>	<u>267</u>	<u>106</u>	<u>3,032</u>	<u>5,149</u>	<u>3,644</u>
Made up of:							
Cash		48	267	106	111	1,765	723
Short Term Deposits		3,384	-	-	2,921	3,384	2,921
Bank Overdraft		-	-	-	-	-	-
		<u>3,432</u>	<u>267</u>	<u>106</u>	<u>3,032</u>	<u>5,149</u>	<u>3,644</u>

The accompanying notes form part of the Financial Statements

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Note	Page
1. REPORTING ENTITY STATEMENT AND PREPARATION OF THE FINANCIAL STATEMENTS	100
2. REVENUE	101
3. EXPENDITURE.....	103
4. STAFF AND ELECTED MEMBERS REMUNERATION.....	105
5. CASH AND CASH EQUIVALENTS	107
6. TRADE AND OTHER RECEIVABLES	107
7. INVENTORIES.....	108
8. FINANCIAL ASSETS AT FAIR VALUE.....	108
9. INCOME TAX	112
10. TRADE AND OTHER PAYABLES	114
11. PROPERTY, PLANT AND EQUIPMENT	115
12. INTANGIBLE ASSETS	123
13. BIOLOGICAL ASSETS – FORESTRY	124
14. INVESTMENT PROPERTY	125
15. INVESTMENTS IN SUBSIDIARY.....	125
16. BORROWINGS	125
17. LANDFILL AND QUARRY AFTERCARE PROVISION.....	127
18. EQUITY	128
19. RECONCILIATION OF OPERATING SURPLUS WITH NET CASH FLOW FROM OPERATING ACTIVITIES.....	131
20. TRANSACTIONS WITH RELATED PARTIES	131
21. FINANCIAL INSTRUMENT RISK	132
22. EVENTS SUBSEQUENT TO BALANCE DATE	133
23. CONTINGENCIES.....	133
24. STATEMENT OF COMMITMENTS AS AT 30 JUNE 2018	134
25. STATEMENT OF INVOLVEMENT IN CCTO AND OTHER COMPANIES OR ORGANISATIONS	134
26. VARIANCES FROM THE ANNUAL PLAN	135
27. FUNDING IMPACT STATEMENT – COUNCIL ONLY	136
28. ADOPTION OF ANNUAL REPORT	137

1. Reporting Entity Statement and Preparation of the Financial Statements

Reporting Entity

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

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

The financial statements of WDC are for the year ended 30 June 2018. The financial statements were authorised for issue by Council on 31 October 2018.

Segmental Reporting

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

Basis of Preparation

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

These financial statements comply with Public Benefit Entity Standards.

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

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

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

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

Basis of Consolidation

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

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

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

Annual Plan

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

Long-Term Plan 2015-2025

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

Overhead Cost Allocation

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

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

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

Critical Accounting Estimates and Assumptions

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

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

Critical Judgements in Applying WDC's Accounting Policies

Management has not been required to exercise any critical judgements in applying WDC's accounting policies for the period ended 30 June 2018.

Changes in Accounting Policies

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

2. Revenue

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

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

Exchange transactions

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

Revenue from Water by Meter

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

Provision of services

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

Sale of Goods

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

Construction Contracts

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

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

Non-exchange transactions

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

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

Vested Assets

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

Provision of services

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

Rates revenue

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

Rates revenue	2018	2017
	Council	Council
	(\$ 000)	(\$ 000)
Rates levied:		
General Rates	3,493	3,203
Water	1,181	1,001
Sewerage	1,410	1,465
Waste Management	851	843
Stormwater / Drainage	478	310
Services	823	747
Roading	3,584	3,777
Recreation	1,011	866
	<u>12,831</u>	<u>12,212</u>
Penalties charged	225	251
	<u>13,056</u>	<u>12,463</u>
Less Remissions	(349)	(327)
	<u>12,707</u>	<u>12,136</u>
Less internal charges	(544)	(478)
Rating revenue per Income Statement	<u>12,163</u>	<u>11,658</u>

Other Income Disclosures:

Extraordinary and other comprehensive income received by WDC:

	2017/18	2016/17	2017/18	2016/17
	Council	Council	Group	Group
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Gain (Loss) on change in fair value of forestry assets	-	110	-	110
Net gain (Loss) on disposal of property, plant and equipment	7	2	7	2
Net gain (Loss) on Assets not previously recognised	(1)	348	(1)	348
Net gain (Loss) on Vested Assets	-	49	-	49
Net gain (Loss) on changes in fair value of loans	-	60	-	60
Net gain (Loss) on changes in fair value of investment property	-	-	-	-
	<u>6</u>	<u>569</u>	<u>6</u>	<u>569</u>

Government Grants and Subsidies

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

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

Revenue received from Government grants and subsidies includes \$2,322,822 (2017: \$3,608,569) relating to grants received where the associated expenditure has been capitalised. Expenditure relating to these projects will be recognised (primarily as depreciation) over the life of the capitalised assets. Cash inflows with respect to these capital grants and the associated cash outflows, are recognised as investing activities in the Statement of Cashflow.

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

Source of Funding	2017/18 Trsf ex 16/17 (\$ 000)	2017/18 Received (\$ 000)	2017/18 Trsf to 18/19 (\$ 000)	2017/18 Net Income (\$ 000)	2016/17 Net Income (\$ 000)
Land Transport New Zealand - Transport Subsidies	-	8,199	-	8,199	6,318
Ministry of Health	-	-	-	-	1,279
Ministry of Business, Innovation and Employment	-	71	-	71	-
Health Promotion Agency	-	10	-	10	30
Veteran Affairs	-	3	-	3	3
Creative New Zealand	4	11	5	10	15
SPARC's - Rural Travel Fund	2	9	2	9	19
YROA YNOT					
- Ministry of Social Development	6	6	5	7	1
- Ministry of Youth Development	7	-	7	-	2
- Department of Internal Affairs	5	9	14	-	1
Department of Internal Affairs	-	-	-	-	-
Others	41	33	58	16	-
	<u>65</u>	<u>8,351</u>	<u>91</u>	<u>8,325</u>	<u>7,668</u>

WDC has fulfilled all conditions attached to the Government assistance.

Interest Revenue

Council recognises interest income on an accrual basis with movements in fair value profits and losses disclosed in the overall income statement as interest on investments. Fair value gain on revaluation of investments for the year ending 30 June 2018 was \$39,649 (2017: \$36,750 Loss).

Income received from investments for the year:

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Interest on Financial assets at fair value through Profit and Loss	560	711	560	713
Gain / (Loss) in market value and Sales of Bond Portfolio	40	(37)	40	(37)
Cash Dividends Received	50	140	-	-
Other Dividend Adjustments	-	6	-	6
Rental income on other investments	34	21	34	21
Other income	2	1	2	1
	<u>686</u>	<u>842</u>	<u>636</u>	<u>704</u>

3. Expenditure

Operating Leases

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

Insurance of Assets

The total insurable value of above ground buildings and plant and equipment of \$80.3m is covered by insurance contracts of \$87.9m. These 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 \$26.4m.

Council has an asset value of \$63.2m in declared coverage under the LAPP Fund.

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

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

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

Superannuation

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

Borrowing Costs

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

Items included in the Calculation of Net Deficit.

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

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)
Insurance premiums	325	312
Ex-gratia payments	-	-
Public ceremonies	13	12
Insignia and robes of office	-	-
Entertainment	-	-
Subscriptions, levies, grants and contributions	544	527
Unauthorised expenditure	-	-

Other disclosures	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Depreciation - Infrastructural assets	3,576	3,430	3,576	3,430
Depreciation - Operational assets	1,100	1,280	2,082	2,254
Amortisation charge - Intangible assets	82	71	137	125
Audit fees for financial statements audit	123	101	184	160
Audit fees for LTP	108	-	108	-
Interest paid - bank borrowings	315	304	433	423
Interest paid - discount rate	-	-	-	-
Mayor and Councillor fees	216	214	216	214
Impairment of receivables (bad debts written off)	843	-	843	-
Impairment of receivables (provision for doubtful debts) (Note 6)	3,133	3,928	3,133	3,935
Lease expenses	40	40	218	48
Loss on disposal of Property, Plant, and Equipment	1,454	351	1,472	356
Unrealised (gain) loss on investments	(40)	37	(40)	37
(Gain) on sale of assets	(7)	(2)	(24)	(80)
Directors fees	-	-	122	95
Donations	-	-	64	38

4. Staff and Elected Members Remuneration

Chief Executive Officer's Remuneration

The Chief Executive Officer of the WDC is appointed under section 42 of the Local Government Act 2002. During the year this office was held by 3 individuals as follows:

Mr Fergus Power:	1 July 2017 – 28 July 2017
Mr John Freeman (Interim):	29 July 2017 – 7 March 2018
Mr Steven May:	22 January – 30 June 2018

The aggregate remuneration was as follows:

Annual Remuneration	\$240,881
---------------------	-----------

Elected Members Remuneration

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

Elected Representatives Remuneration

		2017/18 (\$)	2016/17 (\$)
Mayor	C.Little	69,490	68,359
Deputy Mayor	D.Eaglesome	30,783	30,282
Councillor - From 1 July 2016 to 2 November 2016	B.Cairns	-	8,304
Councillor - From 18 October 2016	C.Lambert	21,988	14,309
Councillor	M.Johansen	24,082	23,690
Councillor	H.Flood	24,082	23,690
Councillor	M.Bird	21,988	21,630
Councillor	J Harker *	24,082	23,690
		<u>216,495</u>	<u>213,954</u>

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

Key management personnel compensation	2017/18 (\$)	2016/17 (\$)
Salaries and other short term benefits	865,877	968,647
Post employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-

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

Key Management personnel include the Chief Executive and five senior management personnel (2017: Chief Executive and five senior management personnel).

Severance Payments

One severance payment of \$25,021 was paid in the 2017/18 financial year. There were two severance payments totalling \$119,508 made during the 2017 financial year.

Employee Staffing Levels and Remuneration

	2017/18	2016/17
Number of full time employees	55	52
Full time equivalent number of all other employees	6.3	3.5
Employees receiving total remuneration < \$60,000	36	39
Employees receiving total remuneration in the band \$60,000 - \$80,000	13	7
Employees receiving total remuneration in the band \$80,000 - \$100,000	9	9
Employees receiving total remuneration in the band \$100,000 - \$200,000	10	4

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Employment expenses				
Salaries and Wages	4,460	3,981	10,332	9,853
Employer contributions to Superannuation	127	110	254	237
Increase (decrease) in employee benefit liabilities	36	50	36	96
Total employee benefit expenses	<u>4,623</u>	<u>4,141</u>	<u>10,622</u>	<u>10,186</u>

	2017/18 Council	2016/17 Council	2017/18 Group	2016/17 Group
Employment liabilities				
Accrued pay	120	96	414	348
Annual leave	401	381	813	784
Long service leave	-	1	28	31
Retirement gratuities	110	103	152	141
Sick leave	5	3	16	13
Total employee benefit liabilities	<u>636</u>	<u>584</u>	<u>1,423</u>	<u>1,317</u>

Comprising:

	2017/18 Council	2016/17 Council	2017/18 Group	2016/17 Group
Current	521	477	1,263	1,163
Non-current	115	107	160	154
Total employee benefit liabilities	<u>636</u>	<u>584</u>	<u>1,423</u>	<u>1,317</u>

5. Cash and Cash Equivalents

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

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Cash at bank and in hand	48	111	1,765	723
Short term deposits	3,384	2,921	3,384	2,921
Total cash and cash equivalents	3,432	3,032	5,149	3,644

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

6. Trade and Other Receivables

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

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

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Rates Debtors	3,792	3,673	3,792	3,673
Trade Receivables - Non exchange transactions	1,803	3,300	1,803	3,300
Trade Receivables - Exchange transactions	-	-	1,121	1,482
GST Receivable	147	307	147	307
Gross Trade and Other Receivables	5,742	7,280	6,863	8,762
Less provision for impairment of receivables	(3,133)	(3,928)	(3,133)	(3,935)
Net Trade and Other Receivables	2,609	3,352	3,730	4,827

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

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

Wairoa District Council (WDC) provides for impairment on rates receivable, trade receivables and other debtors. The carrying amount is reduced directly when an asset is determined to be unrecoverable. An allowance for impairment is used when there is a reasonable likelihood that a debt may be impaired. A reversal to a write-down is made when an impaired debt is subsequently determined to be recoverable.

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

	2018 Council and Group			2017 Council and Group		
	Gross Rates Receivable (\$ 000)	Impairment (\$ 000)	Net (\$ 000)	Gross Rates Receivable (\$ 000)	Impairment (\$ 000)	Net (\$ 000)
Not past due	349	84	265	363	87	276
up to 2 years	1,274	850	424	1,245	727	518
2 to 5 years	971	915	56	914	865	49
over 5 years	1,198	1,198	-	1,151	1,141	10
Total Rate Debtors	3,792	3,047	745	3,673	2,820	853

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:

	2018 Council			2018 Group		
	Gross (\$ 000)	Impairment (\$ 000)	Net (\$ 000)	Gross (\$ 000)	Impairment (\$ 000)	Net (\$ 000)
Not past due	1,208	-	1,208	1,790	-	1,790
Past due 30 - 60 days	40	-	40	763	-	763
Past due 60 - 90 days	12	-	12	36	-	36
Past due > 90 days	331	87	244	335	90	245
	<u>1,591</u>	<u>87</u>	<u>1,504</u>	<u>2,924</u>	<u>90</u>	<u>2,834</u>
	2017 Council			2017 Group		
	Gross (\$ 000)	Impairment (\$ 000)	Net (\$ 000)	Gross (\$ 000)	Impairment (\$ 000)	Net (\$ 000)
Not past due	1,967	-	1,967	2,219	-	2,219
Past due 30 - 60 days	54	-	54	1,235	-	1,235
Past due 60 - 90 days	29	-	29	70	-	70
Past due > 90 days	1,250	1,109	141	1,258	1,116	142
	<u>3,300</u>	<u>1,109</u>	<u>2,191</u>	<u>4,782</u>	<u>1,116</u>	<u>3,666</u>

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:

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
At 1 July	3,928	3,065	3,935	3,069
Addition to / (release of) provision	(795)	863	(802)	866
At 30 June	<u>3,133</u>	<u>3,928</u>	<u>3,133</u>	<u>3,935</u>

7. Inventories

Inventories are stated (measured) at the lower of cost (on a first in first out basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The carrying amount of Inventories held for distribution as at 30 June 2018 is:

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Metal Stocks	-	-	536	430
Water reticulation spare parts	-	-	-	-
Water treatment chemicals	32	44	32	44
Other supplies	17	14	135	127
Work in progress	-	-	162	93
	<u>49</u>	<u>58</u>	<u>865</u>	<u>694</u>

The write-down of inventories held for distribution amounted to \$nil (2017: \$3,921), while reversal of write downs amounted to \$nil (2017: \$nil.) The carrying amount of inventories pledged as security is \$nil (2017: \$nil) and for liabilities is \$nil (2017: \$nil.)

8. Financial Assets at Fair Value

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

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

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

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

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

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

A. Financial assets at fair value through profit and loss

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

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

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Stock and Debentures	9,169	10,095	9,169	10,095
Term deposits over 3 months	1,165	4,799	1,165	4,799
	<u>10,334</u>	<u>14,894</u>	<u>10,334</u>	<u>14,894</u>

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

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

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

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

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Maturity				
One year or less	3,068	7,060	3,068	7,060
Weighted average interest rate	4.71%	4.11%	4.71%	4.11%
Between one and five years	6,711	5,845	6,711	5,845
Weighted average interest rate	3.22%	5.11%	3.22%	5.11%
Over five years	556	1,989	556	1,989
Weighted average interest rate	2.94%	4.35%	2.94%	4.35%
	<u>10,335</u>	<u>14,894</u>	<u>10,335</u>	<u>14,894</u>

The stocks and debentures are local authority stocks, and commercial bonds that are actively traded. The coupon rates vary from 3.78% to 6.25% with yields from 0.98% to 3.95%. Purchases and sales are accounted for at settlement date. These assets are exposed to cash flow interest rate risk.

B. Loans and receivables

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

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

During the year Council:

- Discharged the balance of the mortgage granted to the Wairoa Museum Trust Board in 2001 against the re-acquisition cost of the former County Council building.
- Received the final instalments on the advance to Te Matarae o Te Wairoa Trust
- Advanced a sum of \$66,000 to the Wairoa Young Achievers Trust against sums receivable from the Pam Torbett Trust supporting the Wairoa destination playground. As at 30 June 2018 \$33,000 had been recovered.

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Te Matarae o Te Wairoa Trust	-	30	-	30
Wairoa Young Achievers Trust	33			
Wairoa Museum Trust	-	60	-	60
Housing and Community Advances*	-	-	-	-
	<u>33</u>	<u>90</u>	<u>-</u>	<u>90</u>

*Balance is less than \$1,000

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

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Less than one year	33	90	33	90
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
Later than one year but less than two years	-	-	-	-
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
	<u>33</u>	<u>90</u>	<u>33</u>	<u>90</u>

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

There were no impairment provisions for Loans and Other Receivables.

The carrying value of community loans approximates their fair value and is \$33,247 (2017: \$90,247).

C. Available-for-sale financial assets

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

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
NZ Local Government Insurance Ltd	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>

Impairment of Financial Assets

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

Loans and Other Receivables

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

Quoted and unquoted equity investments

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

9. Income Tax

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

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

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

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

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

	2017/18	2016/17
	Group	Group
	(\$ 000)	(\$ 000)
Current tax expense	105	(34)
Adjustments to current tax in prior years	-	-
Reduction in tax rate	-	-
Deferred tax expense	(24)	(25)
Utilisation of tax losses	25	-
Income tax expense	<u>105</u>	<u>(59)</u>
Total Group Surplus / (deficit)	(3,164)	(1,060)
Less: non assessable surplus / (non qualifying deficit)	3,532	1,269
Assessable profits	<u>368</u>	<u>(210)</u>
Tax @ 28%	103	(59)
Plus taxation effect of permanent differences	-	-
Imputation credit adjustment	-	-
Non deductible expenses	<u>2</u>	<u>-</u>
Income tax expense at effective rate of 28%	<u>105</u>	<u>(59)</u>
	2017/18	2016/17
	Group	Group
	(\$ 000)	(\$ 000)
The major components of taxation expense are:		
Current taxation	105	(34)
Deferred taxation	(24)	(25)
Utilisation of tax losses	25	-
	<u>105</u>	<u>(59)</u>
Deferred Tax Asset		
Opening Balance	352	293
Current year charge	(1)	59
Use of Prior Year Recognised Loss and Other Movement not Recognised	-	-
Closing Balance	<u>351</u>	<u>352</u>

Deferred Income Tax as at 30 June 2018 relates to the following

	Balance Sheet Group		Income Statement Group	
	2017/18 (\$ 000)	2016/17 (\$ 000)	2017/18 (\$ 000)	2016/17 (\$ 000)
Deferred tax liabilities				
Contract retentions	32	86	54	6
Future amortisation	23	14	(9)	(9)
Gross deferred tax liabilities	55	100	45	(3)
Deferred tax assets				
Doubtful Debts	-	2	(2)	1
<u>Provisions</u>				
Annual leave	98	98	-	9
Staff gratuities	12	10	1	(9)
Sick leave	3	4	(1)	(1)
Time in lieu	46	34	12	13
Long service leave	8	8	(1)	1
Aftercare	44	40	3	(3)
ACC Premiums	10	8	2	1
Recognised tax losses	-	25	(25)	25
Maintenance accruals	3	69	(65)	69
Construction accruals	4	13	(10)	(19)
Future depreciation	179	140	38	(24)
Deferred tax assets	406	451	(45)	61
Net deferred tax assets	351	351		
Deferred tax income (expense)			-	59

10. Trade and Other Payables

Trade and Other Payables

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

Employee Benefits

Short-term benefits

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

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

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

Long-Term Employee Entitlements

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

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

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

Superannuation

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

Provisions

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

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

Prepaid Income

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

Trade and other payables as at 30 June 2018 are:

Note 10 Trade and other Payables

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Trade Payables	2,636	3,160	2,399	2,694
Employee Entitlements	636	500	1,423	1,231
GST Payable	-	-	212	225
Prepayments - Rates	408	352	408	352
Prepayments - Other debtors	402	312	776	312
	<u>4,082</u>	<u>4,324</u>	<u>5,218</u>	<u>4,814</u>
Less non-current portion of employee entitlements	<u>(115)</u>	<u>(107)</u>	<u>(160)</u>	<u>(154)</u>
	<u><u>3,967</u></u>	<u><u>4,217</u></u>	<u><u>5,058</u></u>	<u><u>4,660</u></u>
Trust funds and deposits				
Deposits	89	246	89	246
Trust funds	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
	<u><u>93</u></u>	<u><u>250</u></u>	<u><u>93</u></u>	<u><u>250</u></u>
Trade and Other Payables	<u><u>4,060</u></u>	<u><u>4,467</u></u>	<u><u>5,151</u></u>	<u><u>4,910</u></u>

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

Safer Community Committee	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
---------------------------	----------	----------	----------	----------

11. Property, Plant and Equipment

Property, plant and equipment consists of:

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

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

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

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

Additions

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

Disposals

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

Subsequent costs

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

Depreciation

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

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

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

Property, Plant and Equipment

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

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

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

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

Policy on Replacement of Assets

Compliance with Local Government Act 2002

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

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

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

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

The effects of this decision are that:

1. The current assets will be available for many years to come.
2. Once an asset reaches the point where it is considered unsafe to use then that asset will be removed. Any decision to provide a replacement service will be considered as a new service at that time and will be the subject of consultation.
3. Should any asset under this policy be the subject of an insurance claim then, prior to reinstatement, Council will decide whether reinstatement of the asset should proceed or whether the service should be discontinued at the time of loss.
4. By not funding loss of service potential (depreciation) there is a reduction in rates payable by the present ratepayers.

2017/18 Depreciation not funded:

	BUDGET \$	ACTUAL \$
1. Community halls	6,819	7,374
2. Housing	4,608	4,381
3. Ruakituri and Tuai fire appliances	18,147	0
4. Camping ground	8,421	7,286
5. Roothing (NZTA subsidised portion of roading)	1,980,285	1,747,221
6. Community Centre	369,795	380,724
7. Loan-funded assets including the Mahia wastewater system and the Opoutama sewerage system.	259,463	164,639
8. Other Assets	0	2,636
	\$2,647,538	\$2,314,261

Revaluation

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

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

Operational land and buildings

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

Restricted land and buildings

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

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

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

Land under roads

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

Impairment of property, plant and equipment and intangible assets

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

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

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

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

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

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

Critical Accounting Estimates and Assumptions

Infrastructure Assets

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

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

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

Experienced independent valuers perform Council's infrastructural asset revaluations.

Property, Plant and Equipment as at 30 June 2018 - Council

Description	Cost/Revaluation 30 June 2017 (\$ 000)	Accumulated Depreciation and Impairment Charges 30 June 2017 (\$ 000)	Carrying Amount 30 June 2017 (\$ 000)	Revaluation (\$ 000)	Current Year Disposals (\$ 000)	Current Year Accumulated Depreciation Disposals (\$ 000)	Current Year Additions Constructed Assets (\$ 000)	Current Year Additions Transferred Assets (\$ 000)	Depreciation and Impairment Charges 30 June 2018 (\$ 000)	Carrying Amount 30 June 2018 (\$ 000)	Carrying Amount at 30/06/2018 Represented By	
											Cost/ Revaluation (\$ 000)	Accumulated Depreciation and Impairment Charges (\$ 000)
Land	4,548	-	4,548	-	5	-	146	-	-	4,690	4,690	-
Buildings	13,007	2,662	10,345	-	291	97	409	-	391	10,169	13,125	2,956
	17,555	2,662	14,893	-	296	97	555	-	391	14,859	17,815	2,956
Other Improvements	3,422	2,009	1,413	-	11	4	419	30	155	1,701	3,861	2,160
Vehicles	1,183	800	383	-	482	446	107	-	125	329	808	479
Furniture and Office Equipment	3,281	2,191	1,090	-	127	119	392	(30)	370	1,074	3,515	2,442
Fixtures and Fittings	68	60	8	-	-	-	-	-	6	2	68	66
Library Collections	522	427	95	-	-	-	29	-	52	72	551	479
	8,476	5,487	2,989	-	620	569	947	-	708	3,178	8,803	5,626
Roading	174,881	-	174,881	-	642	-	2,223	-	1,888	174,574	176,462	1,888
Land under Roads	5,344	-	5,344	-	-	-	-	-	-	5,344	5,344	-
Bridges	18,284	-	18,284	-	444	-	1,159	-	695	18,303	18,998	695
Water Supply-Treatment Plant & Facilities	5,931	-	5,931	-	4	-	74	-	163	5,838	6,001	163
Water Supply-Other Assets	13,163	-	13,163	-	44	-	2,996	-	358	15,758	16,116	358
Sewerage - Treatment Plant & Facilities	7,048	-	7,048	-	19	-	216	-	127	7,118	7,245	127
Sewerage - Other Assets	7,913	-	7,913	-	51	-	531	-	138	8,254	8,392	138
Stormwater	5,358	-	5,358	-	2	-	390	-	182	5,563	5,745	182
Parking	363	-	363	-	-	-	-	-	25	338	363	25
	238,284	-	238,284	-	1,206	-	7,589	-	3,576	241,090	244,666	3,576
Capital Work in Progress	3,280	-	3,280	-	-	-	990	(2,923)	-	1,347	1,347	-
TOTAL	267,595	8,149	259,446	-	2,122	666	10,081	(2,923)	4,675	260,474	272,631	12,158

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

Property, Plant and Equipment as at 30 June 2018 - Group

Description	Cost/Revaluation 30 June 2017 (\$ 000)	Accumulated Depreciation and Impairment Charges 30 June 2017 (\$ 000)	Carrying Amount 30 June 2017 (\$ 000)	Revaluation (\$ 000)	Current Year Disposals (\$ 000)	Current Year Accumulated Depreciation Disposals (\$ 000)	Current Year Additions Assets Constructed (\$ 000)	Current Year Additions Assets Transferred (\$ 000)	Depreciation and Impairment Charges 30 June 2018 (\$ 000)	Carrying Amount 30 June 2018 (\$ 000)	Carrying Amount at 30/06/2018 Represented By	
											Cost/ Revaluation (\$ 000)	Accumulated Depreciation and Impairment Charges (\$ 000)
Land	4,949	15	4,934	-	5	-	279	-	38	5,171	5,223	52
Buildings	13,532	2,982	10,550	-	291	97	504	-	417	10,444	13,746	3,302
	18,481	2,997	15,484	-	296	97	783	-	455	15,615	18,969	3,354
Other Improvements	3,422	2,009	1,413	-	11	4	419	30	155	1,701	3,861	2,160
Vehicles	14,960	10,571	4,389	-	798	699	826	-	924	4,191	14,987	10,796
Furniture and Office Equipment	4,307	2,835	1,472	-	127	119	515	(30)	490	1,459	4,665	3,206
Fixtures and Fittings	68	60	8	-	-	-	-	-	6	2	68	66
Library Collections	522	427	95	-	-	-	29	-	52	71	551	479
	23,279	15,902	7,377	-	936	822	1,789	-	1,627	7,424	24,132	16,707
Roading	174,024	-	174,024	-	642	-	2,325	-	1,888	173,819	175,707	1,888
Land under Roads	5,344	-	5,344	-	-	-	-	-	-	5,344	5,344	-
Bridges	18,284	-	18,284	-	444	-	1,159	-	695	18,303	18,998	695
Water Supply -Treatment Plant & Facilities	5,931	-	5,931	-	4	-	74	-	163	5,838	6,001	163
Water Supply-Other Assets	13,163	-	13,163	-	44	-	2,996	-	358	15,758	16,116	358
Sewerage - Treatment Plant & Facilities	7,048	-	7,048	-	19	-	216	-	127	7,118	7,245	127
Sewerage -Other Assets	7,913	-	7,913	-	51	-	531	-	138	8,254	8,392	138
Stormwater	5,358	-	5,358	-	2	-	390	-	182	5,564	5,746	182
Parking	363	-	363	-	-	-	-	-	25	338	363	25
	237,428	-	237,428	-	1,206	-	7,691	-	3,576	240,336	243,912	3,576
Capital Work in Progress	3,280	-	3,280	-	-	-	990	(2,923)	-	1,347	1,347	-
TOTAL	282,468	18,899	263,569	-	2,438	919	11,253	(2,923)	5,658	264,722	288,360	23,637

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

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

Description	Cost/Revaluation 30 June 2016 (\$ 000)	Accumulated Depreciation and Impairment Charges 30 June 2016 (\$ 000)	Carrying Amount 30 June 2016 (\$ 000)	Revaluation (\$ 000)	Current Year Disposals (\$ 000)	Current Year Accumulated Depreciation Disposals (\$ 000)	Current Year Additions Constructed Assets (\$ 000)	Current Year Additions Transferred Assets (\$ 000)	Depreciation and Impairment Charges 30 June 2017 (\$ 000)	Carrying Amount 30 June 2017 (\$ 000)	Carrying Amount at 30/06/2017 Represented By	
											Cost/ Revaluation (\$ 000)	Accumulated Depreciation and Impairment Charges (\$ 000)
Land	4,158	2	4,156	-	1	-	376	15	1	4,545	4,548	3
Buildings	12,558	2,273	10,285	-	24	7	365	108	393	10,348	13,007	2,659
	16,716	2,275	14,441	-	25	7	741	123	394	14,893	17,555	2,662
Other Improvements	3,344	1,846	1,498	-	3	-	81	-	163	1,413	3,422	2,009
Vehicles	1,050	759	291	-	34	34	167	(28)	103	383	1,183	800
Furniture and Office Equipment	2,758	1,645	1,113	-	18	18	265	276	564	1,090	3,281	2,191
Fixtures and Fittings	68	53	15	-	-	-	-	-	7	8	68	60
Library Collections	486	378	107	-	-	-	36	-	49	95	522	427
	7,706	4,681	3,024	-	55	52	549	248	886	2,989	8,476	5,487
Roading	168,152	3,872	164,280	11,357	232	41	1,233	-	1,797	174,881	174,881	-
Land under Roads	5,344	-	5,344	-	-	-	-	-	-	5,344	5,344	-
Bridges	19,693	1,144	18,549	61	149	9	400	-	585	18,284	18,284	-
Water Supply-Treatment Plant & Facilities	6,679	338	6,342	(263)	-	-	34	-	182	5,931	5,931	-
Water Supply-Other Assets	13,828	575	13,253	163	-	-	35	-	289	13,163	13,163	-
Sewerage - Treatment Plant & Facilities	9,802	594	9,208	(1,939)	-	-	5	-	225	7,048	7,048	-
Sewerage - Other Assets	7,562	304	7,258	571	-	-	240	-	156	7,913	7,913	-
Stormwater	5,493	340	5,153	265	-	-	111	-	171	5,357	5,357	-
Parking	390	50	340	48	-	-	-	-	25	363	363	-
	236,943	7,217	229,727	10,263	381	50	2,058	-	3,430	238,284	238,284	-
Capital Work in Progress	1,850	-	1,850	-	-	-	1,647	(217)	-	3,280	3,280	-
TOTAL	263,215	14,173	249,042	10,263	461	109	4,995	154	4,710	259,446	267,595	8,149

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

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

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

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

Note 11 Cont.

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

Estimating any obsolescence or surplus capacity of the asset.

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

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

The most recent valuation for roading, bridges and parking was performed by Tui Craven and reviewed by Thayalan Sivachelvan, both of Opus International Consultants Ltd. The valuation had an effective date of 30 June 2017. Council considers that the factors applied in those valuations remain valid and that therefore the carrying values of the corresponding assets as adjusted by additions, disposals and condition assessments are appropriate.

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

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

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

The most recent valuation for Water Networks, Wastewater Treatment Plants, and Wastewater Pump Stations was performed by Duncan Kerr and reviewed by John Vessey and Brian Jones, all of Opus International Consultants Ltd. The valuation had an effective date of 30 June 2017. Council considers that the factors applied in those valuations remain valid and that therefore the carrying values of the corresponding assets as adjusted by additions, disposals and condition assessments are appropriate.

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

12. Intangible Assets

Software acquisition and development

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

Trademarks

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

Amortisation

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

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

Computer software	3 years	33%
Trademarks	Unlimited	Nil

	2017/18 Council Software (\$ 000)	2016/17 Council Software (\$ 000)	2017/18 Group Software (\$ 000)	2016/17 Group Software (\$ 000)
Opening Balance				
Cost	810	716	1,469	1,286
Accumulated amortisation and impairment	(678)	(607)	(1,081)	(966)
Opening carrying value	<u>132</u>	<u>109</u>	<u>388</u>	<u>320</u>
Additions	68	92	68	191
Amortisation charge	(82)	(71)	(137)	(125)
Closing carrying amount	<u>118</u>	<u>130</u>	<u>319</u>	<u>386</u>
	2017/18 Council Trademarks (\$ 000)	2016/17 Council Trademarks (\$ 000)	2017/18 Group Trademarks (\$ 000)	2016/17 Group Trademarks (\$ 000)
Opening Balance				
Cost	12	12	12	12
Accumulated amortisation and impairment	-	-	-	-
Opening carrying value	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>
Additions	-	1	-	1
Amortisation charge	-	-	-	-
Closing carrying amount	<u>12</u>	<u>13</u>	<u>12</u>	<u>13</u>

13. Biological Assets – Forestry

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

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

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Balance at 1 July	260	150	260	150
Increases due to purchase	-	-	-	-
Gains (losses) arising from changes in fair value	-	110	-	110
Balance at 30 June	<u>260</u>	<u>260</u>	<u>260</u>	<u>260</u>

WDC owns 29.3 hectares (2017: 29.3 hectares) of forest, mostly *Pinus radiata*, which are at varying stages of maturity ranging from 3 to 25 years.

Independent Valuers Telfer Young Ltd (Hawkes Bay), have valued forestry assets as at 30th June 2017. This reflects the fair value as at 30th June 2017. Council considers that there have been no events that would give rise to a material change in this valuation during the year.

Financial risk management strategies

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

14. Investment Property

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

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

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

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

There have been no movements in investment property this year.

15. Investments in Subsidiary

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

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Quality Roding and Services (Wairoa) Ltd	1,250	1,250	-	-

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

16. Borrowings

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

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

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Current Portion				
Secured Loans	5,012	12	5,998	1,033
Debentures	-	-	-	-
Total Current Portion	<u>5,012</u>	<u>12</u>	<u>5,998</u>	<u>1,033</u>
Non Current Portion				
Secured Loans	-	5,012	964	5,980
Total Borrowings	<u>5,012</u>	<u>5,024</u>	<u>6,962</u>	<u>7,013</u>

Maturity Analysis and effective interest rates

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

	2017/18 Secured Loans Council (\$ 000)	2016/17 Secured Loans Council (\$ 000)	2017/18 Secured Loans Group (\$ 000)	2016/17 Secured Loans Group (\$ 000)
Less than one year	5,012	12	5,998	1,033
<i>weighted average effective interest rate</i>	6.07%	16.43%	6.13%	6.45%
Later than one year but less than two years	-	5,012	964	5,980
<i>weighted average effective interest rate</i>	0.00%	6.07%	6.81%	6.25%
Later than two years but less than five years	-	-	-	-
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
Later than five years	-	-	-	-
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
	<u>5,012</u>	<u>5,024</u>	<u>6,962</u>	<u>7,013</u>

Fair Value of borrowings	Carrying Amounts		Fair Values	
	2017/18 (\$ 000)	2016/17 (\$ 000)	2017/18 (\$ 000)	2016/17 (\$ 000)
Secured Loans - Wairoa District Council	5,012	5,024	5,012	5,024
Secured Loans - Group	6,962	7,013	6,962	7,013

The fair values are based on cash flows discounted using a rate based on the borrowing rate of 6.05% Council (2017: 6.05%) and 6.26% Group (2017: 6.28%) The carrying amounts of borrowings repayable within one year approximate their fair value. WDC does not have any floating rate debt.

Security

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

Internal Borrowing

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

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

Activity Group	Balance 2016/17 (\$ 000)	Borrowed in Year 2017/18 (\$ 000)	Repaid in Year 2017/18 (\$ 000)	Balance 2017/18 (\$ 000)
Water Supply	1,780	127	-	1,907
Stormwater and Drainage	1,333	368	-	1,701
Wastewater	1,416	-	-	1,416
Waste Management	722	-	-	722
Transport	-	308	-	308
Community Facilities	1,932	377	-	2,309
Leadership and Governance	113	125	-	238
Planning and Regulatory	128	38	-	166
Property	192	215	-	407
Support Services	129	37	-	166
	<u>7,745</u>	<u>1,595</u>	<u>-</u>	<u>9,340</u>

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

Activity Group	Interest Charged 2017/18 (\$ 000)
Water Supply	114
Stormwater and Drainage	102
Wastewater	85
Waste Management	43
Transport	18
Community Facilities	139
Leadership and Governance	14
Planning and Regulatory	10
Property	23
Support Services	10
	<u>558</u>

17. Landfill and Quarry Aftercare Provision

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

The cash outflows for landfill post-closure are expected to occur within the next 28 years. There are inherent uncertainties due to the long-term nature of the liability. The costs have been estimated using existing technology with a discount rate of 3.84%. (2016/17: 3.00%)

Critical Accounting Estimates and Assumptions

Landfill Aftercare

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

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Balance at 1 July	708	756	708	756
Provided (released) during the year - Wairoa	53	(38)	53	(38)
Provided (released) during the year - Mahia	(11)	(9)	(11)	(9)
Balance at 30 June	<u>750</u>	<u>708</u>	<u>750</u>	<u>708</u>

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.

	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Balance at 1 July	144	155
Provided during the year	20	3
Expenditure during the year	(8)	(14)
Balance at 30 June	<u>156</u>	<u>143</u>

18. Equity

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

The components of the reserves are:

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

Restricted & Council Created Reserves (Council Only)

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

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

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

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

WDC has the following Council created reserves:

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

	2016/17 Balance (\$ 000)	Transfer to (\$ 000)	Transfer From (\$ 000)	2017/18 Balance (\$ 000)
Reserves held for Emergency Purposes				
Disaster Recovery Reserve	736	19	-	755
	<u>736</u>	<u>19</u>	<u>-</u>	<u>755</u>
Reserves held for future Asset Purchases				
District Development Fund	251	6	-	257
Asset and Vehicle Depreciation Reserve	996	299	200	1,095
Information Systems Renewal Reserve	325	199	126	398
Water Production Depreciation Reserve	1,531	167	130	1,568
Water Reticulation Depreciation Reserve - Wairoa	1,960	358	369	1,949
Water Reticulation Depreciation Reserve - Peri Urban	140	-	9	131
Water Reticulation Depreciation Reserve - Tuai	57	-	-	57
Water Reticulation Depreciation Reserve - Frasertown	49	-	-	49
Water Reticulation Depreciation Reserve - Mahanga	16	-	-	16
Sewerage System Depreciation Reserve - Wairoa	4,267	16	1,395	2,888
Sewerage System Depreciation Reserve - Tuai	364	-	46	318
Stormwater Reticulation Depreciation Reserve - Wairoa	1,966	182	39	2,109
Stormwater Reticulation Depreciation Reserve - Mahia	13	-	-	13
Parking Area Depreciation Reserve	523	38	-	561
Bridges Depreciation Reserve	4,784	330	2,128	2,986
Landfill/RTS Depreciation Reserve	392	75	19	448
Airport Runway Depreciation Reserve	7	5	13	(1)
Roading Depreciation Reserve	-	540	540	-
Footpaths Depreciation Reserve	890	111	141	860
Library Book Stocks Depreciation Reserve	211	58	29	240
Pensioner Housing Depreciation Reserve	121	18	4	135
Parks and Reserves Depreciation Reserve	39	134	173	-
	<u>18,902</u>	<u>2,536</u>	<u>5,361</u>	<u>16,077</u>
Reserves held for future Operational Costs				
General Purpose Fund	1,389	16	92	1,313
Wairoa Urban Fund	263	7	-	270
Retirement and Restructuring Reserve	146	4	50	100
Tuai Village Reserve	219	6	-	225
Water Production Reserve	419	11	-	430
Water Reticulation Reserve - Wairoa	55	1	-	56
Water Reticulation Reserve - Wairoa Peri Urban	324	8	-	332
Water Reticulation Reserve - Frasertown	42	1	-	43
Water Reticulation Reserve - Mahanga	-	-	-	-
	<u>2,857</u>	<u>54</u>	<u>142</u>	<u>2,769</u>
Reserves held for repayment of maturing debt				
Loan Repayment Reserve - External	1,052	943	-	1,995
Loan Repayment Reserve - Internal	933	346	-	1,279
	<u>1,985</u>	<u>1,289</u>	<u>-</u>	<u>3,274</u>
Total special funds reserves	<u>24,480</u>	<u>3,898</u>	<u>5,503</u>	<u>22,875</u>

Revaluation Reserves

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

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Revaluation Reserve Infrastructural				
As at 1 July	114,523	104,260	115,513	105,251
Transfers to:				
Revaluations	-	10,263	-	10,263
Transfer from:				
Net transfer from asset revaluation reserve on disposal	(989)	-	(989)	-
	<u>113,534</u>	<u>114,523</u>	<u>114,524</u>	<u>115,514</u>

Retained Earnings

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

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Retained Earnings				
As at 1 July	133,238	136,037	135,870	138,950
Transfers to:				
Restricted Reserves	(3,898)	(7,098)	(3,898)	(7,098)
Transfer From:				
Restricted Reserves	5,503	5,019	5,503	5,019
Net transfer from asset revaluation reserve on disposal	989	-	989	-
Surplus (Deficit) for year	(3,583)	(720)	(3,270)	(1,001)
	<u>132,248</u>	<u>133,238</u>	<u>135,195</u>	<u>135,870</u>

Total Equity

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Equity is made up of:				
Special Fund reserves	22,875	24,480	22,875	24,480
Sinking Fund reserves	-	-	-	-
Revaluation Reserves	113,534	114,523	114,524	115,514
Accumulated Funds	132,248	133,238	135,195	135,870
	<u>268,657</u>	<u>272,241</u>	<u>272,594</u>	<u>275,864</u>

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

	2017/18 COUNCIL (\$ 000)	2016/17 COUNCIL (\$ 000)	2017/18 GROUP (\$ 000)	2016/17 GROUP (\$ 000)
Surplus / Deficit	(3,584)	(721)	(3,269)	(1,001)
Add non cash items:				
Depreciation	4,757	4,782	5,740	5,755
Loss on disposal of assets	1,454	351	1,454	278
Amortisation	-	-	56	54
Decrease (Increase) in deferred taxation	-	-	-	(58)
Increase (Decrease) in employment costs provision	8	(4)	6	46
Increase in Bad Debts provision	(691)	751	(806)	751
Revaluation of investment property and forestry	-	(110)	-	(110)
Fair Value recognition of Loan and Assets	-	(409)	-	(409)
Vested Asset	-	(49)	-	(49)
Unrealised loss (Gain) on investments	39	(37)	40	(37)
Increase in Landfill aftercare provision	42	(48)	42	(48)
Quarry Aftercare Provision	-	-	12	(12)
	2,025	4,506	3,275	5,160
Add (less) movements in other working capital items:				
(Increase) Decrease in rates receivable	(103)	(292)	(103)	(292)
(Increase) Decrease in trade & other receivables	1,470	(690)	1,818	(961)
Increase (Decrease) in trade & other payables	(334)	529	417	(20)
Increase (Decrease) in loans and other receivables	(30)	(30)	(30)	(30)
(Decrease) in GST Receivable / Increase in GST Payable	25	(6)	(14)	(6)
Increase (Decrease) in taxation payable	-	-	24	(67)
(Increase) / Decrease Inventories	9	7	(170)	711
	1,037	(482)	1,942	(665)
Net cash inflow / (outflow) from operating activities	3,062	4,024	5,217	4,495

20. Transactions with related parties

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

- Purchase of services \$10,918,280 (2017: \$8,135,655)
- Sales: \$10,535 (2017: \$29,675)
- Dividend \$50,000 (2017: \$140,000)

Amount owed by Quality Roding and Services (Wairoa) Ltd to Council at year end: \$745 (2017: \$1,000) which was receivable on normal trading terms.

Amount owed by Council to Quality Roding and Services (Wairoa) Ltd at year end: \$1,212,680 (2017: \$1,538,365) which is payable on normal trading terms except for \$81,819 (2017: \$321,740) 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:

	2017/18 Business Transacted (\$)	2017/18 Balance Owing (\$)	2016/17 Business Transacted (\$)	2016/17 Balance Owing (\$)
QRS Directors and Executive Officers	12,821	-	12,458	1,157

21. Financial Instrument Risk

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

Price Risk

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

Currency Risk

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

Interest Rate Risk

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

Fair Value Interest Rate Risk

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

Cash Flow Interest Rate Risk

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

Credit Risk

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

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

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

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

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
FINANCIAL ASSETS				
Financial assets at fair value through profit and loss - upon initial recognition				
Shares and debentures	10,335	14,893	10,335	14,893
Loans and Receivables				
Cash and Cash Equivalents	3,433	3,032	5,149	3,644
Trade and other receivables	2,462	3,045	3,583	4,520
Other Financial Assets	-	-	-	-
Te Matarae o Te Wairoa Trust	-	30	-	30
Wairoa Museum Trust	-	60	-	60
	<u>5,895</u>	<u>6,167</u>	<u>8,732</u>	<u>8,254</u>
Available for Sale Financial Assets				
NZ Local Government Insurance Corporation Limited	23	23	23	23
	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>
Total Financial Assets	<u>16,253</u>	<u>21,083</u>	<u>19,090</u>	<u>23,170</u>

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
FINANCIAL LIABILITIES				
Financial Liabilities at Amortised cost				
Trade and other Payables	4,718	4,925	5,909	5,511
Borrowings				
Secured Loans	5,012	5,024	6,961	7,012
Total Financial Liabilities at amortised cost	9,730	9,949	12,870	12,523

22. Events subsequent to balance date

There have been no events subsequent to balance date that would have a material effect on the 30 June 2018 Annual Report.

23. Contingencies

Contingent Assets

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

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

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

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Balance at 1 July	2,207	2,937	2,207	2,937
Less Charged Through Rates This Financial Year	(277)	(434)	(277)	(434)
Add Back Interest Charged in Rates	114	156	114	156
Less Option One & Early Repayment Policy Payments	(583)	(451)	(583)	(451)
Balance at 30 June	1,461	2,208	1,461	2,208

Contingent Liabilities

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

	2018 Council (\$ 000)	2017 Council (\$ 000)	2018 Group (\$ 000)	2017 Group (\$ 000)
Performance bonds with ANZ Banking Group (NZ) Ltd	-	-	869	456

Form of Performance Bonds – Guarantees

\$869,460 (2017 : \$456,305)

24. Statement of Commitments as at 30 June 2018

Future Contracted Commitments

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Commitments approved and contracted	16,922	13,353	17,521	13,353
Contracted Payments Aging Analysis				
Up to one year	8,388	10,821	8,939	10,821
one to five years	8,534	2,532	8,581	2,532
over five years	-	-	-	-
	<u>16,922</u>	<u>13,353</u>	<u>17,521</u>	<u>13,353</u>

Non-cancellable operating lease commitments

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:

	2017/18 Council (\$ 000)	2016/17 Council (\$ 000)	2017/18 Group (\$ 000)	2016/17 Group (\$ 000)
Office equipment				
Up to one year	30	33	138	33
one to five years	-	30	47	30
over five years	-	-	-	-

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

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

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

Wairoa District Council has control over the following entities:

- Quality Roading and Services (Wairoa) Ltd

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

	2017/18 (\$ 000)	2016/17 (\$ 000)
Dividends:	50	147

26. Variances from the Annual Plan

Explanations for major variances from WDC's estimated figures in the 2017/18 Annual Plan are as follows

	2017/18 Annual Plan (\$ 000)
Income Statement	
2018 plan net surplus	629
Higher (lower) subsidy revenue (regional projects, emergency works)	(855)
Higher (lower) income from investments	(170)
Higher (lower) income from fees and charges (water production, waste management)	130
Higher (lower) income from rates	(384)
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).	(2,956)
Capital gain on asset sales	7
Gain/(Loss) on revaluation of woodlots	-
Gain on revaluation of Wairoa Landfill Aftercare provision	-
Other	15
2018 actual net deficit	(3,584)
Capital expenditure	
2018 plan	15,246
Amounts not spent during year*	(8,051)
Actual expenditure 2018	7,195
* Capital projects not completed are analysed as follows (\$ 000)	
Emergency response costs incurred as operating costs included in the capital budget	1,554
SH38 works subject to continuing negotiations with NZTA	812
Airport runway extension and other projects deferred subject to funding	1,880
Toilets, CBD upgrade and tourism infrastructure deferrd subject to further consultation and funding	834
Archives building replacement and administrative office s upgrade deferred due to continuing review	573
Drinking water renewals and upgrades commenced and acrried forward	447
Crarer - Carroll Street stormwater pipe and CCTV installation commenced and carried forward	329
Drainage and other roading and bridge renewals partially completed	1,291
Other	331
	8,051

27. Funding Impact Statement – Council Only

For the year ending 30 June 2018

	ACTUAL 2017/18 (\$ 000)	BUDGET 2017/18 (\$ 000)	LTP 2017/18 (\$ 000)	ACTUAL 2016/17 (\$ 000)	BUDGET 2016/17 (\$ 000)
Sources of Operating Funding					
General rates, uniform annual general charges, rates penalties	4,033	4,543	3,971	3,389	3,879
Targeted rates (other than a targeted rate for water supply)	8,130	8,004	8,803	8,269	7,812
Subsidies and grants for operating purposes	6,001	4,543	5,057	4,627	4,416
Fees charges and targeted rates for water supply	1,525	3,147	3,423	2,806	3,188
Interest and Dividends from Investments	1,210	856	1,037	823	946
Local authorities fuel tax, fines, infringement fees, and other receipts	90	68	68	84	67
Total Operating Funding	20,989	21,161	22,359	19,998	20,308
Applications of Operating Funding					
Payments to staff and suppliers	21,741	19,940	20,373	19,450	18,525
Finance costs	1,050	548	618	615	493
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	22,791	20,488	20,991	20,065	19,018
Surplus (Deficit) of operating funding	(1,802)	673	1,368	(67)	1,290
Sources of capital funding					
Subsidies and grants for capital expenditure	2,323	4,637	5,330	3,070	5,240
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	-	4,137	891	-	3,222
Gross proceeds from sale of assets	-	-	90	2	20
Lump sum contributions	634	-	-	453	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	2,957	8,774	6,311	3,525	8,482
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	10	-	-	-
- to improve the level of service	1,560	4,977	1,366	1,460	3,690
- to replace existing assets	5,634	10,260	9,404	3,414	9,513
Increase (Decrease) in reserves	(6,039)	(5,800)	(3,091)	(1,416)	(3,431)
Increase (Decrease) of investments	-	-	-	-	-
Total application of capital funding	1,155	9,447	7,679	3,458	9,772
Surplus (Deficit) of capital funding	1,802	(673)	(1,368)	67	(1,290)
Funding Balance	-	-	-	-	-

Reconciliation to Total Comprehensive Income

	ACTUAL 2017/18 (\$ 000)	BUDGET 2017/18 (\$ 000)	LTP 2017/18 (\$ 000)	ACTUAL 2016/17 (\$ 000)
Surplus / (Deficit) of operating funding from funding impact statement	(1,802)	673	1,368	(68)
Add subsidies and grants for capital expenditure	2,323	4,637	5,330	3,070
Add development and financial contributions	-	-	-	-
Less depreciation and amortisation expense	(4,739)	(4,903)	(4,904)	(4,744)
Add capital funding through Income Statement	634	222	270	453
Net Surplus before taxation in Income Statement	(3,583)	629	2,064	(1,289)

28. Adoption of Annual Report

Council adopted the Annual Report on the 31st October 2018.

The statutory deadline to adopt the Annual Report for the year ended 30 June 2018 was 31st October 2018

Financial Prudence Benchmarks

Annual report disclosure statement for year ending 30 June 2018

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

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

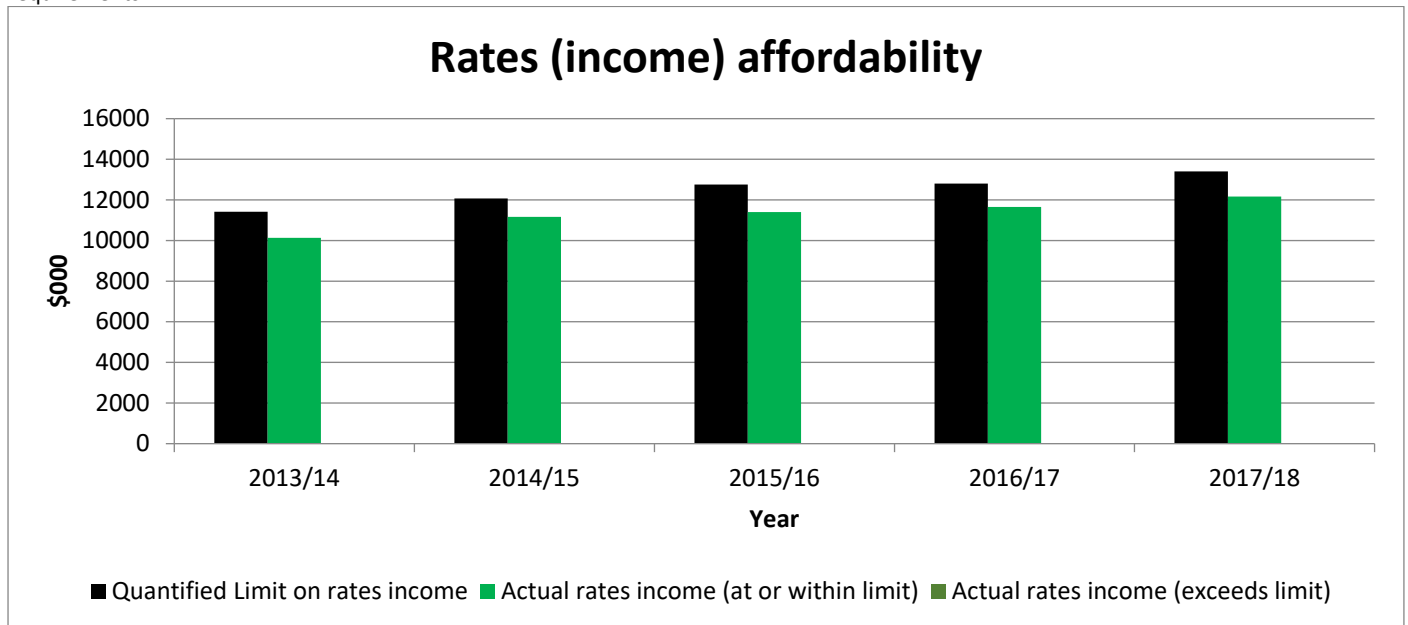
Rates affordability benchmark

The council meets the rates affordability benchmark if:

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

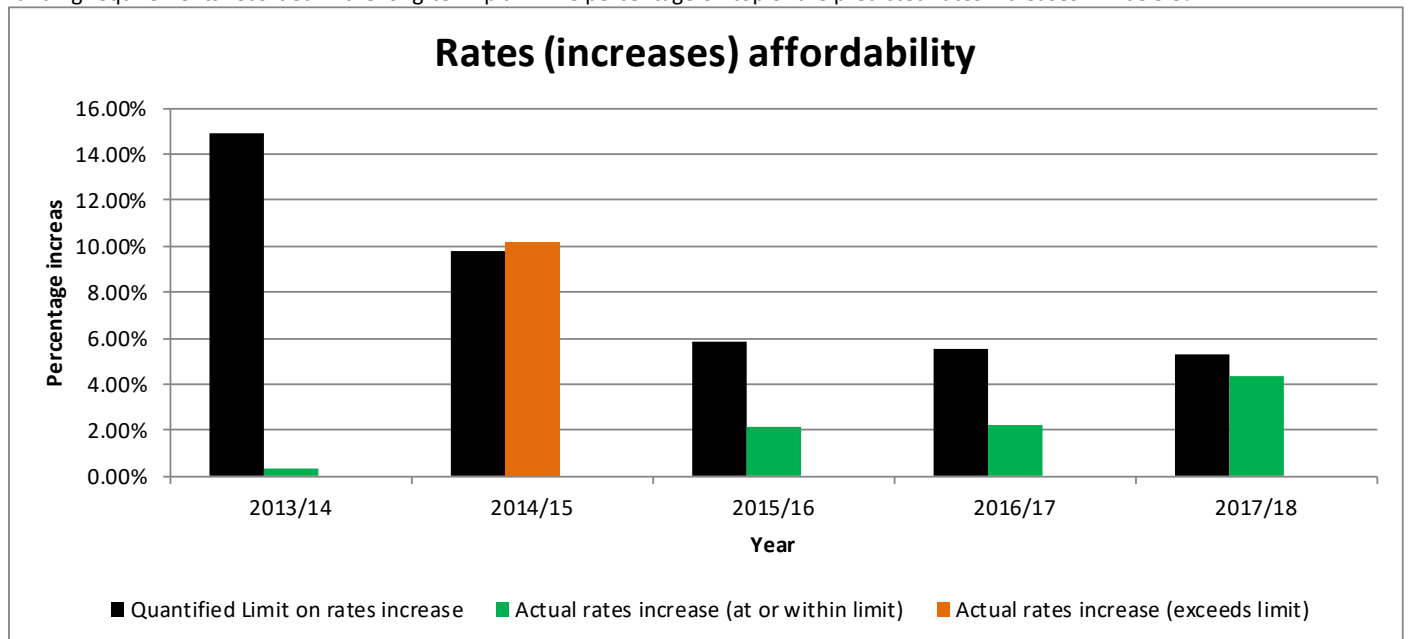
Rates (Income) affordability

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



Rates (Increases) affordability

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

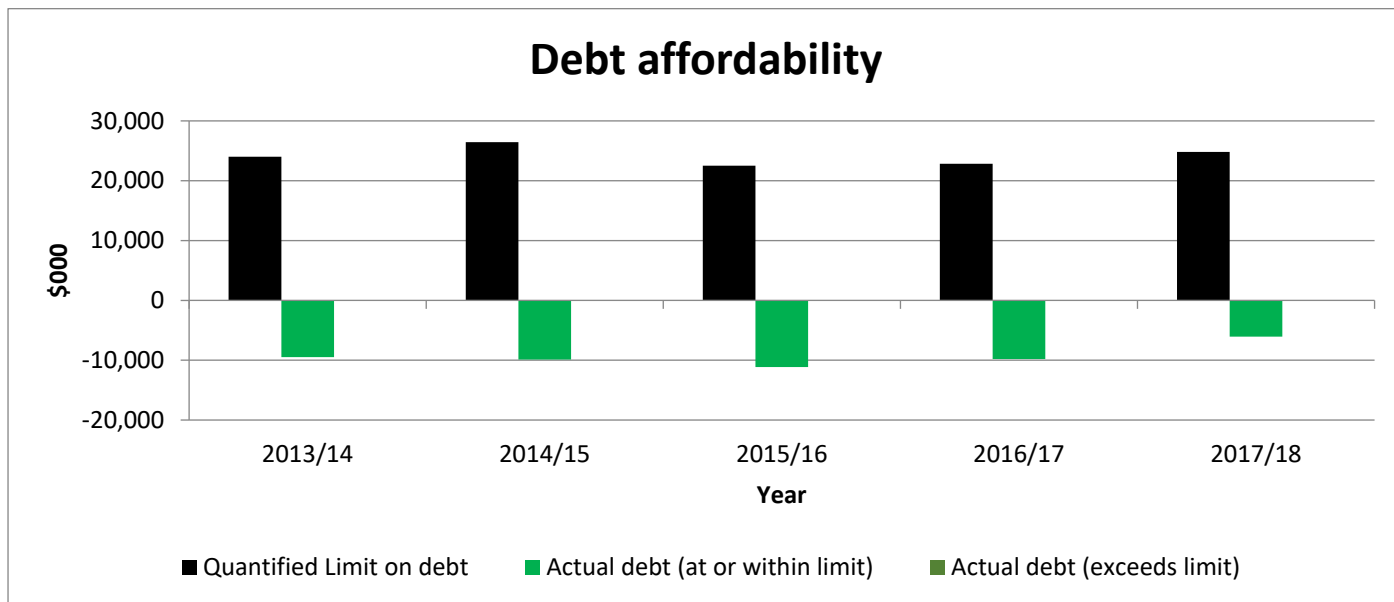


Debt affordability benchmark

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

Net debt less than 100% of total revenue.

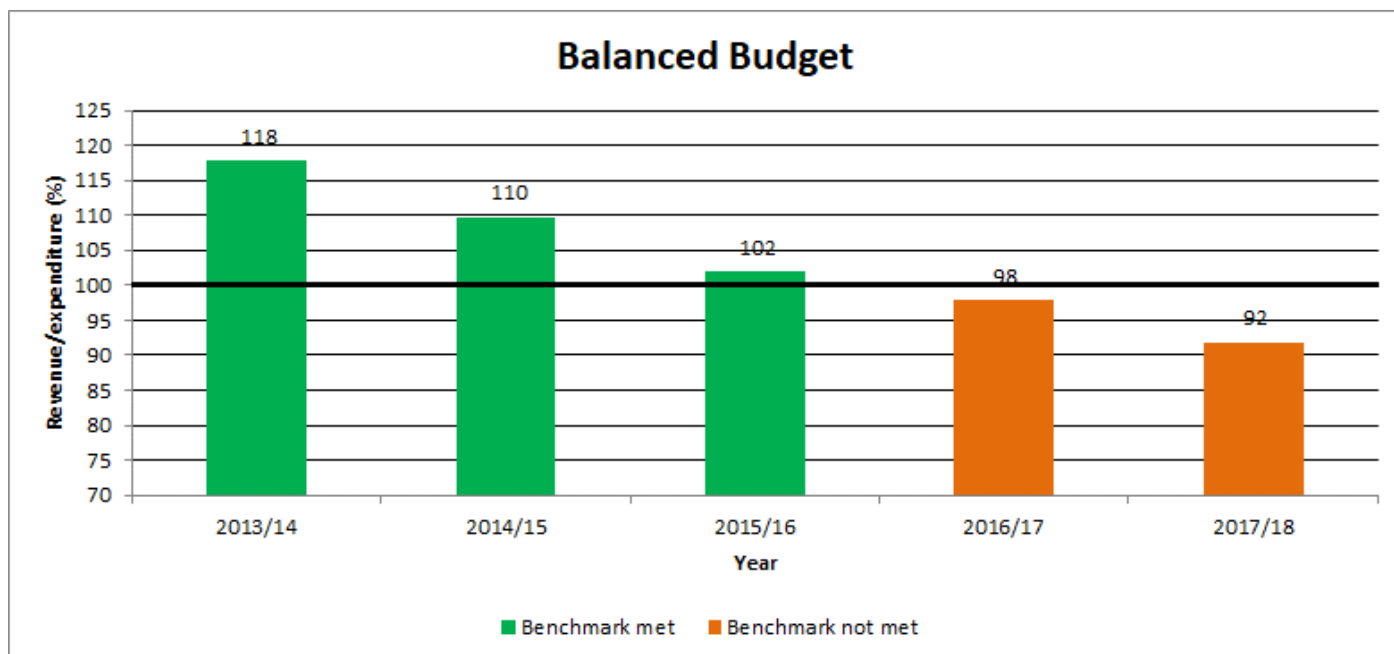
The following graph compares the council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council’s long-term plan. The quantified limit is net debt is less than 100% of total revenue.



Balanced budget benchmark

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

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

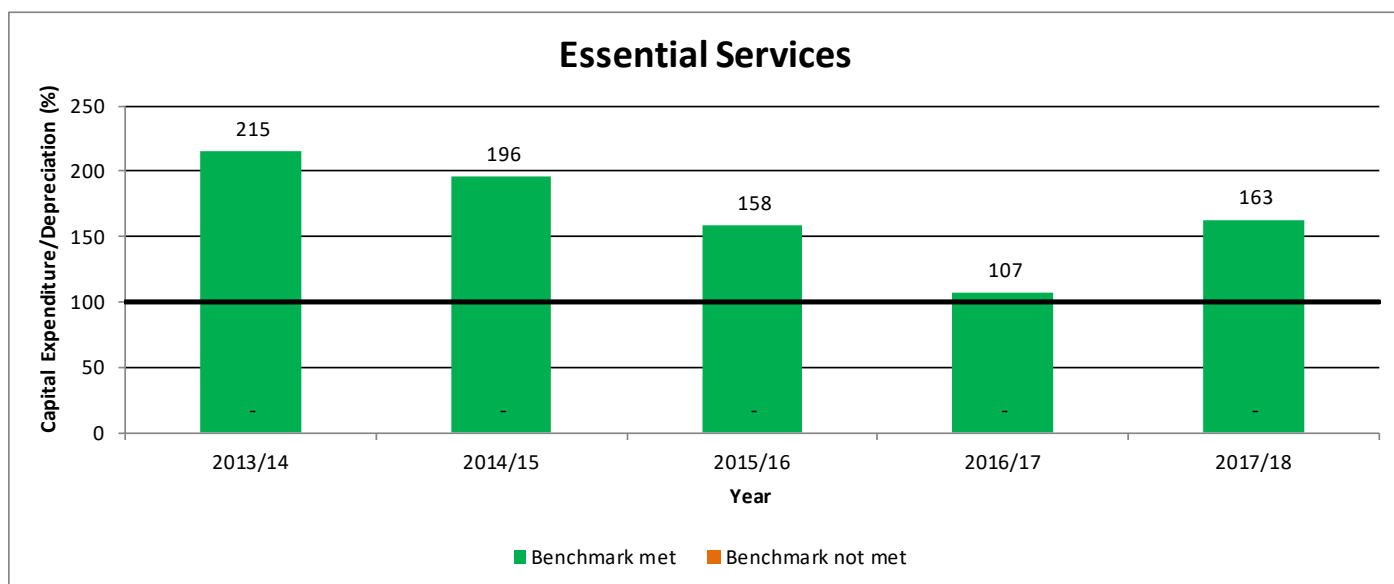


The above variance to benchmark is a result of Council’s policy of not rating for depreciation on certain assets, as described in Note 11 in the financial statements.

The prior year comparatives have been restated because Council has historically excluded subsidy revenue used for capital expenditure. Although Council believes that this is a more prudent representation, the regulations do not prescribe this. Council has therefore included this revenue for consistency.

Essential services benchmark

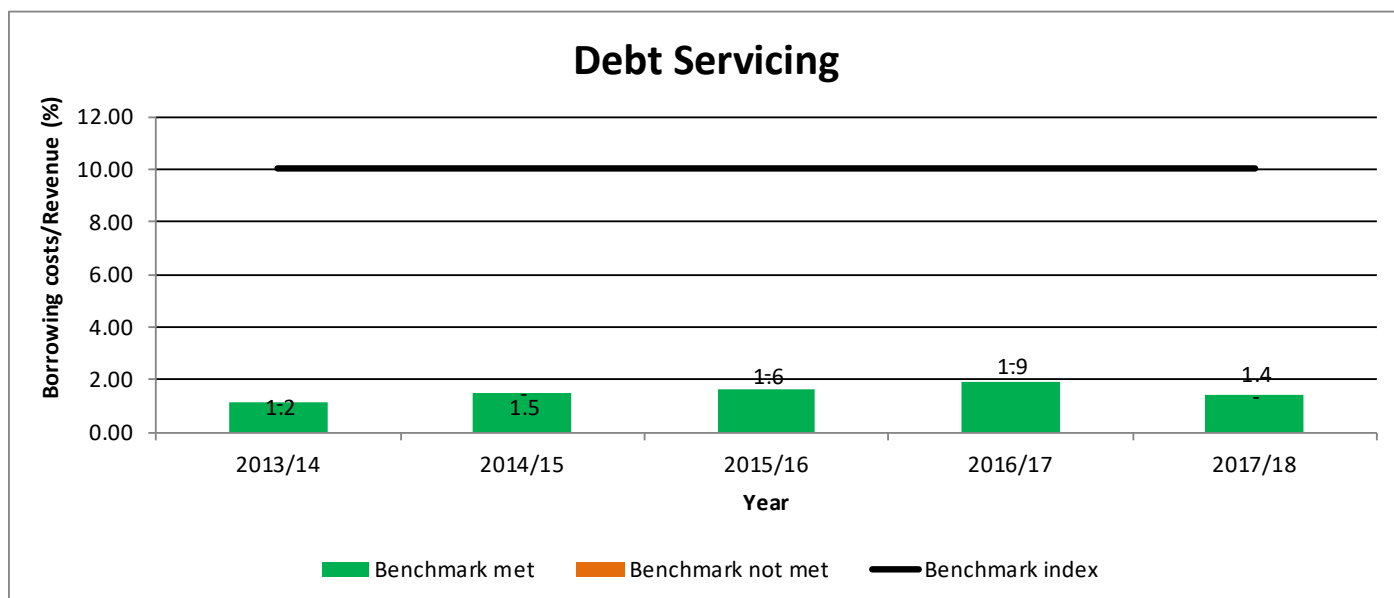
The following graph displays the council’s capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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

Debt servicing benchmark

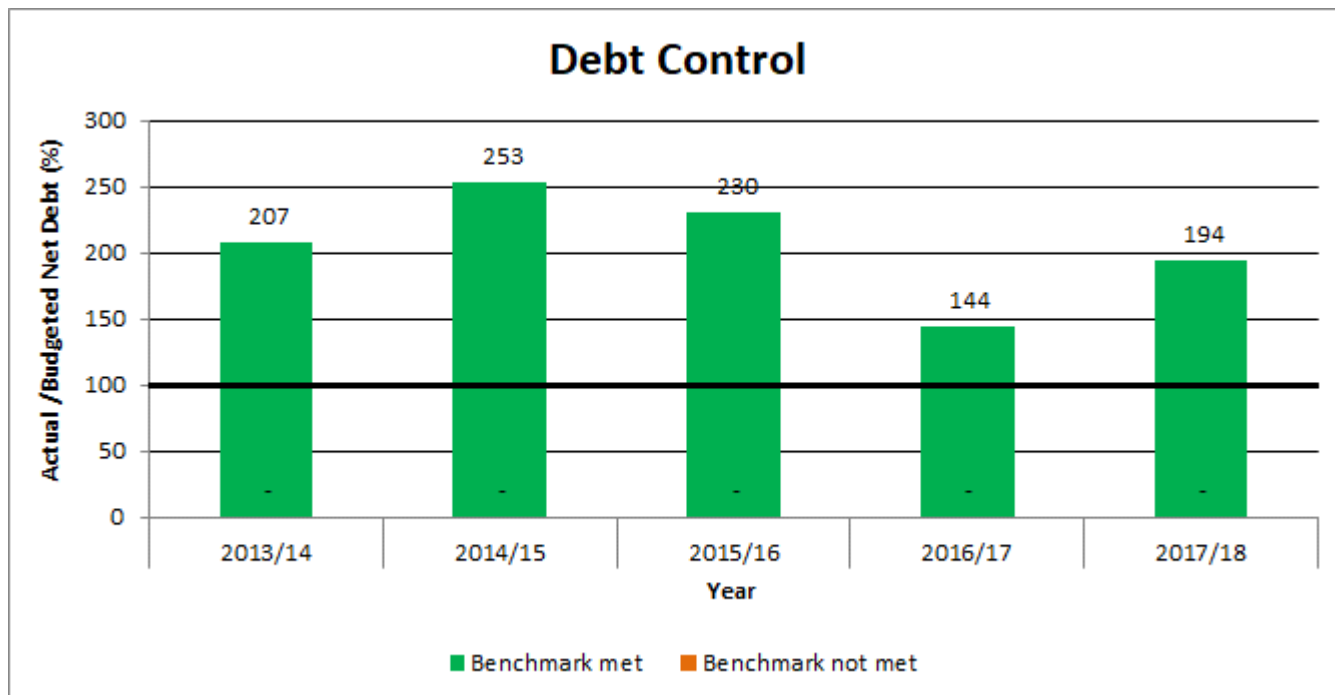
The following graph displays the council’s borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the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



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.

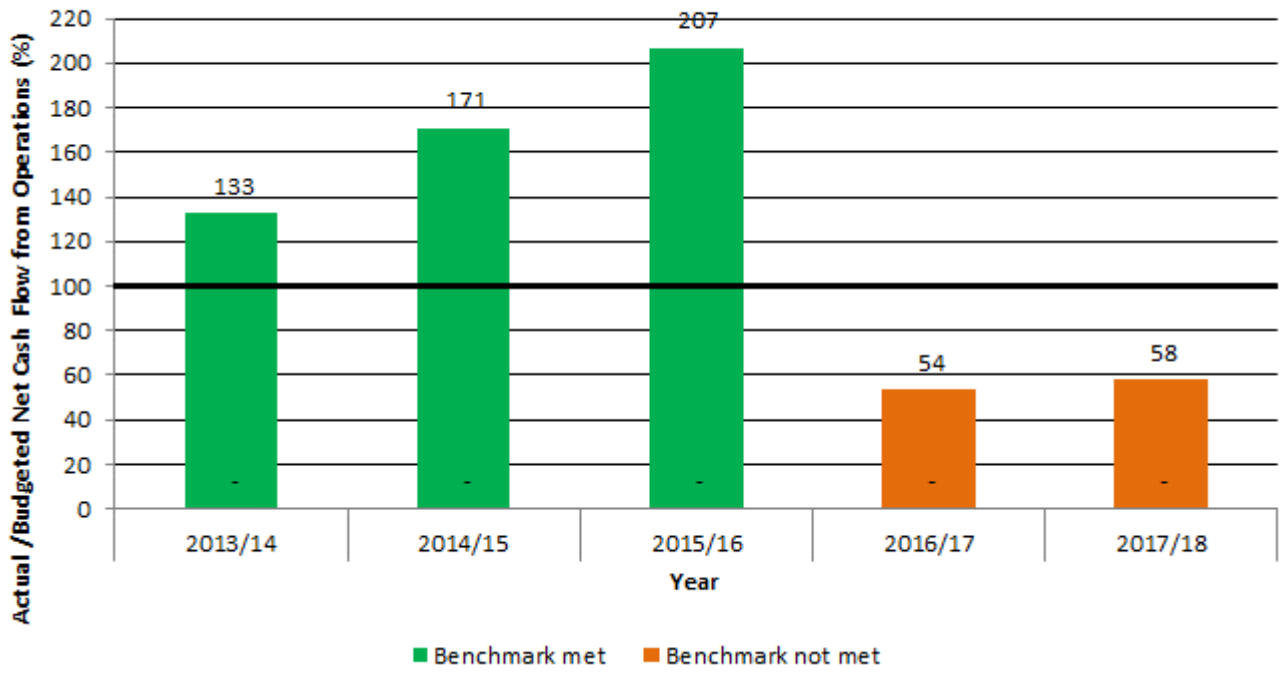


Note: In 2017/18 the council expected to have net debt – that is, its financial liabilities were planned to exceed its financial assets. As at 30 June 2018 Council's financial assets exceeded its financial liabilities. Due to this juxtaposition the pure calculation would show that Council was adverse to plan, which is not the case. Therefore the measure for 2017/18 expresses the calculation without +/- signs and the results shown in the graph above are a fair representation of Council's position. 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.

Operations Control



OFFICIAL INFORMATION

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

DOCUMENTS HELD BY COUNCIL

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

LGOIMA Requests
Wairoa District Council
PO Box 54
Wairoa 4160

POLICY MANUALS/DOCUMENTS

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

District Plan
Wairoa District Operative District Plan.

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

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

Long-term Plan 2015-2025

Infrastructure Strategy 2015-2045

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

Wairoa District Policies

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

Wairoa District Council Consolidated Bylaw

COUNCIL DIRECTORY AS AT 30 JUNE 2018

EXECUTIVE STAFF

Chief Executive Officer	S. May
Acting Corporate Services Manager	D. Moorcock
Engineering Manager	J. Cox
Chief Operating Officer	H. Montgomery
Chief Financial Officer	G. Borg
Economic Development and Engagement Manager	K. Tipuna

POSTAL ADDRESS

PO Box 54
Wairoa 4160

LOCATION

Coronation Square
97-103 Queen Street
Wairoa 4108

TELEPHONE

(06) 838 7309

FACSIMILE

(06) 838 8874

EMAIL

info@wairoadc.govt.nz

WEBSITE

www.wairoadc.govt.nz

AUDITORS

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

BANKERS

Westpac Banking Corporation
Marine Parade, Wairoa 4108

SOLICITORS

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

INSURANCE BROKERS

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

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF WAIROA DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED
30 JUNE 2018

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

We are also required to report on:

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

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

We completed our work on 31 October 2018. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 95 to 137:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2018;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- the funding impact statement on pages 136 to 137, 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's annual plan;
- the statement of service provision made up of Activity Group one through to Activity Group Seven on pages 17 to 93:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2018, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 17 to 93, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and
- the funding impact statement for each group of activities on pages 17 to 93, 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.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 138 to 143, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision of the District Council made up of Activity Group one through to Activity Group Seven, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

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

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 3 to 16, 94 and 144 to 145, but does not include the audited information and the disclosure requirements.

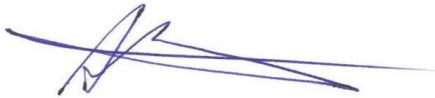
Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

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

Independence

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

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of debenture trust reporting and the Long Term Plan audit, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



Stuart Mutch
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Wellington, New Zealand
31 October 2018